

Guildford Borough Local Plan

Hearing Statement in relation to Matter 2, 3, 4,
5, 6, 9 and A25

Submitted on behalf of Bloor Homes

May 2018

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Bloor Homes - Hearing Statement on Matters 2,3,4,5,6,9 and A25

1. Introduction

- 1.1 This hearing statement is submitted by Turley on behalf of Bloor Homes in respect of their comments to the Guildford Local Plan.
- 1.2 It addresses Matters 2 (Calculation of the Objectively Assessed Need for Housing (OAN), 3 (Unmet Need in the Housing Market Area) ,4 (Housing Trajectory), 5 (Five Year Supply), 6 (Homes for all) and Matter 9 (Spatial Strategy, Green Belt and Countryside Protection).
- 1.3 Further comments have been made in relation to our Client's land interests at Gosden Farm, Merrow Lane, Guildford - Site A25.
- 1.4 Both an electronic copy and hard copy of this statement have been provided.

2. Matter 2: Calculation of the Objectively Assessed Need for Housing (OAN)

Matter 2: Issue 2.6 - Are the calculations contained in the West Surrey SHMA Guildford Addendum Report an appropriate basis for establishing the OAN for Guildford? Any other relevant matters.

- 2.1 Our Client previously made representations to the Regulation 19 Local Plan in July 2017 which set out the position that the Strategic Housing Market Assessment (2015) was the most appropriate housing figure to be considered within the emerging Local Plan given it considered housing needs across the HMA and its findings were agreed with the relevant authorities. Guildford Borough Council (GBC) has proceeded with the SHMA Addendum (2017), an update of the OAN for the Borough in isolation rather than collectively for the entire HMA, and is the figure upon which the Submission Local Plan has been prepared. Our Client maintains their reservations over this approach on a number of points.
- 2.2 Firstly, this position was found unjustified by the Inspector into the West Oxfordshire District Council Local Plan (see Appendix 1) where a similar approach was taken of preparing an independent review of the Council's OAN in isolation. The Inspector suspended the Examination to allow the Council to identify opportunities to meet a higher OAN, resulting in lengthy delays for the new Local Plan to come forward.
- 2.3 Secondly, GBC need to be mindful of the implications of the draft Standardised OAN (September 2017) which identifies a need for 789 dwellings per annum. This is 149% higher than the current adopted GBC Local Plan target, 14% greater than the OAN identified in 2015 and 21% greater than the 2017 SHMA addendum. This should also be considered against the backdrop that the draft methodology gives no consideration to employment growth at the current time. This is particularly relevant given the standardised OAN methodology identifies a significant increase and there is no review mechanism within the emerging Local Plan to address any identified increase in OAN that may be required, especially given Guildford are a Green Belt authority where Green Belt boundaries '*should not need to be altered at the end of the plan period*'. (Paragraph 85 of the Framework).
- 2.4 Given the above, our Client considers that in line with paragraph 47 of the Framework which identifies the need to '*boost significantly the supply of housing*' and paragraph 14 which requires that '*Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change*', the requirements set out within the SHMA 2015 should be the starting point for the emerging Local Plan. To not do so would bring into question the soundness of the plan.

3. Matter 3: Unmet Need in the Housing Market Area (HMA)

Matter 3: Is the plan sound in not making any allowance for unmet need arising elsewhere in the HMA?

Issue 3.1 - The allowance of 83 dpa already contained within the Waverley Local Plan

- 3.1 The Waverley Local Plan was found sound on the basis of the housing need set out within the Strategic Housing Market Assessment 2015, and also on the premise that Waverley Borough Council were to accommodate 83 dpa of Woking's unmet need, which equates to half of the identified figure.
- 3.2 Whilst GBC are seeking to use the evidence of the SHMA Addendum 2017 as a basis for calculating their housing need and target, this is not reflective of the position being taken across the HMA. To support the Examination, GBC produced a 'Review of Housing Market Evidence across West Surrey HMA' which continues to identify the OAN for Woking as 517 dpa (paragraph 5.1) resulting in half of their unmet need remaining to be accommodated elsewhere across the HMA.
- 3.3 In this context, Paragraph 27 of the Waverley Inspector's Report (Appendix 2) states *that 'making no allowance in Waverley for Woking's unmet housing need is not a sound position. The under provision exists now and has been growing from the start of Woking's plan period; it needs to be addressed'*. It is considered that this simple position applies equally to Guildford and GBC should be contributing to meeting some of Woking's unmet need in order for the Plan to be sound.
- 3.4 To demonstrate that the plan is 'positively prepared' by assisting in meeting the unmet requirements of neighbouring authorities in line with paragraph 182 of the Framework, GBC should fully explore opportunities for additional growth within the Borough. Given GBC already consider 'exceptional circumstances' exist to warrant Green Belt release to meet its OAN, all opportunities for achieving sustainable development around existing settlements especially Guildford, should be explored.
- 3.5 Our response to Matter 9 demonstrates that further opportunities exist to meet WBC's unmet needs to ensure the Local Plan responds 'positively to wider opportunities for growth'¹.

Issue 3.2 - The constraints imposed by Green Belt and other designations, and the fact that it appears necessary for the plan to release substantial sites from the Green Belt in order to meet its own identified OAN

- 3.6 Our Client supports the Council's position that Green Belt release is required to assist GBC in meeting its full OAN where it is appropriate, and especially in locations which

¹ Paragraph 17 of the Framework

‘promote sustainable patterns of development’² such as Guilford itself, which is the most sustainable settlement³ and where substantial Green Belt release is most appropriate. To meet the SHMA 2015 and/or any unmet need of Woking that may be identified through the Examination process, additional growth should be explored around Guildford with consideration given to opportunities to extend existing proposed allocations where additional infrastructure could be delivered and landscaping reinforced to ensure a defensible boundary beyond the plan period. Such an approach would be consistent with paragraph 85 of the Framework, with market and affordable housing delivered in the most sustainable locations (further comments provided at response to A25).

² Paragraph 84 of the Framework

³ As supported by the Settlement Hierarchy Study (2014)

4. Matter 4 (Housing Trajectory)

Matter 4: Is the plan's trajectory, which starts at a low level and rises towards the later years of the Plan period, a sound basis for meeting housing need?

Issue 4.1 - The ability or otherwise of increasing the rate of delivery in the early years

- 4.1 GBC has identified within its Topic Paper on Green Belt and Countryside, the proposals for Green Belt releases around the authorities villages on the basis that they *'are able to deliver in the early years to ensure that whilst much of our supply is back loaded, we are nevertheless making a concerted effort to boost the sustainable supply of housing in the early years'* (paragraph 4.153).
- 4.2 Whilst this is appreciated, GBC need to ensure that the most appropriate and sustainable sites are proposed for allocation to ensure delivery, whilst also recognising that other opportunities for earlier delivery on strategic sites exist. These include through expansion of the larger strategic allocations providing greater opportunities for phasing with some housing deliverable without the implementation of the large scale infrastructure. In addition, commitment by GBC to process forthcoming applications may need to be considered given the significance of the shortfall in the early years.

Issue 4.2 - Whether the housing trajectory is realistic and deliverable and whether there are any identifiable threats to delivery?

- 4.3 Our Client does not have detailed comments on this issue, although wish to re-affirm their commitment to the delivery of their land interests at Gosden Hill Farm.

5. Matter 5 (Five Year Housing Land Supply)

Issue 5.2 - Is the plan resilient and flexible enough to maintain 5 or more years' supply of deliverable housing land going forward?

- 5.1 The Monitoring Report (2016/2017) identifies that GBC can only demonstrate a 2.36 years supply, which demonstrates a significant and severe deficit. This demonstrates an immediate need to ensure that there is an uplift in housing delivery to help meet the requirements of the Borough (including unmet needs arising within the wider Housing Market Area).
- 5.2 The Housing Topic Paper acknowledges that housing delivery is a major issue in the Borough and acknowledges the requirements set out within the Framework for Councils to *'deal with undersupply within the first five years of the plan period where possible'*. The SHMA Addendum (2017) identifies that there are significant affordable issues in the HMA⁴ and further indicates that the affordable housing need has risen from 517dpa to 552 dpa, with an upward adjustment of 9% to the 'starting point' household projection. In this regard, the Inspector to the Waverley Borough Local Plan identified that *'the affordability situation in Waverley is one of the most severe outside London and all the analysis suggests that the uplift should be towards the upper end of that range, in the order of a 25% uplift from the starting point of 396dpa'* (paragraph 22). Given the consistent under delivery in housing, which has worsened the affordability issue, GBC need to have a more robust housing delivery strategy to address current affordability issues earlier in the plan period. Not being able to demonstrate a five year supply in the early years is not robust not does it meet the tests of soundness of the Framework.
- 5.3 Given the constraints within the Borough, specifically Green Belt, where boundaries should only be amended in exceptional circumstances through a review or preparation of a new Local Plan (paragraph 83 of the Framework) there is little precedent of new development within the Green Belt in the absence of a proposal to release land from the Green Belt. This has meant that limited development has come forward outside the main built up areas within Borough. As such, this position has resulted in the inability of the Council to demonstrate a five year supply and any delays to the Local Plan (as identified in our response to Matter 2), will further exacerbate the housing shortfall within the Borough. As drafted at present, the Local Plan would be adopted in the absence of a 5 year supply being demonstrated, contrary to paragraph 47 of the Framework.
- 5.4 The above position re-affirms that the plan is not resilient or flexible and needs to consider wider opportunities than allocating smaller sites at villages to deal with the shortfall in housing delivery in the early years.

⁴ Paragraph 2.4 of the SHMA Addendum (2017)

6. Matter 6 (Homes for All)

Matter 6: Are the plan's policies sound and effective in delivering a wide variety of quality homes to provide for the needs of all the community?

