

Sent by email to: localplan@tandridge.gov.uk

10/09/2018

Dear Sir/ Madam

Response by the House Builders Federation to the Tandridge Local Plan

Thank you for consulting the Home Builders Federation (HBF) on the Tandridge Local Plan. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

Duty to Co-operate

The Council's evidence indicates that Tandridge is in a Housing Market Area (HMA) that includes Reigate and Banstead, Croydon and Mid Sussex. Given the migration and commuting patterns between these authorities we would not disagree with this assessment. However, the degree to which these Councils have actively co-operated to address key cross boundary issues, such as meeting housing needs, would appear to be minimal. The National Planning Policy Framework is clear in paragraph 179 that where housing needs cannot be met due to physical capacity or the significant harm this would cause that joint working should enable LPAs to work together in order to meet these needs.

We can find no evidence of such joint working and no positive outcomes or statements in the plan as to how unmet needs will be addressed. No joint housing needs assessment have been undertaken and there are no formal agreements with regard to how housing needs will be met across this area. Given that the Council have stated that they cannot meet the identified need for housing in Tandridge it is important that the authorities in the HMA work together to address these needs. Planning Practice Guidance (PPG) stresses the importance of achieving positive outcomes and the need for the Duty to Co-operate to be more than just a tick box exercise. For example, paragraph 9-010 states:

“Cooperation between local planning authorities, county councils and other public bodies should produce effective policies on strategic cross boundary matters. Inspectors testing compliance with the duty at examination will assess the outcomes of cooperation and not just whether local planning authorities have approached others.”

In addition paragraph 9-011 states:

“Local planning authorities should bear in mind that effective cooperation is likely to require sustained joint working with concrete actions and outcomes. It is unlikely to be met by an exchange of correspondence, conversations or consultations between authorities alone.”

From the evidence presented by the Council there appears to have been some consultation and meetings but there appears to be no concrete actions or outcomes from these activities – especially with regard to the unmet housing needs that would result if this local plan were to be implemented. There also seems to be little hope that this key strategic issue will be addressed before submission. In Table 1 of the Duty to Co-operate statement the Council outline what will happen next and this would appear to be further exchanges of information but we can see little evidence that any positive outcomes will arise from this activities.

Conclusions on the Duty to Co-operate

Given that the Council have stated that they cannot meet housing needs, cannot identify where else in the HMA these will be delivered and have seemingly made on cursory attempts to co-operate the only conclusion is that there has been a failure to co-operate effectively and that the plan is unsound. The outcomes of co-operation are insufficient to meet the requirements of the National Planning Policy Framework (NPPF) and PPG. Whilst the Council appears to have undertaken what is legally required with regard to informing the relevant bodies it has not achieved any outcomes of note from its activities.

TLP01: Spatial Strategy

This policy is unsound as the housing requirement is unjustified, inconsistent with national policy and will not be effective in meeting the housing needs of the Borough

This policy sets the Council's housing requirement for the plan period as 6,124 homes (306 dwellings per annum (dpa)) and outlines the expected sources of supply for these new homes. This requirement has been set on the basis that the constraints in the Borough prevent the Council from meeting its assessment of housing needs in full. As we have highlighted above the Council have not be able to secure through the duty to co-operate, as suggested by paragraph 179 of the NPPF, where these unmet needs will be delivered. As such the Local Plan cannot be considered sound as it has not, as required by paragraph 47 of the NPPF, ensured that the needs for market and affordable housing are met in full.

However, we consider this matter to stem beyond the duty to co-operate. The Council have prepared a plan that has never looked to meet housing needs and has fallen back on Green Belt as the key reason for not meeting those needs. We consider the Council could have made further amendments in order to meet needs and that the approach taken has limited the amount of land being released for development. In addition to the fundamental concern that the plan fails to meet housing needs we also consider the Council to have underestimated the level of housing needs it should be seeking to meet.

We will consider both these issues in this representation starting with our concerns regarding the Council's approach to assessing housing needs.

Assessment of housing need

The housing needs for the HMA are set out in the 2015 report entitled 'Objectively Assessed Housing Needs of Tandridge'. This report considered the objectively assessed housing need (OAN) for Tandridge to be 9,400 dwellings during the plan period at 470 dpa. The approach taken in arriving at this OAN was to base the demographic starting point on a ten year migratory trend using a combination of the 2012 Sub National Population Projections (SNPP) which have been adjusted to take account of the 2014 mid-year estimates (MYE). No adjustments were made to take account of market signals, suppressed households and increasing migration pressures arising from the under supply of housing in London. On the basis of the guidance published by Government on assessing housing needs and the evidence presented by the Council we do not consider the approach taken to be sound. These issues are considered in more detail below.