Issue 6.3 - The provision of accessible homes, Issue 6.8 - Self build and custom homes

- 6.1 Our Client raised comments on the above Issues within the Regulation 19 Consultation Response and these have not been repeated within these Statements for brevity
- 6.2 In summary, whilst additional Viability evidence (Guildford Viability Update - November 2017) has now been published our Client would suggest further clarification is provided by the Council on these issues within the context of Planning Practice Guidance (ID refs 56-005-20150327, 56-006-20150327 & 56-007-20150327, 2a-020-20140306).

Issue 6.2 - The delivery of affordable homes

- 6.3 Our Client still maintains that flexibility should be incorporated into the policy to ensure that affordable housing provision is considered in the context of viability, especially given the heavy reliance GBC has on all the sites identified within the plan to come forward as early as possible to retain a five year supply.
- 6.4 The Framework confirms that the pursuit of "sustainable development requires careful attention to viability and costs in plan-making and decision-taking." Paragraph 173 of the Framework states that:

"Therefore, the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened. To ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable."
- 6.5 As is clear from paragraph 173 of the Framework, the issue of viability is particularly important as a failure to properly consider it could restrict, rather than enable, the delivery of development.
- 6.6 As drafted, the policy wording fails to reflect site specific circumstances that may deem schemes unviable and thus fails to accord with paragraph 173 of the Framework.

7. Matter 9 (Spatial Strategy, Green Belt and Countryside)

Issue 9.1 - Is the Spatial Strategy as set out in the preamble to Policy S2, sufficient to explain the plan's approach to the overall distribution of development and guide future development during the plan period?

Issue 9.2 - Having regard to the need for housing, does the plan direct it strategically to the right places?

Issue 9.4 - Having regard to the extent to which it is proposed to release Green Belt land and develop greenfield sites, do the plan policies strike the right balance (in terms of housing provision) between the use of urban and previously developed land and urban extensions? Has the potential for further residential development in the urban area been adequately explored?

- 7.1 It is clear that GBC has assessed opportunities for housing need to be met on previously developed sites within the settlement boundaries with paragraph 4.12 of the Topic Paper: Housing Delivery identifying the brownfield first approach that has been adopted. The Sustainability Appraisal (2017) considers that only 5,181 dwellings could be delivered within these locations, which is significantly below the OAN. Therefore, our Client supports the conclusion that there are 'exceptional circumstances' to justify Green Belt releases. Paragraph 4.1.8 of the Local Plan is clear that 'urban extensions to Guildford' is a preferred location for growth. This approach accords with paragraph 82 of the Framework which states 'that new green belts should only be established in exceptional circumstances, for example when planning for larger scale development such as new settlement or major urban extensions'.
- 7.2 The Council has considered as far as possible within the Sustainability Appraisal opportunities for residential development on available sites within existing urban areas, areas of countryside beyond the Green Belt and further identified sites through the Green Belt and Countryside Study (2013) where brownfield sites in the Green Belt can be released to accommodate additional development. As such, and noting that there is insufficient capacity within these locations to meet the OAN, our Client concurs that Green Belt release is required to deliver the OAN. In this regard urban extensions to Guildford are sequentially the next preferable area to consider larger scale development and where sustainable development can be delivered, in line with the Framework.
- 7.3 Our Client fully supports that the greatest growth should be through Green Belt release at the edge of Guildford given it is the most sustainable location within the Borough and this approach is entirely consistent with paragraph 84 of the Framework where there is a 'need to take account of promoting sustainable patterns of development' and is supported by the Council's supporting evidence base alongside the Sustainability Appraisal.

- 7.4 The allocation of Gosden Hill Farm is strongly supported by our Client which is assessed at Box 6.9 within the Sustainability Appraisal and considered appropriate for 1,700 dwellings within the plan period with the provision of new strategic infrastructure. However, given our response to Issue 3.2, further development could be accommodated at Gosden Hill Farm and the adjoining Nutbourne Farm, where there is additional suitable, available and deliverable land that could contribute to delivering flexibility within the plan to respond to any changes in such a way that will ensure the delivery of sustainable development.
- 7.5 The Topic Paper: Green Belt and Countryside sets out the reasoning for why GBC removed the inclusion of safeguarded sites from the Local Plan. The draft Local Plan 2014 identified 200ha of safeguarded land around the villages albeit these were removed as the Council considered that they did not meet the definition of safeguarded land within paragraph 85 (bullet 3) of the Framework.
- 7.6 In any event, given the questions raised over the soundness of GBC's approach to using the lower OAN figure set out within the SHMA Addendum (2017) with no consideration to assisting Woking Borough in meeting their unmet need and the lack of flexibility within the Local Plan to respond to rapid change, our Client considers that safeguarded sites should be re-considered where they would be 'between the urban area and the Green Belt' in line with the Framework.
- 7.7 In this regard our Client would note that in addition to the northern parcels of the proposed Gosden Hill Farm allocation, they hold additional land interests to the east of the Gosden Hill Farm which could deliver additional housing and infrastructure opportunities to meet an increase in housing needs or to meet the longer term development needs beyond the plan period. The site is already identified as land that would support the all movements junction and therefore should be safeguarded for housing and infrastructure provision for future Green Belt release either through a Local Plan review or to meet longer terms development needs (Plan enclosed at Appendix 3).
- 7.8 Our Client supports GBC's position that there are exceptional circumstances to warrant Green Belt release given the scale of historic under delivery within the Borough resulting in the 'step-change' in housing delivery required to meet the OAN through the new Local Plan.
- 7.9 Our Client agrees with paragraph 4.87 of the Topic Paper: Green Belt and Countryside which states that without a review of the Green Belt and subsequent Green Belt release, there would be 'a significant undersupply of homes compared to the identified need'. In light of GBC's historic and persistent under delivery, alongside the affordability issues within the Borough, Green Belt release is required to ensure the Local Plan 'boosts significantly the supply of housing' in line with the Framework.
- 7.10 It is clear in our client's view that the release of land from the Green Belt is essential to deliver the housing need requirements in GBC. As such the release of land as urban extensions to Guildford is the most sequentially preferable approach. This position is supported by the Council's evidence base, where the parcels proposed for release as

urban extensions have been assessed through both the Green Belt and Countryside Study (2013) alongside the Sustainability Appraisal and the Council consider this to be justified strategy based on all reasonable alternatives.

- 7.11 However, given the scale of need identified and the current shortfall against this need, coupled with the need to ensure that 'Green Belt boundaries will not need to be altered at the end of the plan period' (paragraph 85 of the Framework) , our Client considers that GBC should identify additional safeguarded land around Guildford to meet longer term development needs in line with paragraph 85 of the Framework. This is discussed further at Issue 9.8 below.

Issue 9.8 - If the Plan had to accommodate a greater housing requirement, for example through a higher OAN, what would be the implications in terms of spatial strategy?

- 7.12 At present, there is limited flexibility within the spatial strategy to accommodate further growth given that the Council considers it has exhausted all opportunities. However our Client does not consider that the Council has considered fully where additional housing capacity around the edge of Guildford could be accommodated especially where there are sites that would be logical extensions to the proposed allocations which would not undermine the purposes of the Green Belt (in line with paragraph 80 of the Framework). In the likely situation that a higher OAN is identified, GBC would seek to apply the existing sequential approach to identify additional growth options within Green Belt, given all brownfield options have been exhausted to meet the OAN currently proposed within the Local Plan. The existing sequential approach focusses firstly on the Green Belt around Guildford followed by existing villages.
- 7.13 As such, this leaves any additional growth to be catered for on greenfield sites around the main and other settlements most likely within the Green Belt.
- 7.14 As set out above, it is clear and logical that any additional growth should be apportioned mainly to the settlement of Guilford, given that the settlement has the propensity to support additional growth, in terms of services and highway capacity. This would also maintain the current impetus of the spatial strategy which seeks to focus development to the main settlement of the Borough. As part of this process the Council would need to re-visit the Green Belt and Countryside Study (2013) and re-consider the 'potential developable sites' identified and their suitability for allocation.
- 7.15 Our Client's additional land interests to the east of Gosden Hill Farm (Nutbourne Farm) is currently used as a car boot site as well as for agricultural purposes, thus not a pure greenfield site. Our Client considers that this site could come forward in accordance with the spatial strategy identified whilst increasing housing delivery in a logical and sustainable location.

8. A25, Gosden Hill Farm, Merrow Lane, Guildford

11.11 Is the plan justified in referring to an all movements junction, park and ride, and land being “potentially required”? 11.12 Is the delivery trajectory on this site affected by any of the A3 improvement proposals? 11.13 Are there local level exceptional circumstances that justify the release of this site from the Green Belt 11.14 In combination with the allocations near the A3 at Send (see 11.34 below), is there a risk of significant diminution of the Green Belt in this locality? Can the perception of the eastward sprawl of the wider Guildford urban area along the A3, and the encroachment into the undeveloped gaps, be avoided?

- 8.1 Our Client strongly supports the proposed allocation of land at Gosden Hill Farm, Merrow Lane for mixed use residential development and the Council’s evidence base supports this position. Our previous representations considered that our Client’s additional land should be safeguarded within the plan to accommodate the ‘all movements junction’ which is an infrastructure aspiration of the Council, which could equally deliver additional housing delivery opportunities at Nutbourne Farm. It is not considered that the delivery of the A3 improvement proposals would delay delivery of the Gosden Hill Farm allocation in any event.
- 8.2 The Council’s response to the Inspector’s questions clearly set out the local level circumstances that exist to warrant the release of the site for residential development, stating that there are significant benefits associated specifically with the site, including a range of supporting infrastructure. Our Client supports this position and is committed to bringing forward its land interests within the context of the allocation (in line with the proposed policy).
- 8.3 It is considered that the land to the east of Gosden Hill Farm represents a further opportunity to utilise the existing landscape buffer within the eastern parcel (not proposed for allocation) creating permanent and defensible landscape buffers to the settlement edge on a site that is detached from the wider landscape character. Our previous representations to the Submission Local Plan set out a review of the site from a Green Belt perspective alongside technical considerations setting out why further consideration should be given to the site as part of the urban extension at Gosden Hill Farm.
- 8.4 It is not considered that either the proposed allocation at Gosden Hill Farm, or additional land promoted to the east would result in a significant diminution of the Green Belt around Send. The settlement is physically constrained by the A3 which is a barrier to growth, with the opportunity for a detailed landscaping strategy to be secured through a future application on the proposed allocation site in any event.

Respondent Number: 16206593

Bloor Homes - Hearing Statement on Matters 2,3,4,5,6,9 and A25

Appendix 1: Waverley Local Plan Inspector's Report

WEST OXFORDSHIRE LOCAL PLAN EXAMINATION

INSPECTOR'S PRELIMINARY FINDINGS – PART 1

The Housing Requirement, the needs of Oxford City and the Duty to Co-operate

1. Introduction

1.1 As previously indicated, following the first week of hearings in November, I am publishing these Preliminary Findings to establish how the Examination should proceed. This note focuses on the crucial matters of the housing requirement, the needs of Oxford and the Duty to Co-operate. It focuses on those matters where I have identified shortcomings and on which I consider further work is required. It does not seek to address all points raised on these matters. Part 2 of my Preliminary Findings address, so far as is necessary at this stage, other matters covered in the first week of hearings.

1.2 I conclude in this Note that the housing requirement in the submitted local plan of 10,500 dwellings is not justified and has not been derived from a process which complies with the requirements of the NPPF. Accordingly, further work is required which, if the Council wishes to proceed, will mean a suspension of the Examination. I will confirm arrangements for any suspension once the Council has considered how it wishes to proceed and how long the further work will take.

1.3 The Secretary of State's letter to the then Chief Executive of the Planning Inspectorate of 21 July 2015 and the Minister of State's Written Statement on Local Plans both indicate that Inspectors should be highlighting significant issues at an early stage to give Councils a full opportunity to respond. This Note has been prepared in that context.

2. Background to the Council's justification of the housing requirement

2.1 The National Planning Policy Framework (NPPF) paragraph 159 requires Councils to prepare a Strategic Housing Market Assessment (SHMA), working with neighbouring authorities where housing market areas (HMA) cross administrative boundaries. The Oxfordshire SHMA (G L Hearn Limited, April 2014, HOU2) was produced on behalf of all the Oxfordshire authorities acting together through the Oxfordshire Spatial Planning and Infrastructure Partnership (SPIP), the predecessor to the Oxfordshire Growth Board (OGB). West Oxfordshire Council was the lead authority for this task. The SHMA identifies a HMA for the whole of Oxfordshire, including West Oxfordshire (West Oxon). There is no evidence of substance to come to a different view on the extent of the HMA.

2.2 The Council accepts (eg WOLP29, 4.3 and the Statements of Common Ground, SCG, with the other Councils) that the Oxfordshire SHMA provides the most up-to-date, comprehensive, objective assessment of housing need, including affordable housing needs available for the Oxfordshire HMA and that it is an appropriate basis on which to progress cross-boundary work to identify and accommodate Oxford City's unmet housing need.

2.3 The SHMA identified a range of housing needs for each of the Oxfordshire authorities derived from demographic evidence, economic projections and affordable housing need. Its recommendations are based on the midpoint of the identified range (eg HOU2, Table 90). For West Oxon, the SHMA's recommendation was 660 dwellings

per annum (dpa) which would total 13,200 dwellings over the whole plan period. The local plan's proposed 10,500 dwellings (525 dpa) thus falls significantly short of the SHMA's recommendation. All the other authorities in Oxfordshire have accepted the SHMA's mid-point recommendation as the basis for the progression of their local plans; Cherwell's local plan has already been adopted on this basis. Equally importantly, the SHMA is accepted by all the authorities as the basis for identifying the needs of Oxford City, a substantial portion of which cannot be met within the City's boundaries.

2.4 The starting point for the Council's decision not to follow the SHMA is in 9.17 of the SHMA: *West Oxfordshire stands out as having delivered significantly higher housing provision relative to its South East Plan targets over the 2006-11 period. It delivered almost 1,400 additional homes over and above its housing target. This level of growth was a result of several urban extensions coming forward at the same time, resulting in high levels of in-migration which have influenced household projections moving forward. As such, the District Council may wish to further consider this in light of the Planning Practice Guidance which highlights the need to consider previous over-supply as well as under-supply. No adjustment to figures has been made at the SHMA, but there is potentially a good basis for doing so with reference to previous household projections and needs' assessments alongside the South East Plan targets.*

2.5 It is unfortunate that this issue was not dealt with expeditiously at the time, either as an integral part of the final production of the SHMA, or as an immediately following Supplement, which could have made any necessary technical adjustments to the demographic starting point whilst remaining consistent with all the other assumptions in the SHMA. Any such Supplement could then have been put to the other Oxfordshire Authorities for agreement.

2.6 The Council's approach was to commission further work from other consultants. In particular *An Analysis of West Oxfordshire's future housing requirement (2011-2029)* by Dr K Woodhead, June 2014 (HOU3). This is a wide-ranging piece of work. Amongst other matters, it explores the extent to which the higher rates of house building in the mid-2000s influenced migration rates and thus population projections; it makes various methodological criticisms of the SHMA generally; and seeks to develop household projections based on the then recently published ONS 2012 Sub National Population Projections (SNPP) in advance of the household projections from DCLG. The Council also commissioned a *Validation of Objectively Assessed Housing Need* (Cambridge Centre for Housing and Planning Research, CCHPR, January 2015, HOU4).

2.7 The Council's criticisms of the SHMA and the basis for selecting a different figure is summarised in its *Housing Position Statement* July 2015 (HOU1) with a summary at 2.9. This paper included new demographic modelling from a third consultant (Demographer John Hollis) which compared the most recent DCLG Household Projections with projections based on alternative migration rates. In response to my Preliminary Questions and Comments (July 2015, IN 001) the Council published WOLP1, August 2015.

2.8 The 3 consultants' reports produce a variety of projections and/or recommended figures/ranges for a housing requirement. None specifically explain why the plan's figure of 525 dpa is justified. The Council draws selectively on this evidence. WOLP1, paragraph 2.23 highlights the main elements of HOU3 (Woodhead) and HOU4 (CCHPR) on which it still relies. However, the diversity and complexity of the evidence and the lack of a coherent, single evidential narrative (such as found in the SHMA) has made it difficult to weigh all aspects of the Council's evidence in testing the soundness of the

plan's housing requirement. I have therefore focussed on the main elements in contention. In as much as the Council highlighted national guidance which indicates that the most recent Government projections should be the starting point for housing needs assessments, I have given particular attention to the work of Hollis comparing the DCLG 2012 SNPP based household projections with his alternative migration projections (HOU1, Table at p20 and App1 Table 1).

3. Is the *process* by which the Council developed its housing requirement sound?

3.1 The Council indicates that it had consistently expressed concern about aspects of the SHMA at the OGB, which is co-ordinating joint working on housing across Oxfordshire, and at its predecessor, the SPIP (see WOLP1, 3.4-3.13). I have seen no written reports in which these concerns were set out, but I accept that various concerns were raised, at least orally, with varying weight. I also accept that the Council has consistently been concerned that the demographic starting point used in the SHMA is unreasonable because the methodology projects forward a household migration rate derived from a period when there was a spike in house building. But there is nothing to indicate any formal dissent by the Council when the SHMA was approved by all the Councils for publication as just that, a SHMA for Oxfordshire. Indeed, the Council's SsCG with the other Oxfordshire Councils confirm that West Oxon, along with the other Councils, *signed off the consultant's methodology developed to produce the SHMA* (WOLP 28, 29 and 30, paragraph 4.2). Other documents indicate a long-standing shared commitment to take forward the SHMA in local plans (eg the *Oxfordshire Statement of Cooperation*, SD4, App 3, paragraph 5.3 and the *Oxford and Oxfordshire City Deal* p5, SD11).

3.2 There is no evidence that the Council has shared with its OGB partners the need for new evidence from other consultants; the methodologies to be employed in that new evidence; the Council's decision to rely on matters peripheral to the thrust of the SHMA's recommendations (eg the economic baseline; the 40% income threshold for affordable housing); or the Council's criticisms of some of the methodology of the SHMA. Most importantly, the Council has not explored with its HMA partners the potential implications of the Council's approach for the continued legitimacy of the SHMA as evidence to support local plans in the rest of Oxfordshire.

3.3 Accordingly, there has been a clear failure to accord with the NPPF's requirement to work with neighbouring authorities across the HMA. This is a significant concern for Oxford City, as expressed at the hearing and in its SCG with the Council (WOLP 37, paragraph 3.3). Whatever the technical merits of the various points put forward by the Council, I could not endorse them as a sound basis for the Council's housing requirement unless there had been a clear process of joint working with its partner authorities to consider the implications for the continuing validity of the SHMA's recommendations for those authorities.

3.4 Joint working across an HMA is essential to ensure a reasonably consistent approach and to avoid unintended distortions in the market. In addition, the credibility of the SHMA is the foundation on which much of the current planning work for the rest of Oxfordshire is based. That does not mean it should be beyond criticism, but a Council should be particularly mindful of the wider implications of criticisms and of the reasoning supporting any local adjustments.