Demographic starting point

As outlined above the Council have established their OAN on an evidence base that uses the 2012 SNPP and the 2014 MYE as the basis for assessing the demographic starting point. These have then been adjusted to reflect a 10-year migratory trend as opposed to the 5-year trend preferred by the ONS. Whilst further studies have been undertaken with regard to issues such as market signals and a review of inspector's decision on OAN no further studies were commissioned with regard to the demographic starting point. Given the publication of the 2014 based household projections in 2017 and the Government's requirement for the most up to date data to be considered this is surprising. Some analysis of the 2014 based projections are provided in the Housing Topic Paper at paragraph 96 but this appears to be a statement of fact rather than an assessment of the implications. We can therefore only surmise that the reason for not adjusting the demographic starting point for its OAN is because the difference between the 2014 based SNPP and those in the 2015 report are broadly similar, with the Council's projection being just under 400 homes more than the official projections for the plan period.

Whilst in this case the use of the 10 year migration trend appears to have broadly aligned with the 2014 projections we are cautious with regard to the wide spread use of this approach. Our main concern is the potential for inconsistency between needs assessments across the Country. Those that favour the 10-year migration trend outline that it provides a smoother long-term trend that remove the peaks and troughs of migration when using shorter trends. However, it is important to remember that the Government prefers data based on a "nationally consistent" set of assumptions. By stating in paragraph 2a-017 of PPG they consider the official statistics to be robust the Government are clearly supporting the assumptions made within these datasets. One difficulty in developing projections using a different migratory period to those used in the SNPP is that it is possible for the base period to have a different profile of migration (i.e. a different age structure of in- and out-migration). It is difficult to fully reflect any differences in age structure given that to do this would require understanding a full matrix of where population moves to and from (by age and sex). Therefore, the analysis for

different base periods assumes a migration profile that is the same as assumed in the SNPP, with adjustments made equally to all age and sex groups depending on the scale of moves shown in the SNPP.

The Council note in the Housing Topic Paper that the most up to date population projections are the 2016 based SNPP that were published in May of this year. Following this publication it is expected that the Household Projections based on these latest population estimates will be published in September. We would therefore agree with the Council that it would be appropriate to consider the implications of the latest SNPP once the household projections are published. However, it will also be important for the Council to consider the Government's position with regard to this latest estimates and their continued emphasis on meeting their housing target of 300,000 dpa by the mid-2020s. We will consider this issue in more detail with regard to market signals and the Council's decision not to consider these applicable to their assessment of housing needs.

Suppressed household formation

The PPG at paragraph 2a-015 requires LPAs to consider adjustments to the demographic starting point reflect household formation rates that are not captured by past trends. The evidence presented in the report shows that there has been a fall in household formation rates for couples in their 20s and 30s. Despite this the 2015 report on housing needs concludes in paragraph 70 that there is no case for adjusting household formation rates to take account of suppression. The reason given for dismissing this fall is that sufficient housing was being built but that this was being taken by other groups with greater purchasing power and that welfare reform, tighter mortgage regulation and an increase in student debt are also to blame.

However, the Council do not appear to have considered its own role in this situation and the fact that past delivery will have suppressed household formation for many years. The Council's Core Strategy, adopted in 2007, and was based on the target in the South East Plan (125 dwellings per annum). Whilst the Council has, unsurprisingly, managed to meet this figure it must be remembered that this was a constraints based target, not one that meets needs. Current needs show that in order to meet demographic change in future will need at least 470 homes to be built each year – significantly above what has been achieved by Tandridge for some time. On average the Council has delivered 252 homes per year since 2001/02. Such a low level of delivery will inevitably lead to suppression in household growth, this must be recognised by the Council. It must also be remembered that the Council's failure to deliver sufficient homes to meet needs will have impacted on its ability to support more vulnerable households. At present there are 870 households that are either homeless, in overcrowded accommodation or in unsuitable or insecure accommodation.

Rather than dismissing this suppression and placing the blame elsewhere the Council should be looking to address this matter, as required by PPG, and adjust the demographic starting point accordingly. However, it is only if these needs are met that any improvements in affordability will be achieved.

Conclusions on the demographic starting point

The basis for the assessment of the demographic starting point is relatively dated being based on 2012 based SNPP and 2014 MYE. The results of this assessment when considered against the latest 2014 based Household Projections was not significant and as such they can be considered a reasonable starting point from which to assess housing need. However, the Council's decision not to adjust the starting point to take account of past suppression is unjustified and inconsistent with national policy. There has clearly been a suppression in household formation part of which must be a result of the Council's previously suppressed housing target and an adjustment should be made.

With regard to the most recent SNPP the Council have concluded that they will assess the implications of the 2016 based Household Projections when they are published in September. Whilst we recognise these will be the most up to date assessments of the growth in households it will be essential for the Council to consider these in relation to the Government's national target for housing needs.