4. The demographic starting point and the significance of past high rates of housing delivery

4.1 The demographic starting point identified in the SHMA for West Oxon is 541 dpa. The SHMA was prepared when the latest household projections were the interim DCLG 2011 based SNPP. These covered only a 10 year period and are widely recognised as not as robust as the previous or subsequent projections. The SHMA had to make a number of assumptions and adjustments to produce robust projections for the plan period to 2031. It therefore makes sense to check the SHMA's demographic assumptions against DCLG 2014 household projections (based on the 2012 SNPP). This latest projection indicates annual growth of 458 households per annum (hpa) which, with a vacancy rate of 5.17%¹, equates to 483 dpa. However, the Council's now preferred demographic starting point is 423 hpa/446 dpa (Hearing Statement p4). This is the mid-point of the output of the 2 alternative projections prepared by Hollis (HOU1, Table at p20 and App 1 Table 1). One projection is based on average long term migration trends (2004-2014) and the other on short term migration trends (2009-2014).

4.2 National guidance states: *If a Council has robust evidence that past high delivery rates that inform the projections are no longer realistic – for example they relied on a particular set of circumstances that could not be expected to occur again – they can adjust their projections down accordingly.* (Paragraph: 036Reference ID: 3-036-20140306) The Council's view is that there were abnormally high rates of house building which have unfairly influenced projections, particularly as used in the SHMA. The Council explains this spike in building by reference to a number of large allocations coming on stream at a similar time. However, Table 9 in HOU3 indicates that delivery on previously unidentified sites was also making a significant contribution. I do not regard that particular past situation as one which could not be expected to occur again. Indeed, the plan makes several large allocations which the Council expects to be delivering at the same time (see WOLP14, 15, 16, 17, 18 and 19). In the period before the plan is adopted and any necessary allocations are made, development is also likely to occur on a number of previously unidentified sites. So a spike in housing delivery may well occur again. In part at least, this would be the result of the long gap without an up-to-date plan in place. Nevertheless, bearing in mind that ONS population projections are largely based on the past 5 years, it is right to be alert to any unusual factors in the period which feed into a particular projection. I explore this further below.

4.3 Table 10 in HOU3 compares the number of homes built and the ONS assumptions of net migration for the years 1991-2010.² There has been considerable variation in annual completions³. The 3 years 2005-2007 delivered very high numbers (733, 810 and 865 dwellings respectively), whereas recent years have all been below the overall average and below the current annual housing requirement of 525. In 2013 only 186 dwellings were built. With regard to net migration, peak years were 2002 (1,000 persons) 2005 (1,300) and 2006 (1,500). Other years since 2002 were either 700 or 500 persons per

¹ This figure is taken from the Census 2011. Whilst the Council suggests (WOLP1 2.23), that a lower vacancy rate could be applied, it has not done so in the projections it relies on by Hollis. I see no reason to use a rate lower than that in the most recent evidence.

² More recent figures on completions are included in HOU1, Table 13.

³ It was highlighted at the hearing that the Council's figures for housebuilding HOU3, Table 10/HOU1, Table 13 are generally higher than the figures recorded by DCLG, as set out in the hearing statement from Barton Willmore, Table 2. However, these differences are not material for the reasoning in this Note.

annum (ppa). So there is no simple, direct correlation between the 2 factors. Woodhead demonstrates that to get a reasonable correlation, a 2 year moving average for migration has to be used (HOU3 ,Table 5 6, paragraphs 6.21-2), but his analysis is in danger of making the issue unduly complicated.

4.4 The interim household projections based on 2011 SNPP (which were the starting point used in the SHMA) would have drawn on migration from the years between 2005-6 and 2009-10 (HOU1, App1, paragraph 4.6) so they would have included at least 1 year with the highest migration flow. The ONS 2012 projection would not have included a peak migration year. This change is illustrated in the lowering of the net average migration figure used in these 2 projections from 720ppa to 595ppa (Barton Willmore Hearing Statement, Table 1)⁴.

4.5 But the SHMA did not use the 2011 SNPP uncritically and made a downward adjustment to the migration assumptions used in its projection, giving a revised net migration figure for West Oxon of 593 ppa (SHMA, Table 20), which is almost the same as that in the latest ONS projection. Thus there is not the evidence to support the Council's contention that the SHMA's revised demographic starting point was biased by untypically high migrations flows. The difference in outcomes between the SHMA's adjusted projection and the latest DCLG projection must be the result of other factors, such as different Household Representative Rates (HRR) (see below).

4.6 The PAS Technical Advice Note⁵ indicates (6.24) that it is generally advisable to test alternative scenarios based on a longer reference period of 10-15 years, but not to go back earlier than the 2001 Census. That approach would seem appropriate here to even-out over a longer period the very high numbers for net migration in 2005 and 2006. The projection produced by Hollis based on average migration 2004-2014 serves this purpose (HOU1, Table 1).

4.7 Both Hollis' alternative projections adjust for Unattributable Population Change (UPC) as a component of migration. UPC for West Oxon is an overall negative difference of 527 between 2001-2011. Its inclusion by Hollis will have lowered the net migration figures used in his long and short term projections compared with those in Barton Willmore Table 1. There is no right or wrong answer as to whether an adjustment should be made for UPC. ONS do not include it in its projections because it cannot be ascribed with certainty to any one component of change. In any case, UPC will become less relevant in future projections. The PAS Technical Note (6.33-6.35) advises that the default option is to ignore it, but that this may be overridden by local evidence. UPC is not a substantial factor for West Oxon, but I consider that it is reasonable to have regard to it given that the SHMA (HOU2, paragraph 5.23) took it into account. Consistency of approach across the HMA is important. In any further work arising from this Note it would be best to model projections with and without UPC to test its significance.

4.8 Hollis' projection based on short term trends (2009-2014) should not be used to establish a demographic starting point. The net migration figure for the recent short term period is 472 ppa (excluding UPC). In each year of this period housing delivery

⁴ None of Barton Willmore's figures include any adjustment for Unattributable Population Change (UPC) whereas John Hollis' alternative projections in HOU1 do adjust for UPC as a component of migration. This is discussed later in this Note.

⁵ Planning Advisory Service *Objectively Assessed Need and Housing Targets* Technical advice Note Second Edition July 2015.

was considerably below the housing requirement in the plan. In as much as there is a link between the 2 factors, a projection based on this short term migration figure would be too low, since it would be embedding a significant trough in delivery - the opposite effect to the Council's concern with the SHMA. The selection by the Council of its preferred demographic starting point based on the average outputs of the long term and short term projections is therefore also unjustified, since it skews the outcome too much to a period of very low delivery. The next round of ONS population/DCLG household projections could well be lower than the current figures because of this drop in delivery. A cautionary approach will be needed to avoid low delivery arbitrarily justifying a lower future requirement.

4.9 The DCLG 2012 based household projection results in a need for 483 dpa over the plan period. John Hollis' projection based on migration over 10 years indicates a need for 491 dpa. These outputs are remarkably similar and both avoid being unduly influenced by untypically high migration. Subject to my comments on Household Representative Rates (HRR) below, they indicate that an up-to-date demographic starting point is around 490dpa. Whilst this is a material reduction from the adjusted demographic figure used in the SHMA, there is no evidence to indicate whether the use of such a figure would result in a change to the figure recommended in the SHMA, if all other assumptions had remained constant.

4.10 I am not going to give preference to one of these 2 projections over the other. In part this is because, as modelled by Hollis, the 2 projections produce very different projections for the resident labour force (HOU1, Table 5). This difference raises considerable uncertainties when trying to compare the likely increase in the local labour force with projections for economic growth and jobs. In any further work, the Council needs to be alert to the reasons for this disparity of outcomes.

4.11 Hollis uses the HRRs from the DCLG 2012 based projections and he specifically endorses the appropriateness of their use. The PAS Technical Note (6.36 -6.43) also generally endorses the latest HRRs as a new starting point and discourages any attempt to blend these with earlier rates - a practice that emerged because of the perceived shortcomings of the rates used in the interim 2011 SNPP based projections. Criticism of the 2014 HRRs focuses on the 25-34 age group. This still projects a substantial difference from the 2008 HRR for this group, whereas for all other age groups they are more closely aligned (see Hearing Statement by GL Hearn, Appendix 4). The continued decline in HRR for this younger age group may well reflect some suppression of household formation as a result of the recession, but it is difficult to judge the extent to which structural changes arising from the recession have in fact produced a permanent change to household formation. Recently proposed Government initiatives may have an effect (but these were not discussed at the hearing). There is not the evidence to recommend any specific adjustment, but in any further work the Council should be mindful that a demographic starting point of around 490 dpa may be embedding some suppression of household formation.

4.12 I need to comment on 2 further matters. Woodhead (HOU3, paragraph 6.32) and some other representors suggest that the extent by which West Oxon "over delivered" housing in the period 2006-2011 compared with the requirement applicable at the time in the South East Plan should be taken off the housing requirement. This over delivery amounted to about 1,400 dwellings. I do not consider that any such subtraction would be justified. As already highlighted, the thrust of National Guidance on this point is to

review the appropriateness of projections which might contain periods of unusual high growth. I have already done so. The residents of the additional 1,400 dwellings are now an integral part of the population of West Oxon and need to be included in future projections of population and household change. I note that the SHMA (HOU2, Table 90) added to the demographic starting points the shortfalls in delivery that occurred in the other Oxfordshire districts. However, those additions did not make any material difference to the recommended housing requirements for those districts because the housing needs arising either from the committed economic growth projection or to meet affordable housing needs were much greater. Conversely, subtracting a substantial figure for past "over delivery" from the calculated housing requirement for West Oxon would make a significant difference and mean that assessed needs would not be met. This would be contrary to Government policy.

4.13 Finally, I note that several representors consider that the SHMA is fundamentally flawed and suggest alternative methods for determining a housing requirement, which they consider should be lower than that proposed in the plan. However, much of the reasoning in those radical approaches simply does not reflect the aims of Government policy expressed in the NPPF to meet housing needs of all types (subject only to the test in paragraph 14) or national guidance on the appropriate methodology for assessing housing need.

5. Affordable Housing

5.1 The SHMA identifies a net annual need of **274** affordable dwelling for West Oxon (HOU2, Table 54). The Council recognises that the SHMA provides the most up-to-date, objective assessment of affordable housing need across the Oxfordshire HMA; that the assessment methodology is consistent with national guidance; and was agreed by all partners, including West Oxon (WOLP1, 2.36). However, the Council suggests that the figure for need should be lower, in contradiction to this general endorsement of the SHMA. In particular, the Council considers that it would be reasonable to apply an income threshold of 40%, rather than the 35% which is the basis for the SHMA's recommendation. In my experience, the 35% threshold is higher than thresholds commonly adopted in this type of exercise elsewhere, but is justified for the reasons set out in the SHMA (HOU2, paragraphs 6.17-6.20). I have seen no evidence of substance to suggest that a lower threshold is necessary here.

5.2 The Council highlights the reference in the SHMA (paragraph 6.81) to the fact that, in practice, some households are likely to be adequately housed whilst paying more than 35% of their income on housing and that if a 40% threshold were to be used then the need would be reduced, as shown in SHMA Table 57. However, the fact that some households do spend more than 35% of their income on housing is not a good reason to take a 40% threshold as justified for assessing the need for affordable housing. There is no evidence to indicate that circumstances in West Oxon are so noticeably different to the rest of the HMA as to justify a different threshold here, nor any real assessment by the Council as to whether it is reasonable to do so. In my view it is not, given that it represents such a substantial proportion of income.

5.3 The Council highlights (WOLP1, paragraph 3.39 and at the hearing) that with the inclusion of the pipeline of affordable housing developments, the identified need would be lower (SHMA, Table 55). However, in relying on the pipeline supply identified in the

SHMA there is a considerable risk of double counting and confusion when considering likely affordable housing delivery. I consider delivery further below.

5.4 The SHMA addresses the current backlog of affordable need over the 18 year assessment period. This approach is broadly accepted by most hearing participants in the context of the overall recommendations of the SHMA. In that context, I see no reason to disagree, given the substantial uplift in housing that the SHMA was recommending to address affordable housing need, amongst other matters.

5.5 I consider that the SHMA's recommended figure of a need for 274 affordable dwellings per annum is justified for the period 2013-2031. There are inevitably some weaknesses in a model which uses a detailed assessment of short term needs as part of the assessment of needs over the whole plan period, as acknowledged in the SHMA and highlighted by the Council (eg WOLP1, paragraphs 3.48 -3.49). But the SHMA follows national guidance. In any case, it is inevitable that needs will be reassessed during that period and the figure is not intended to remain fixed for 18 years without review.

5.6 I turn now to affordable housing delivery, to compare with the level of need. The Council's position is set out clearly in WOLP1, paragraphs 3.56-3.79 and accompanying tables. Some key points in using this data are as follows. Firstly, affordable housing delivery should be counted only from 2013, since that is the base date of the SHMA's assessment of such needs. Secondly, if actual provision in 2013-2015 is to be counted along with existing commitments at 1 April 2015 (as per WOLP1, pp19-20) then the pipeline supply referred to in the SHMA must be ignored. Thirdly, I have deferred to later hearings the viability and deliverability of the Strategic Development Areas allocated in the plan. Some of the landowners/promoters of those sites dispute their ability to deliver policy compliant levels of affordable housing as well as major items of infrastructure. Thus the delivery figures in WOLP1 (table at paragraph 3.62) have not been tested at this stage and these figures are accepted only for the purposes of the present calculation. Finally, the implications of the Housing Bill and of the Government's Autumn Statement on the delivery of affordable housing have not yet been taken into account, but will need to be in due course as the consequences of both become clearer.

5.7 The Council's assessment of delivery of affordable housing includes affordable housing expected to be delivered from suitable SHLAA sites (WOLP1, paragraph 3.64). These are not allocated in the plan, but are needed to make-up overall housing delivery to the requirement of 10,500. Assuming that the affordable housing policy remains unchanged, the assumption of delivery from this source is reasonable.

5.8 In addition, the Council has included in its calculation 300 affordable dwellings from large site windfalls (WOLP1, paragraph 3.67)⁶. Before and at the hearings, I indicated that I could not see the justification for large site windfalls. If the SHLAA is robust it should have captured most large sites likely to come forward. In as much as some suitable SHLAA sites might not come forward, alternative large site windfall sites would be a substitute for them and any affordable housing provision they make would be a replacement for any lost from the assessment made in paragraph 3.64. Alternatively, if the SHLAA sites referred to in the plan were translated into allocations (as discussed at the hearing and on which I comment in my Part 2 Note) then any large site windfalls that were permitted would, in effect, be increasing housing provision/delivery above

⁶ These are sites above the SHLAA threshold of 10 dwellings.

10,500. Clearly, if overall housing provision/delivery increases, more affordable housing can be expected. That is the reason national guidance indicates that consideration should be given to such an uplift to boost affordable housing delivery.

5.9 If the Council is confident of large site windfalls then that weighs in favour of an additional uplift to boost affordable housing delivery. For present purposes, I have excluded the 300 figure in paragraph 3.67 from expected delivery. Finally, the Council estimates that 100 additional units will come from "other sources". Given the modest nature of this figure in the overall balance, it was not discussed at the hearing, but I have included it for this calculation.

5.10 Taking off the 300 dwellings for the reasons given above, about 2,689 affordable units are expected to be delivered in the period 2013-2031 (WOLP1, paragraph 3.76, adjusted downwards). This compares with an assessed need for 4,932, based on the SHMA's 35% income threshold. There is clearly a very substantial shortfall. Given the NPPF's definition of affordable housing, private rented accommodation, where households unable to compete in the market may be in receipt of public subsidy (housing benefit), should not be taken into account in determining the need for affordable housing or how to respond to that need.

5.11 I have seen no evidence of any careful, balanced consideration by the Council of the extent to which the gap in affordable housing provision should be narrowed by an uplift in market housing. Any assessment previously made by the Council has been on the basis of a new demographic starting point that is too low (446 dpa, WOLP1, paragraph 3.29); on an unjustified income threshold (40%); and with undue regard to the past limited success in delivering affordable housing (see below). The Council needs to address this matter afresh in the light of these Preliminary Findings and the need for consistency with the SHMA's core assumptions.

5.12 The Council consider that the SHMA adopts a too mechanistic approach in uplifting housing to ensure that the needed affordable housing is delivered. The Council considers that the SHMA's assumption of 40% delivery of affordable housing from all housing development in West Oxon is unrealistic given the policy threshold of 10 dwellings at which the policy takes effect (as proposed in the local plan) and different percentages to be applied in different parts of the district. The SHMA had to make an assumption of the appropriate percentage to apply in advance of local plans coming forward. If the SHMA was too optimistic, it would point to a need for a *greater* uplift to be considered, not a lower uplift as the Council suggest. The Council also highlights relatively low levels of affordable housing delivery in the past (HOU1, Table 13) which have averaged 20% over the past 14 years. However, given that national policy seeks a step-change in housing delivery and for all needs to be met where possible, the limited success of the past should not be used to justify continued under-provision. I have seen no specific evidence, such as from Registered Providers, of insurmountable difficulties in stepping-up delivery and the Council should be actively considering how to maximise the delivery of affordable housing.

6. Economic growth and jobs

6.1 The SHMA took account of housing needs based on securing a sufficient workforce to deliver the jobs anticipated to arise under what it terms the *Committed Economic Growth* scenario (eg SHMA, Table 90). This scenario took account of factors expected to

stimulate above-trend growth in employment in Oxfordshire (SHMA, 4.19-4.20). This scenario was assessed in more detail in *Economic Forecasting to Inform the Oxfordshire Strategic Economic Plan and SHMA* February 2014 (ECON2). This scenario underpins the stated ambitions of the Local Economic Partnership (LEP) and provided the justification for bids for substantial public investment to help bring about this growth (such as through improvements in critical transport infrastructure). A number of strands of such investment are being co-ordinated by the OGB. The Council is part of the LEP and OGB (as already highlighted) and there is no evidence to suggest that the Council is seeking to formally dissociate itself from the economic aims of these bodies.

6.2 Notwithstanding the above, the Council now considers that this *Committed Economic Growth* scenario should not be taken into account in deriving the housing requirement for West Oxon. The Council considers that the plan's housing requirement appropriately aligns with the baseline economic projection. As explained in ECON2, the baseline projections assumes the continuation of the historical relationship between growth in the local area relative to the South East or UK (dependent on the type of business concerned).

6.3 I recognise that, as highlighted by the Council, economic forecasts for Oxfordshire/West Oxon have changed considerably over recent years, must be treated with a degree of caution and will no doubt change again over the plan period. Nevertheless, the Government's aim, as expressed in the NPPF, is that the planning system should facilitate economic growth and Councils must plan positively to secure it. Strategies for housing, employment and other uses should be integrated (NPPF 158). Local Plans should be aspirational, but realistic (NPPF 154). For the following reasons I consider that the Council is not justified in planning on the basis of the economic baseline.

6.4 Firstly, it is inconsistent with its support for the LEP and work of the OGB. As with housing issues across an HMA, so economic issues are best addressed consistently across an economic area, as those bodies seek to do, and as reflected in the recommendations of the SHMA. There is no evidence of the Council seeking, let alone obtaining, the agreement of partner authorities to it assuming a lower rate of economic growth in West Oxon than the rest of the County, or of considering with them the wider implications of doing so. Indeed, the Council states that it remains fully supportive of the LEP and the overall economic ambitions contained in the Strategic Economic Plan (WOLP1, paragraph 3.84). I cannot see how both positions are tenable.

6.5 Secondly, my understanding is that the other emerging local plans in Oxfordshire and Cherwell's adopted local plan are all planning to accommodate the *Committed Economic Growth* scenario. Such commitment across most of Oxfordshire is a strong factor in making that level of growth become a reality and not remain only an aspiration.