Market signals

Since the publication of the PPG, the approach taken to market signals and the degree to which Councils have responded to these signals has varied considerably. The PPG provides no detail as to the how much of an uplift is necessary in relation to the market signals in an area. The only statement made in PPG at paragraph 2a-020 is that any increase in planned supply should be:

“... by an amount that on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability.”

However, this lack of clarity on market signals will be addressed with the introduction of the standard methodology as set out in the draft NPPF and PPG published earlier this year. Whilst this consultation and the methodology cannot be given any weight there we it does signal that the Government do not consider the current approach being taken by many local authorities to have been sufficient. If it had then this change in approach would not have been necessary. Whilst the methodology will not be used to assess this plan it is helpful to understand the changes being made and why.

The standard methodology requires uplift to be applied where affordability ratios show house prices to be more than four times local salaries then an uplift should be applied. The Government clearly considers that where house prices are more than four times salary then this is when house prices start to become unaffordable. The standard methodology proposes a formula that requires an uplift of 2.5% above the demographic base for every 1 point above the baseline affordability ratio. The baseline ratio was set at 4 and would mean that, for example, an area where the median workplace to house prices affordability ratio was 8 would be required to provide an uplift of 25% on its base demographic projections. However, the formula has been capped so that those areas with the worst affordability would not be required to provide more than a 40% uplift over demographic projections of household growth.

However, as stated above, we cannot consider the standard methodology when examining plans submitted up to 6 months after the publication of the draft NPPF. But it is important to consider the expectations of Government in relation to the quantum of housing its wants to see delivered each year in future. In his 2017 Autumn Budget Statement the Chancellor announced the Government's target for house building across the country stating:

"I'm clear that we need to get to 300,000 units a year if we are going to start to tackle the affordability problem, with the additions coming in areas of high demand."

As we have outlined earlier in our representation the Government's commitment to this figure as being key to addressing affordability has also been reiterated in its response document to the revised NPPF¹. The Government have stated that where population projections should show a reduced rate of increase in the latest household projections they will revise the standard methodology accordingly in order to ensure the starting point in the plan making process is:

"... consistent with ensuring 300,000 homes are built by the mid-2020s"

It will therefore be important that any plan that seeks to use the latest projections, even when submitted prior to January 2019, will need to take account of the Government's stated national target for housing delivery. If the Government are to achieve its aims of delivering this level of housing by the mid 20's, which it considers will improve affordability, it is clear that market signals uplifts need to be much higher than have so far been applied across the Country. In particular those areas with the worst affordability will need to see much higher uplifts if increased delivery is to be expected to improve affordability.

In establishing what level of uplift is required to improve affordability the PPG has set out a range of indicators to be examined and states in paragraph 2a-020 that:

"A worsening trend in any of these indicators will require upward adjustment to planned housing numbers..."

The market signals for Tandridge shows that there is a worsening trend in a number of indicators. For example the Lower Quartile house price to lower quartile income ratio (LQ ratio) has increased from 8.64 in 2001 to 14.07 in 2017. House prices have also seen significant increases. Lower quartile house prices have increased from £120,000 to £325,000 since 2001 with nearly half of this 170% increase taking place between 2012 and 2017. This is a significant worsening in affordability and reflects the situation in those areas that adjoin Tandridge. Of the Boroughs that adjoin Tandridge Crawley is the most affordable with an LQ ratio of 10.85 and the least affordable is Bromley at 16.76. However, the Council in its evidence dismisses this wide spread concern on the basis that Tandridge is a small part of a much wider housing market and prices will be determined elsewhere. To take such an approach is a fundamental failure to understand

¹ <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

the need for a collective improvement in housing delivery. If every authority were to take such a position then it is inevitable that affordability will worsen. The Government is clear that an uplift is required where affordability is worst and given the evidence Tandridge would sit within this category. To place these ratios in context it would require someone in the lower quartile income bracket 14 times their salary to afford a house in the area they work. In addition to this the cheapest adjacent area, Crawley, would require 10 times their salary to buy a house. Only through collective responsibility to increase the land available for housing delivery will there be any reasonable prospect of stabilising house prices and reduce the gap between incomes and the cost of property.

This situation was recognised by the Inspector at the examination of the Mid Sussex Local Plan who stated in his interim letter to the Council:

“The Council places much reliance on the relative position of Mid Sussex vis-à-vis other districts in the HMA and in Sussex. It believes that if house price trends and related signals in Mid Sussex are broadly aligned with those in nearby authorities, which by and large they are, it should not be necessary to make a significant uplift to its OAN to reflect market signals. The flaw with this is that if each authority simply had regard to similar trends in neighbouring authorities, and each plan were to replicate the OAN approach of its neighbours, the cycle would be perpetuated and there would be no adequate response to continually worsening affordability.”