6.6 Thirdly, the *Committed Economic Growth* scenario is based on the identification of a range of significant planned projects likely to boost economic development (ECON2, chapter 4). It is not an arbitrary increase over the baseline. In the light of the unique opportunities for economic development in parts of Oxfordshire, it is surely a location where there is considerable economic potential to be realised, but which might be inhibited if not actively planned for. Planning to meet the *Committed Economic Growth* scenario fits well with the NPPF's aim to: *respond positively to wider opportunities for growth* (paragraph 17, 3rd bullet).

6.7 Fourthly, the growth rate in the economic baseline (0.6% to 2021 and 0.5% pa thereafter, ECON2 p9) is below the most recent economic forecasts for West Oxon from 3 leading forecasting bodies. These project rates of 0.8% or 0.9%. These forecasts and related predicted job growth match the predicted 0.8% growth for West Oxon in the *Committed Economic Growth* scenario (Barton Willmore Hearing statement, Tables 4/5).

6.8 Fifthly, in as much as West Oxon has suffered some specific job losses in high profile sectors since the SHMA's assessment⁷, I consider that this negative impact has been more than offset by another opportunity. Employment growth (contractors and indirect effects) has taken place and is likely to continue to arise from major changes at RAF Brize Norton (WOLP32, particularly pp6-7) which are not referred to in the justification for Committed Economic Growth scenario

6.9 The Council has other concerns with the economic modelling in the SHMA. HOU3 and some of the other submissions from the Council contest that the whole model is too circular and is flawed. On reflection, however, the Council did not pursue this fundamental criticism of the SHMA at the hearing. In my view, the SHMA rightly seeks to integrate economic and housing projections. It is nevertheless right to be alert to the fact that the economic projections themselves incorporate a population projection. In this case, the baseline projection incorporates ONS 2011 based SNPPP (ECON 2, p2). A substantial proportion of the predicted economic growth in West Oxfordshire is a product of population growth (eg retail and health sectors). In as much as a revised demographic starting point is now justified and is lower than that used in the SHMA then there would be less growth from this factor.

6.10 The Council emphasises that West Oxon is not closely related to the key locations for growth in Oxfordshire, but this is reflected in the different growth rates for the districts in the *Committed Economic Growth* scenario. For example, the Vale of White Horse has a growth rate of 1.5% compared with West Oxon's 0.8% (ECON2, Table 5.2).

6.11 The Council considers the *Committed Economic Growth* scenario is a "policy-on" position and therefore should not be taken into account in identifying the objective assessment of need. But any necessary distinction between policy-off and policy-on considerations does not change the position on this matter here. In identifying the appropriate housing requirement in the Plan, "policy-on" matters relating to an agreed economic strategy (as expressed by the LEP and OGB) should be taken into account so that there is effective integration between housing and employment strategies.

6.12 I accept that if West Oxon were to plan for 525 dpa rather than the 660dpa recommended in the SHMA, then across Oxfordshire as a whole there would still be sufficient housing to support a labour force consistent with *Committed Economic Growth* because of the additional housing also recommended to meet affordable housing need (WOLP1, paragraphs 3.93-3.94). However, such an argument could be used by any of the other Councils to justify a lower housing requirement. There is no justification for an exception to be made for West Oxon. Collective and consistent action across the HMA would soon unravel if such arguments prevailed.

6.13 The Plan does not contain any figure for job growth. Although I am firmly of the view that the Council should adopt the *Committed Economic Growth* scenario to plan for

⁷ eg the closure of Caterham F1 which was an advanced engineering company highlighted for growth in the Committed Economic Growth scenario (ECON2, p23).

higher growth than the baseline, I am not in a position to specifically endorse the related projection of job growth of 7,900 for West Oxon (ECON2, Table 5.2). If the Council chooses to adopt a new demographic starting point then that projection may be different.

6.14 The baseline scenario now preferred by the Council projects job growth of 5,100 additional jobs. The Council see this as compatible with increase in the local labour force arising from the proposed 10,500 dwellings. The modelling by Hollis (HOU1, App 1, Table 2) projects a resident labour force of just over 6,000 which, allowing for commuting and other adjustments, equates to sufficient local workers to support about 4,755 jobs (Hearing Statement, p15). However, as already highlighted, labour force projections vary widely depending on the particular demographic inputs, even for a similar overall housing figure. Accordingly, in any further work, the Council should be alert to these variations and may need into take account of a range of possible labour force projections in determining whether the plan's housing provision would provide sufficient local workers to support the *Committed Economic Growth* scenario.

6.15 The plan refers (paragraph 6.18) to evidence that around 60ha of employment land is required over the plan-period. The Council's most up to date evidence on employment land requirements is in ECON1 (*West Oxfordshire Economic Snapshot* January 2015). In section 6.5 this sets out employment land requirements based on the SHMA's *Alternative Population Scenario* and then sensitivity tests its conclusions against the *Committed Economic Growth Scenario*. On current evidence, the quantum of 60ha is about right to facilitate the higher growth that I consider should be planned for, but there appear to be issues with the availability of some of the land. The distribution and deliverability of employment land is a matter for later consideration and was not discussed at the November hearings.

7. The needs of Oxford City

7.1 The SHMA identifies substantial housing needs for Oxford City. Very recently the OGB has agreed a working assumption of 15,000 homes to be found outside the City within the adjoining districts to meet the City's unmet needs (WOLP37 and WOLP34). The OGB has been coordinating work to meet the City's needs since the beginning of 2015. Unfortunately, the timetable for completing the various work streams has been progressively slipping. The most recent timetable (WOLP34, Appendix *Post SHMA Strategic Work Programme*) indicates July 2016 for the publication of a statement of cooperation setting out an agreed distribution, but some of the core evidence should be completed by April 2016.

7.2 The submitted plan does not identify or seek to address any unmet needs of Oxford City. The Council envisages a local plan review as the vehicle to address any apportionment made by the OGB next July. The Council is now committed to completing such a review within 2 years and a review is included in the Council's Local Development Scheme (LDS). The Council sees its approach as consistent with that accepted by the Inspector for the Cherwell local plan. However, I can understand the concerns of those, including Oxford City, who consider that such a timescale may easily slip, given how long it has taken to produce the current local plan. Whilst Oxford City considers that the Duty to Cooperate has been *broadly complied with*, it considers the local plan to be unsound in not addressing Oxford's needs in some way (WOLP37, paragraph 2.3c).

7.3 I consider compliance with Duty later in this Note. The NPPF refers to planning strategically across local boundaries in paragraphs 178-181. The soundness test of *positively prepared* states that the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development. In my view, this requirement would normally mean that a plan should seek to address the needs of an adjoining area where there is clear evidence of unmet need, as is the case here. However, where well before submission of the plan, the relevant authorities have made a commitment to address those needs; have established a firm mechanism to assess the most sustainable distribution of such needs; and intend to apportion them to the adjoining districts, then it is not unreasonable for plans that are already well advanced not to be delayed whilst that process is completed. That was the position at Cherwell where the plan will have been adopted for a year before the final apportionment is made by OGB.

7.4 Following the process established by the OGB is more likely to lead to the most sustainable pattern of development compared with each local plan independently exploring how to meet some element of the unmet need. The latter would most likely result in the last local plan to be prepared having the largest share of unmet needs to accommodate. Oxford City did not seek provision for any of its needs to be met in West Oxon at an early stage in the plan process⁸. In addition, I have not seen any specific subsequent request from the City to the Council to make provision for a specific figure or share of its needs. In this context, it was not essential for the Council to have included in this plan at the outset a figure for the unmet needs of Oxford, since any such figure would have been fairly arbitrary. Unfortunately the position is more complicated than this.

7.5 The timescales for the adoption of this plan and the finalisation of the apportionment of unmet needs have always overlapped. Prior to submission, the Council should have been alert to the likely difficulties that could arise. When the Council published this local plan in Spring 2015, the OGB timetable for apportioning Oxford's needs was September 2015 (WOLP34, Appendix *Post SHMA Strategic Work Programme*), well before this plan could have been adopted. The Council's LDS of January 2015 (SD6) indicates an adoption date of March 2016. It was only after submission that the OGB reset the timetable with a new deadline for completion of its work by March/April 2016. The date of adoption in the Council's Addendum LDS (DS6a) is now Spring 2016. So the Council should have been conscious that the local plan would not be adopted until after the OGB had made its final apportionment and should have considered the implications. As a result of my conclusions in this note, I cannot see how this plan could be adopted before July 2016, which is the latest date for the final decisions of the OGB.

7.6 In eventually considering the soundness of this plan (following the further work and consultation on the matters of concern in this Note) regard would have to be given to any apportionment to West Oxon made by the OGB. If any such apportionment is made then that would become part of the housing need for the district. Any such apportionment is not immediately a definitive housing requirement, since it must be taken through a local plan process to test its deliverability and environmental impact. Nevertheless, it will be a figure of considerable significance and weight, since it will have

⁸ See for example the letter from Oxford City Council to West Oxon, 16 April 2013 confirming that the Duty is regarded as fulfilled (SD4, App 2).

emerged from an evidence-based process to inform spatial options for growth outside Oxford City. My initial view is that it would need to be taken into account in calculating the 5 year land supply.

7.7 If the local plan were to proceed to adoption without having regard to any apportionment that had been made by the OGB, it would immediately be out of date. Such a plan would be inconsistent with one of the aims of the plan-led system which is to bring more certainty as to where development would take place. In addition, the development strategy of the plan may well not be appropriate to accommodate any significant needs from Oxford and additional new greenfield sites would need to be found. It would not be conducive to planning for sustainable development for potential additional sites to meet West Oxon's needs (arising from an increased housing requirement) to be considered in isolation from sites required for Oxford City's needs. The combination of needs might well result in a different scale/location of site being required, changing the mix of relevant considerations in the choices that have to be made.