The result of this consideration was that the Inspector decided an uplift for market signals of 20% was required. In other areas with similar affordability concerns the uplift for market signals being proposed have been similar. Chelmsford, for example, which has an LQ affordability ratio of 12.44 are proposing a 20% uplift. Other examples include Guildford and Waverley, with respective ratios of 12.66 and 14.71. Both these LPAs have been required, following the examination of their evidence, to include uplifts of 20% and 25%.

Given, the similarity of the evidence between these authorities and Tandridge we would have expected to see an uplift applied to take account of market signals. The poor affordability in Tandridge coupled with the long term suppression of housing growth would suggest the need for a substantial market signals adjustment of at least 25%.

Unmet needs and London

We are increasingly concerned regarding the level of co-operation between London Boroughs, the Mayor of London and those authorities bordering London. There appears to be very little consideration with regard to the fact that London has not been meeting its housing target and the where these homes will be delivered. Whilst the Mayor has published a new Local Plan there are very real concerns not only within the house building industry but local authorities across London that this new plan will not deliver the homes London needs.

The latest monitoring report published by the GLA indicates delivery of conventional housing (self-contained flats and houses) for the 2015/16 period as being 32,919². This is against a target of 42,000 dwellings per annum (which is significantly lower than their housing needs assessment of 49,000 dpa). This level of delivery is substantially less than the 64,935 homes the Mayor states is the proposed annual housing requirement for the Capital in order to meet its needs. Delivery will have to be boosted significantly to achieve this level of development and whether this is achievable is still open to debate.

For example, Croydon and Sutton, the largest net contributors to the population in Tandridge³ will need to more than double delivery rates to achieve their new targets. Croydon will need to increase its target from 1,435 dpa to 2,949 dpa and Sutton from 257 dpa to 939 dpa. This scale of delivery is an indicator of the significant backlog in delivery in the Capital that will continue to drive migration, an issue that has not been recognised within the Council's OAN. The concerns regarding the deliverability of these new targets are shared by London Boroughs⁴. For example the London Borough of Sutton state in their response to the London Plan:

“... we have significant reservations about the way that housing is proposed to be delivered, specifically in relation to small sites, believing the underlying methodology and assumptions to be flawed, and the policy ultimately undeliverable, thereby rendering the Plan unsound.”

Even Croydon which comments in its response to the London Plan that it is probably the Council most in tune with the London Plan has concerns and states:

“... it is questionable whether they [small and medium sized housebuilders] have the capacity to deliver the Mayor's ambitious targets for Croydon straight away from the outset of the new London Plan.”

It would seem that the backlog in delivery is unlikely to be addressed by the new London Plan. This backlog means greater pressure on areas such as Tandridge and in particular impacted on the affordability of homes in the area. Such external factors, which will drive up house prices in the wider South East, must be considered another key driver for including a substantial market signals uplift as part of the OAN.

The housing requirement

If the Council are to have any impact on affordability and deliver more affordable housing, two key aims of Government, they will need to meet their housing needs –something this plan does not achieve. It is the Council's expectation that the Local Plan will deliver 6,124 homes between 2013 and 2033. This is 3,276 homes short of the Council assessment of the housing that is required to meet needs.

² Para 2.21 London Plan Annual Monitoring Report 2015/16 (July 2017).

https://www.london.gov.uk/sites/default/files/amr_13.pdf

³ Data from the Census showed that between 2010 and 2011 combined migration from these two Borough's contributed 554 people.

⁴ <https://www.london.gov.uk/what-we-do/planning/london-plan/new-london-plan/consultation-responses-draft-new-london-plan/london-plan-consultation-responses-london-boroughs>

The Council contend that they have examined all potential sources of supply and concluded that there is no further land that can be developed within Tandridge due to the significant environmental and policy constraints within the Borough. It is undeniable that there are constraints within the Borough. Some of these such as functional flood plain, AONBs and SSSIs are constraints that are beyond the remit of the Council to affect. However, the key constraint that is preventing the Council from meeting its housing needs is the Green Belt. The Council have reviewed this designation and identified 14 small and medium sized sites which it is proposing to remove from the Green Belt to facilitate further development, as well as identifying an area of search for the development of a new Garden Community.

Whilst we welcome the proposed releases we consider there to be inconsistencies in the Council's approach. These inconsistencies may have limited the number of sites which the Council could have removed from the Green Belt within the local plan. Our concerns relate to:

- Its approach to assessing parcels and sites against the purposes of Green Belt as set out in paragraph 80 of the NPPF;
- the degree to which exceptional circumstances should influence the release of Green Belt; and
- The approach to the in-setting of villages.

Purposes of Green Belt

The Council set out in Green Belt Assessment methodology its approach to considering the degree which strategic areas, parcels and ultimately sites meet the purposes of Green Belt. Having reviewed the methodology and how it has been applied we are concerned that the role of the Green Belt in meeting certain purposes in certain areas has been overstated. Our main concerns relate to the consideration of:

- Purpose 1 – checking the unrestricted sprawl of large built up areas;
- Purpose 2 – Prevent neighbouring towns from merging into one another; and
- Purpose 4 – To preserve the special character of historic towns

Purpose 1 – checking the unrestricted sprawl of large built up areas

The Council set out in its Green Belt Assessment Methodology that they consider all settlements inset from the Green Belt to be defined as large built up areas. We would disagree. In relation to the metropolitan Green Belt this purpose is specifically required to stop the outward sprawl of London and not towns such as Oxted. The Council would seem to agree with this sentiment to some degree as they state in the 2015 Green Belt Assessment that with regard to the Strategic Area B only moderate weight can be given to this purpose as settlements are some distance from the substantial built up area of London. However, throughout the site assessments this is used as reason not amend Green Belt boundaries in this strategic area.

The Council have also gone beyond considering just these main settlements as part of their approach to considering purpose 1. The Council outline that in the methodology that there may be some "local" application of this purpose in relation to settlements such as

Godstone, Bletchingly, Nutfield and Dormansland. These settlements cannot be considered to be large built up areas and purpose 1 should be given no weight when assessing the effectiveness of Green Belt in relation these settlements.

Finally, in assessing the effectiveness of the Green Belt against purpose 1 the Council have stated that that the Green Belt makes a strong contribution in preventing the urban sprawl of Copthorne and East Grinstead as part of Strategic Area C. However, the purpose of the Green Belt is to prevent the urban sprawl of the large built up areas which they surround and not the expansion of those settlements that fall outside of the Green Belt. As stated above, the Green Belt covering Tandridge is the Metropolitan Green Belt and was put in place to prevent the continued outward sprawl of London, not East Grinstead or Copthorne. As such to consider the Green Belt as performing strongly on this purpose in relation to the parcels surrounding these settlements is not appropriate.

Purpose 2 – Prevent neighbouring towns from merging into one another

The Council in their methodology refer to the merger of either towns or settlements. This approach is evidently inconsistent with the paragraph 80 of the NPPF which specifically refers to towns. However, in undertaking both the strategic and parcel assessments the Council have considered the need to maintain the separation of small settlements (paragraph 5.12 of the 2015 Green Belt Assessment) and even small clusters of housing on the edge of settlements as meeting this purpose.

Purpose 4 – To preserve the special character of historic towns

Paragraph 3.32 outlines that purpose 4 is unlikely to apply to Tandridge. We would agree with this statement. However, we would not agree with the Council's decision to consider conservation areas and listed building as part of the assessment methodology. Whilst consideration can be given to such areas and buildings as part of a site selection process, to include it as part of the Green Belt assessment is not consistent with national policy and unsound. This purpose should not have formed part of the Green Belt Assessment.

Exceptional Circumstances

We would not disagree with the Council's position that there are exceptional circumstances present to support the amendment of Green Belt boundaries. The Council refer to the case of Calverton Parish Council vs Greater Nottingham Councils and we would agree that this case provides a helpful judgement when considering exceptional circumstances. What is clearly evident from the Council's consideration of exceptional circumstances is the acuteness and intensity of the housing needs in this area and the constraints on the supply of land faced by the Council. However, we do not consider the Council to have taken sufficient account of these circumstances. In particular we do not deem the Council to have properly considered the acuteness of needs, nature and extent of the harm to the Green Belt from allocating more land for development and the benefits to sustainable development from such an approach.

Acuteness of development needs

The Council outline that they have a need for 9,400 new homes over the plan period but as they have stated this does not include any uplift for affordability. As outlined above we consider this to be substantially below what is required to meet needs and improve. There is also an acuteness of need for affordable housing and more specialist accommodation. The most recent SHMA indicates a need for 391 units per annum in the first five years of the plan. This 139 dpa above the total housing expected to be delivered in this plan. Delivering more homes each year would enable the Council to address this concern and start to provide homes for the 800 plus households in acute housing need. The evidence shows that there is a pressing need for more development land in the Borough and given the limited capacity within its urban area these needs must be met through further amendment to the Green Belt boundary.