7.8 Having identified this problem, I cannot be prescriptive as to how it should be resolved. In WOLP37, paragraph 4.2, the Council and Oxford City Council agree that if I concur with the City's concerns (which, on this point, I largely do) then the matter can be addressed through main modifications to the plan. I recognise that if the OGB were to decide that no share of Oxford's needs should be accommodated in West Oxon and all the City's needs were to be met in other districts then this difficulty would not arise. However, it would be a very high risk strategy to rely on that outcome.

8. Duty to Cooperate

8.1 The Council's position is set out in its *Statement of Compliance with the Duty to Cooperate* (SD4). The only aspects in serious dispute relate to its approach to the SHMA and the unmet needs of Oxford City.

8.2 I consider that the joint commissioning and joint endorsement of the SHMA for the Oxfordshire HMA and the mechanism and work streams put in place (before submission of this plan) by the OGB to address the needs of Oxford City are very important elements in demonstrating compliance with the Duty.

8.3 However, the Council's actions (before submission) in commissioning and using evidence and argument that criticised the methodology of the SHMA in several key respects (as explained above) were in danger of jeopardising the use of the SHMA across the rest of Oxfordshire and thus of undermining the effectiveness of strategic planning in the County. But as I have been largely unconvinced by those arguments, the actual damage caused by the Council's actions in this regard should not be too great. Accordingly, strategic planning can continue to be effective on the basis of the SHMA (or any subsequent joint update). On this basis, I am able to conclude that the Council has fulfilled the Duty. This favourable conclusion does not however change my view that the Council has not sufficiently worked with its neighbours across the HMA in determining its own housing requirement and thus fails soundness in this regard.

9. Other Statutory Matters

Sustainability Appraisal (SA)

9.1 At submission, I consider that the SA had adequately addressed reasonable alternatives for a plan seeking only to address the needs of West Oxon. Two alternative options (a *new village* and *concentration of development along transport corridors*) were dropped following the Issues and Options Stage in 2008 (CD2 paragraphs 4.7-4.10). I consider that the rejection of these 2 options was reasonable for the reasons the Council gives in the context of meeting the needs of West Oxon alone. If any further work undertaken by the Council anticipates some apportionment of Oxford's needs to West Oxon, then the range of alternative strategies to be considered in the SA will need to be reviewed.

9.2 Other, more generic criticisms were made regarding the SA. The Council's response to these criticisms is in WOLP3. For the reasons given by the Council, I am satisfied that the SA is adequate in its general scope and approach. (I am not however commenting here on its assessment of individual sites.)

Habitat Regulations Assessment (HRA)

9.3 In my prehearing questions I sought clarification regarding the HRA and the Oxford Meadows SAC. WOLP31 confirms that Natural England are content with the HRA. To ensure consistency between the assumptions/recommendations made in the HRA and the plan, additional text is needed along the lines proposed by the Council (WOLP38, FMs 1, 21 and 24). These should be included in any future consultation on changes.

9.4 I am satisfied that all other statutory requirements have been met.

10. Overall Conclusion and Way Forward

10.1 The local plan's housing requirement of 10,500 has not been justified. The Council's evidence to support its housing requirement has been worked-up independently of its partners in the rest of the HMA without due regard for consistency across the HMA and the potential wider implications of its actions.

10.2 The Council's new preferred demographic starting point is too low because it has been unduly influenced by recent years of very low delivery (well below the annual rate proposed in the plan).

10.3 The Council has not given explicit consideration, based on appropriate assumptions, to an uplift in housing provision to narrow the substantial gap between the need for affordable housing (as identified in the SHMA) and the likely delivery of affordable housing from the plan's proposed 10,500 dwellings.

10.4 The Council's preference for a *baseline* economic growth rate rather than *Committed Economic Growth* outlined in the SHMA and endorsed by all the other Councils in Oxfordshire is unjustified and out of step with the Government's aims for economic growth. I am not satisfied that the local plan's housing requirement would provide sufficient labour force to support Committed Economic Growth.

10.5 I am unable to identify what the housing requirement should be. It is likely to be between the recommended figure in the SHMA (660dpa) and that in the plan (525dpa).

The SHMA provides a recommended housing figure for West Oxon developed on assumptions that would largely overcome the above shortcomings. If, however, the Council wants to do further work in the light of the above findings, then it is essential that the methodology is first shared with its partner authorities in the HMA and that the Council considers any concerns raised. The conclusions of the Council's work will also need to be shared and the implications considered. If the housing requirement increases, then additional sites and/or changes to the existing site allocations will need to be made.

10.6 In any further work, the Council will need to consider the implications for the plan of any apportionment to West Oxon of Oxford City's unmet housing needs due to be made by the OGB in July 2016. If this is not taken into account the plan would be out of date before it can be adopted (assuming that some apportionment is made to West Oxon).

10.7 Once the Council has reflected on these findings, it will need to decide whether to withdraw this plan or put forward changes to make it sound. If it wishes to proceed with this plan, it should set out an indicative timetable for the further work which is necessary, including public consultation on proposed changes and appropriate recording and commentary on the further representations made. Once I receive that indicative timetable, I will be able to determine for how long I should suspend the Examination.

10.8 Part 2 of my Preliminary Findings comment on matters considered under Issues 3 and 4 at the hearings in November. Some further work will be identified in that Note, although it does not have the strategic significance of the matters in this Note.

Simon Emerson

Inspector

15 December 2015

Respondent Number: 16206593

Bloor Homes - Hearing Statement on Matters 2,3,4,5,6,9 and A25

Appendix 2: West Oxfordshire Inspector's Report -Interim Findings



The Planning Inspectorate

Report to Waverley Borough Council

by Jonathan Bore MRTPI

an Inspector appointed by the Minister for Housing, Communities and Local Government

Date 01 February 2018

Planning and Compulsory Purchase Act 2004

(as amended)

Section 20

Report on the Examination of the Waverley Borough Local Plan Part 1

The Plan was submitted for examination on 21 December 2016.

The examination hearings were held between 27 June and 6 July 2017.

File Ref: PINS/R3650/429/8

Abbreviations used in this report

AGLV	Area of Great Landscape Value
AONB	Area of Outstanding Natural Beauty
DtC	Duty to Co-operate
HMA	Housing market area
HRA	Habitats Regulations Assessment
LAA	Land Availability Assessment
LDS	Local Development Scheme
MM	Main modification
NPPF	National Planning Policy Framework
OAN	Objectively assessed need
PPG	Planning Practice Guidance
PPTS	Planning Policy for Traveller Sites
SA	Sustainability appraisal
SAC	Special Area of Conservation designated under European Council Directive 92/43/EEC (The 'Habitats Directive')
SAMM	Strategic Access Management and Monitoring
SANG	Suitable Alternative Natural Greenspace
SCI	Statement of Community Involvement
SPA	Special Protection Area designated under European Council Directive 2009/147/EC (The 'Birds Directive')
SHMA	Strategic housing market assessment
TA	Transport assessment

Non-Technical Summary

This report concludes that the Waverley Borough Local Plan Part 1 provides an appropriate basis for the planning of the Borough provided that a number of main modifications (MMs) are made to it. Waverley Borough Council has specifically requested me to recommend any MMs necessary to enable the Plan to be adopted.

Following the hearings, the Council prepared schedules of the proposed modifications and carried out sustainability appraisal of them. The MMs were subject to public consultation over a six-week period. I have recommended their inclusion in the Plan after considering all the representations made in response to consultation on them. The detailed wording of MM11 and MM16 has been slightly altered post-consultation to reflect the NPPF and for the sake of clarity.

The Main Modifications can be summarised as follows:

- Modifications to increase the housing requirement in the Borough, with revised figures for individual towns and parishes, to take account of market signals in relation to housing affordability, and to meet a proportion of the unmet housing need in the housing market area. Among the consequential changes are statements to the effect that the forthcoming Waverley Borough Local Plan Part 2 will make site allocations of any size to enable the housing requirement to be achieved.
- Modifications to the Green Belt policy, brought forward by the Council, to allow certain sites to be removed from the Green Belt and either incorporated within the built up area boundaries or allocated for housing, to ensure an adequate supply of housing land where it is needed; to bring greater clarity to the proposals to remove certain villages from the Green Belt and allow their detailed Green Belt boundary changes to be defined in Local Plan Part 2; and to delete proposed additions to the Green Belt which are not supported by sufficient evidence to demonstrate exceptional circumstances.
- Modifications to the wording of the policy relating to Dunsfold Aerodrome, to ensure that the development contains sustainable transport measures and adequate mitigation for its transport impacts; and the introduction of a new policy for Dunsfold Aerodrome to establish the design principles for the site and the processes by which the design of future proposals will be considered.
- Modifications to a range of policies to ensure consistency with the NPPF and Planning Practice Guidance, to achieve greater clarity or to update their contents.

Introduction

1. This report contains my assessment of the Waverley Borough Local Plan Part 1 in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the Plan's preparation has complied with the duty to co-operate. It then considers whether the Plan is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (NPPF), paragraph 182, makes it clear that, in order to be sound, a Local Plan should be positively prepared, justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local planning authority has submitted what it considers to be a sound plan. The Waverley Borough Pre-Submission Local Plan Part 1: Strategic Sites and Policies was published for consultation in August 2016. This is referred to in this report as "the pre-submission plan"; it was the basis for the examination, and the list of main modifications relates to it because it was the version that was subject to consultation. Following the consultation, the Council published a "tracked changes" version of the plan, showing modifications it was proposing to make as a result of consultation responses. This was submitted for examination in December 2016 and was the version referred to for the sake of convenience during the hearings. It is referred to in this report as "the submitted plan".