The nature and extent of the harm to the Green Belt

The Calverton case considered it important to look at the nature and extent of any harm to the Green Belt with regard to exceptional circumstances. When considering this issue in relation to Tandridge it is worth reflecting on how much land is covered by this designation. In the Local Plan the Council state that 94% of the Borough is covered by Green Belt. This amounts to 23,330 hectares, a little over five times the size of Crawley to the south. As such the impact of the openness from allocating land in Tandridge will be diminished by the sheer amount of land. There is relatively less harm than there would be for a much smaller Borough with a greater degree of urban area. Given the dispersed settlement pattern there is almost no risk across much of the Borough below the M25 that towns will merge if additional land were allocated to meet needs. Similarly with regard to purpose 3 and encroachment into the Countryside, the harm is relatively limited given the amount of countryside within the Borough.

The Council identify in the Housing Topic Paper that in delivering its proposed housing requirement will lead to the loss of just 2% of the Borough's Green Belt. Meeting the housing needs identified by the Council would not have a significantly greater impact. For example, if the Council were to meet its assessment of housing needs it would require an additional 3,275 homes. If these were delivered at 30 dwellings per hectare it would need, approximately, to find an additional 110 ha of development land. This would amount to a loss of 0.4% of the Borough's Green Belt for housing development. Even with additional land for the infrastructure required to support these homes the land required is unlikely to be greater than 1% of the Green Belt. As such the extent of the harm to the aim and purposes of the Green Belt from an increase in the housing requirement would be minimal. So whilst the Council considered the impact on the Green Belt at a site specific level and failed to consider the relative impact from the loss of Green Belt across the Borough in relation to meeting housing needs. It is also important to consider this relatively minimal harm compared to the consequential impact on sustainable development of not meeting needs.

Consequences on achieving sustainable development

By deciding not to meet housing needs in full the Council have accepted that the negative economic and social consequences are acceptable in order to minimise the loss of Green Belt. In the paragraphs above the impact on Green Belt of meeting housing needs is relatively minor. There will be a minimal loss of land and the fundamental aim of the Green Belt to prevent urban sprawl will not be affected if delivery of these homes is planned for effectively. However, the consequences of not meeting housing needs will be:

- increasing housing costs;
- an increasing waiting list for affordable housing;
- worsening health for those who remain in substandard accommodation;
- increasing in-commuting to jobs within Tandridge; and
- Recruitment and retention concerns for local employers

In considering the impact from restricting the release of Green Belt land and not meeting the Borough's development needs it is important to balance the social, economic and environmental impacts of this decision. As outlined above the social and economic consequences of not meeting housing needs are substantial and must be considered against the relatively minimal harm to the purposes of the Green Belt.

There must also be concern that the Sustainability Appraisal of the overall housing number (as summarised in on page 157 of the Sustainability Appraisal Volume 2) down plays the impacts of not providing sufficient housing within Tandridge. For example, the Council's evidence on the HMA shows that just 39.1% of people employed in Tandridge lived in the Borough. The impact of this situation is outlined on page 59 of the Sustainability Appraisal Volume 1 which states:

“The pattern of residents choosing to live further out from London than their place of work, resulting in an inward drift of traffic in the morning peak and outward drift in the afternoon/evening peak.”

This pattern of commuting will inevitably worsen if housing is not provided in areas such as Tandridge and its neighbours. The increasing cost of accommodation due to suppressed housing delivery will continue to force those working in Tandridge to live elsewhere. Any employment growth is likely to see a worsening of this situation unless more housing is provided to meet needs and improve affordability. This is a significant negative impact from suppressing new residential development and one that is not seemingly recognised within the SA.

The Council also highlight on page 157 of the SA Volume 2 their concern that:

“Higher housing numbers would lead to increased pressure on employment premises to change use to residential – incentivised by greater land values and a more relaxed permitted development order at national level.”

This pressure will actually be intensified by restricting land for housing. Limiting the amount of land for housing development will mean that land for residential development will be scarce and increase in value. This will make it far more attractive for those who own offices and other employment uses to redevelop these for housing. By planning

effectively to meet the needs of both the housing and employment markets the Council can better manage development in the Borough as a whole. Not meeting needs in either of these sectors will have negative consequences that should be recognised in the Sustainability Appraisal.

In conclusion we consider that some of the benefits from delivering more homes have not been properly considered within the SA. These have had an impact on the consideration of sites and whether Green Belt boundaries should be amended to allow the development of these sites. We would suggest the potential benefits outlined above of meeting housing needs add weight to justification for further amendments to the Green Belt boundary on the basis of exceptional circumstances.

In-setting of villages

When considering whether or not a village should be inset from the Green Belt the key reference is paragraph 86 of the NPPF which states:

“If it is necessary to prevent development in a village primarily because of the important contribution which the open character of the village makes to the openness of the Green Belt, the village should be included in the Green Belt. If, however, the character of the village needs to be protected for other reasons, other means should be used, such as conservation area or normal development management policies, and the village should be excluded from the Green Belt.”

This provides clear guidance that the only reason for a village to remain washed over is due the open character of the village and the contribution this makes to the Green belt. If the character of the village does not contribute to openness but there are other characteristics that need protecting then other approaches should be used. However, it would appear that the Council have taken their considerations with regard to in-setting further. Table 1 on page 16 and 17 of the 2017 Part 3 Green Belt Assessment sets out those settlements which the Council do not consider to contribute to the openness of the Green Belt. If paragraph 86 were to be applied then they should be inset from the Green Belt. However, the Council have considered the sustainability of each of these settlements when making the finals decision on in-setting. The result of this secondary assessment is that 9 of the 12 settlements not considered to have any contribution towards the openness of the Green Belt will remain washed over.

Conclusions and recommendation on the spatial strategy

The approach taken by the Council in its spatial strategy has been to restrict the amount of development that will be delivered in Tandridge. Firstly the Council have underestimated the level of housing need for Tandridge. Their assessment of need has not amended the demographic starting point to take account of suppressed household formation and has not applied an uplift in response to market signals. As in other areas across the south east the evidence supports such adjustments. However, rather than make these adjustments the Council has considered these not to be applicable to Tandridge. As such the assessment of housing needs cannot be considered sound.

Secondly the Council's spatial strategy will not meet housing needs. Whilst we recognise the Borough has limited capacity in its urban areas and is constrained by other designations we do not consider the Council to have undertaken a sound assessment of its Green Belt. The acuteness and intensity of the housing needs and affordability problems in the Borough coupled with the relatively minimal harm to the Green Belt from meeting these needs supports further amendments to the Green Belt boundary in Tandridge. We would suggest that the Council reconsiders all sites in the Green Belt that have been submitted and consider a finer grained assessment of this designation in relation to these sites. This was the approach recommended by the inspector at Welwyn Hatfield who took a similar approach to Tandridge in relation to development in the Green Belt, an approach that inspector did not consider to be sound.

In order to make the plan sound the Council must:

- reconsider its assessment of housing needs and make adjustments to take account of suppressed household formation and market signals; and
- allocate sufficient land in the plan to meet housing needs or identify where else in the HMA the homes to meet these needs will be delivered.

Five-year housing land supply

The plan is unsound as it cannot show a five-year housing land supply on adoption.

The Council state in the Housing Topic Paper that they will be able to show a five year housing land supply based using the Sedgefield approach and with a 5% buffer. We welcome the Council's use of the Sedgefield approach which is consistent with the Government's requirement in PPG to address any backlog within five years. However, on the basis of the Council's past delivery between 2013/14 and 2018/19 and its expected delivery between 2019/20 and 2023/24 would suggest that the Council does not have a five-year housing land supply. The evidence indicates that the Council would need to have a supply of land to deliver 1,740 homes between 2019/20 and 2023/24, but the supply of land for this period is 1,643 homes. This results in a housing land supply of 4.72 years.

Recommendation

In order to ensure it has a five-year land supply on adoption it must allocate additional sites that can be delivered.

TLP10: Responsive Housing Strategy

The policy is unsound as it not consistent with national policy

We are concerned regarding the weight that will be attached to the Housing Strategy and its scope for setting the type and mix of housing that will be required from developers. At present the policy seeks to set targets and standards outside of the Local Plan. The approach taken by the Council is therefore unsound as it does not comply with legislation that prevents the Council from setting policy in supplementary planning documents. This

principal was most recently tackled in *William Davis Ltd & Ors v Charnwood Borough Council* [2017] EWHC 3006 (Admin) (23 November 2017) where supplementary planning document strayed into an area that should be considered by a development plan document. This decision quashed an SPD that contained policies that clearly encouraged and imposed development management policies against which a development could be refused. Policy can only be established through the Local Plan to ensure these cannot be amended without the required consultation and examination in public. The policy must be amended to be clear that the strategy is, and can only ever be, a guide as to the type and mix of housing needed in the Borough. It cannot set standards for need or the mix for development in the Borough.

Recommendation

The policy is deleted.

TLP12: Affordable Housing Requirement

This policy is unsound as it is inconsistent with national policy

LPP12 sets out the Council's intention to require a financial contribution for affordable housing on all sites of between 5 than 10 units. Whilst the Government have stated that a lower threshold of 5 units or fewer can be applied in designated rural areas the policy seeks to apply this to all such developments regardless of their location. This is inconsistent with paragraph 23b-031 of Planning Practice Guidance and the ministerial statement published on the 2 March 2015. It is also inconsistent with paragraph 63 of the revised NPPF.

The history behind the Government's small site exemption policy and the Ministerial Statement that brought it into national policy is long and tortured. However, what must be remembered is that following the various legal challenges the final decision was that the Government were able to introduce new policy in this manner and that it should be given the same weight as if it were in the National Planning Policy Framework. Therefore, in order to depart from such a key part of the Government's policy framework the bar must be set very high.

Before considering the Council's evidence base it is worth reiterating why the Government introduced this particular policy. The Ministerial Statement is clear that the reason for introducing this policy was to "ease the disproportionate burden of developer contributions on small scale developers". This is distinct from whether or not such development are viable in general but whether they are a disproportionate burden on a specific sector that faces differential costs that are not reflected in general viability assessments. These costs have led to a reduction in the number of small and medium (SME) sized house builders. Analysis by the HBF⁵ shows that over the last 30 years changes to the planning system and other regulatory requirements, coupled with the lack of attractive terms for project finance, have led to a long-term reduction of total SME

⁵http://www.hbf.co.uk/?eID=dam_frontend_push&docID=25453&filename=HBF_SME_Report_2_017_Web.pdf

house builder numbers by about 70% since 1988. The Government is very anxious to reverse this trend and increase the number of small businesses starting up and sustaining this activity. Improving business conditions for SME home builders is the key to long-term supply responsiveness.

It is also worth considering the Government's broader aims for the housing market. This is most clearly set out in the Housing White Paper (HWP). Their aims are not just to support existing SME house builders but to grow this sector again which was hit hard by the recession with the number of registered small builders falling from 44,000 in 2007 to 18,000 in 2015⁶. To grow the sector one key element has been to simplify the planning system in order to reduce the burden to new entrants into this market. Therefore, the focus of the Council should be on freeing up this sector of the house building industry rather than seeking to place financial burdens that the Government have said should not be implemented.

In terms of evidence we could find no evidence to indicate why the Council should seek to depart from Government policy. Whilst the Council have stated they cannot meet their assessed need for affordable housing we would suggest that the Council are unlikely to address these concerns through delivering affordable homes on sites of between 5 and 10 homes. The reason for the increasing house prices and poor affordability is the fact that housing needs is much higher than delivery, a fact that will continue on the basis of this local plan. This will inevitable put increasing pressure on house prices, worsening affordability and increasing the need for affordable housing. In order to improve delivery of affordable housing it would be far more appropriate to allocate more land for housing in order to meet needs.

In conclusion, the Council's focus on the general viability of affordable housing delivery on small sites and the impact of the previous policy is, in part, missing the broad scope of the Government's policy to support the growth of this particular sector and see it thrive once more. As such we do not consider the Council to have justified a departure from national policy with regard to the small site exemption. The policy will continue to be a burden to SME house builders and in particular to new entrants into the market. In addition the outcomes of the policy are likely to be ineffective in delivering the scale of affordable housing required to meet needs in Tandridge.

Recommendation

The requirement for affordable housing to be provided on sites of between 5 and 10 units should be deleted.

TLP17: Health and Wellbeing

This policy is unsound as it is ineffective

⁶ Fixing our Broken Housing Market, Department for Communities and Local Government, February 2017

We recognise the importance of ensuring new development supports the wider aims of local authorities and their partners to improve the health and well-being of their residents and workforce. However, the requirement for all residential developments over 50 units to undertake a Health Impact Assessment (HIA) to demonstrate how they have mitigated any potential negative effects on health is unnecessary and an additional burden on applicants. The PPG sets out that HIAs “*may be a useful tool to use where there is expected to be significant impacts*” but it also outlines the importance of the local plan in considering the wider health issues in an area and ensuring policies respond to these.

We consider that the Local Plan should already have considered the impact of development on the health and well-being of their communities and set out policies to address any concerns. Where a development is in line with policies in the local plan and an HIA should not be necessary. Only where there is a departure from the plan should the Council consider requiring an HIA.

Recommendation

Part II of the policy be deleted.

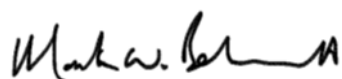
Conclusion

At present we do not consider the plan to be sound, as measured against the tests of soundness set out in paragraph 182 of the NPPF, in the following key areas:

- The plan does not meet housing needs in full as required by paragraph 47 of the NPPF and has failed to ensure through the duty to co-operate that these needs will be met elsewhere in the HMA;
- The council approach to the amendment of green belt boundaries is flawed;
- The plan cannot show that there is a five year housing land supply on adoption;
- Its use of a Housing Strategy to set policy is not consistent with legislation;
- The requirement to provide affordable housing on developments of between 5 and 10 units is not consistent with national policy; and
- The need for developments of more than 50 units to undertake an HIA is inconsistent with national policy and ineffective.

We hope these representations are of assistance in taking the plan forward to the next stage of plan preparation and examination. I would also like to express my interest in attending any relevant hearing sessions at the Examination in Public. Should you require any further clarification on the issues raised in this representation please contact me.

Yours faithfully



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