Main Modifications

3. In accordance with section 20(7C) of the 2004 Act, the Council requested that I should recommend any main modifications [MMs] necessary to rectify matters that make the Plan unsound and thus incapable of being adopted. My report explains why the recommended MMs are necessary. The MMs are referenced in bold in the report in the form **MM1, MM2, MM3** etc, and are set out in full in the Appendix.
4. Following the examination hearings, the Council prepared a schedule of proposed MMs and these were subject to sustainability appraisal. The MM schedule was subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report and in this light some amendments have been made to the detailed wording of MM11 and MM16. These amendments do not significantly alter the content of the modifications as published for consultation or undermine the participatory processes and sustainability appraisal that has been undertaken. Where necessary I have highlighted these amendments in the report.

Policies Map

5. The Council must maintain an adopted policies map which illustrates geographically the application of the policies in the adopted development plan. When submitting a local plan for examination, the Council is required to provide a submission policies map showing the changes to the adopted policies map that would result from the proposals in the submitted local plan. In this case, the submission policies map comprises the set of plans identified as Plans 1 to 9 and the series of plans in Appendix E.

6. The policies map is not defined in statute as a development plan document and so I do not have the power to recommend main modifications to it. However, a number of the published MMs to the Plan's policies require further corresponding changes to be made to the policies map.
7. These further changes to the policies map were published for consultation in the Schedule of Main Modifications to Local Plan Part 1 (September 2017).
8. When the Plan is adopted, in order to comply with the legislation and give effect to the Plan's policies, the Council will need to update the adopted policies map to include all the changes proposed in the plan and the further changes published alongside the MMs.

Consultation

9. The Council undertook formal consultation over a 6 week period from 3 September to 17 October 2014 and published a paper entitled "Consultation on Potential Housing Scenarios and Other Issues". This covered the spatial strategy, Green Belt issues, and issues relating to Gypsies and Travellers, landscape protection and commercial land. It also provided an opportunity to comment on the LAA (Land Availability Assessment). Consultation was widespread and it is clear that, by using a range of consultation techniques, the Council aimed to reach as many people as possible. There was also an exhibition which attracted 1,792 visitors. People were able to give their views and respond to specific consultation questions; 4,265 responses were received. The Council's Consultation Statement of August 2016 sets out the approaches to consultation and how representations were taken into account. It is clear from the evidence that the consultation was adequate for the purposes of Regulation 18 of the Town and Country Planning (Local Planning) (England) Regulations 2012.
10. The Consultation Statement Update of December 2016 explains the consultation that took place under Regulation 19 of the same Regulations, the main issues raised and how they were addressed.
11. Consultation has been extensive and meets the requirements of the Regulations and the Council's own Statement of Community Involvement.

Assessment of Duty to Co-operate

12. Section 20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on it by section 33A in respect of the Plan's preparation.
13. The Council has actively engaged with, or has been a member of, a number of bodies and organisations in order to consider important issues relevant to the Plan. These include the Thames Basin Heaths Special Protection Area Joint Strategic Partnership Board; East Hampshire District Council and Natural England; the County Council; several other district councils; town and parish councils; infrastructure providers; organisations representing Gypsies, Travellers and Travelling Showpeople; the Highways Authority, Network Rail, TfL and transport providers; and key organisations and agencies such as water companies, health providers, education, social services, adult social care, telecommunications companies and emergency services and others.

14. A number of Statements of Common Ground (SoCGs) had previously been prepared for the withdrawn Core Strategy, and more recent SoCGs have been agreed with Natural England and the Environment Agency in connection with the current plan.
15. Extensive collaboration has been carried out with the County Council and Guildford and Woking districts in the preparation of the SHMA (Strategic Housing Market Assessment) and in discussion on housing requirements. Whilst the submitted plan does not contain any allowance for unmet housing need arising in Woking District, this is a matter dealt with through modifications to the housing requirement and does not demonstrate any failure under the Duty to Co-operate.
16. Overall I am satisfied that, where necessary, the Council has engaged constructively, actively and on an on-going basis in the preparation of the Plan and that the duty to co-operate has therefore been met.

Assessment of Soundness

Main Issues

17. Taking account of all the representations, the written evidence and the discussions that took place at the examination hearings, I have identified three main issues upon which the soundness of the Plan depends. These are: whether the plan makes adequate provision for housing; whether the spatial strategy is sound, including all its component parts; and whether the development management policies are sound. Under these headings, my report deals with the main matters of soundness rather than responding to every point raised by representors.

Issue 1: Whether the Plan makes adequate provision for new housing

Introduction

18. Policy ALH1 of the submitted plan makes provision for at least 9,861 net additional homes from 2013 to 2032, or 519 dwellings per annum (dpa). This figure was derived from work carried out for the West Surrey SHMA, which includes Waverley, Guildford and Woking. However, this housing requirement does not take account of the latest household projections, or respond adequately to market signals, unmet need in the HMA or the effect of London migration. **MM3** raises the housing requirement in Policy ALH1 to a minimum of 11,210 dwellings to take proper account of these factors, and the following sections explain the process by which the housing requirement has been calculated.

Calculating the OAN

19. The SHMA findings are based on the 2012 Household Projections which indicated a demographic need for 1,352 dpa across the HMA, of which 493 were apportioned to Waverley Borough. However, the 2014 CLG household projections, published in 2016, are meaningfully different from those of 2012 and indicate a lower demographically-based figure for Waverley of 378 dpa.

This becomes a starting point of 396 dpa after factoring in the SHMA-assessed vacancy rate of 4.7%¹.

20. The principal market signals relate to housing affordability. Waverley is the third most expensive local authority area in England outside London, based on the ratio of lower quartile workplace earnings in the Borough to lower quartile house prices ("the lower quartile affordability ratio").² The ratio in 2016 was an exceptionally high 15.54, compared with the national figure of 7.16. This figure also represented a significant increase compared with the ratio of 13.11 at the beginning of the plan period. Planning Practice Guidance (PPG) states that the more significant the affordability constraints, the larger the improvement in affordability needed and the larger the additional supply response. Planned supply should be increased by an amount that, on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability.
21. The submitted plan's housing requirement of 519 dpa incorporates an uplift of about 5% based on the concept of returning suppressed household formation rates in the 25-34 age group to 2001 levels by 2033. However, such an uplift, based on a minor adjustment to household formation rates in one age group, is not capable of addressing the Borough's serious and worsening problem of housing affordability. Evidence derived from a paper produced by the Office for Budget Responsibility (OBR) entitled "Working Paper No. 6: Forecasting house prices", from the University of Reading's affordability model and more recent OBR forecasts on wages and house prices³ indicates that this adjustment would not in practice be sufficient to stabilise the growing problem and could lead to a lower quartile affordability ratio as high as 18.40 by the end of the plan period.
22. A number of evidence-based approaches to ascertaining the appropriate uplift were put forward at the Examination⁴. Of these, the OBR house price forecast / University of Reading model indicates that 635 dpa or an uplift of 28.8% to

¹ As agreed in the Statement of Common Ground between the Council and the Waverley Housing Forum (also signed by Protect Our Waverley / Joint Parish Councils). Different sources, such as the use of 2015 mid-year estimates and Council Tax sources for vacancy rates, give slightly lower, but not meaningfully different, figures. 396dpa is based on recognised and commonly used sources and is the most reliable evidence-based figure available to form the starting point for the OAN calculation.

² This ratio is preferred to the alternative ratio of residence-based earnings to house prices, which is influenced by commuting, and thus obscures the cost of house purchase for those working in the Borough. It is recognised that the Borough's housing stock profile has a higher proportion of large houses, but this does not lessen the need to address the acute affordability problem in the Borough.

³ See Matter 1 Appendices, and Briefing Note on OBR-based Affordability Modelling, Waverley Housing Forum

⁴ Including the OBR house price forecast and University of Reading model, national housing needs apportioned to Waverley, benchmarking of stock increases and benchmarking of market signals elsewhere: See Matter 1 Appendices, Waverley Housing Forum

the 2012 household projections for Waverley would be necessary to hold the affordability ratio constant. This cannot be taken as a precise figure as the model is not tied to a detailed analysis of the local market, the household projections have been updated and there are uncertainties over demand elasticity in relation to supply, but it is nonetheless a credible approach to modelling the relationship of supply to affordability. Of the other analyses, a weighted benchmarking of stock increases in different localities points to an uplift of just under 28%, whilst a benchmarking exercise comparing market signals uplifts in other local authorities indicates that these have ranged from 10% to 30%. The affordability situation in Waverley is one of the most severe outside London and all the analysis suggests that the uplift should be towards the upper end of that range, in the order of a 25% uplift from the starting point of 396 dpa. This would indicate an OAN of 495 dpa.

23. In respect of affordable housing need, the West Surrey SHMA identifies a need for 314 affordable dwellings per annum in Waverley. At a delivery rate of 30% affordable housing on eligible sites, a total of 1,047 dpa would be needed to meet affordable housing needs in full. This is a serious position which again serves to highlight the severity of housing unaffordability in the Borough. Owing to the limitations of site availability and the market, it would not be realistic to expect this level of housing delivery in Waverley. However, market signals, discussed above, point to an uplift to 495 dpa and this would go some way to accommodating affordable housing need.
24. The basket of forecasts points towards employment growth of 0.6% pa if the most anomalous projection is discounted.⁵ This is a little above the historic rate of jobs growth of 0.5% per annum and has a sense of realism about it. This amounts to a growth of 6,790 jobs across the plan period, or 399 jobs per annum. Evidence produced by the Council demonstrates that growth in excess of 400 jobs per annum would have been supported by the submitted plan's housing requirement of 519 dpa. On that basis, an OAN of 495 dpa would be capable of supporting the projected jobs growth of 399 jobs per annum. A lower housing figure would not be in tune with projected employment growth, whilst on the other hand the evidence does not point towards an employment-led housing uplift to 625 dpa as some have argued.

Conclusion on the OAN

25. Market signals support an uplift of 25% to the OAN starting point of 396 dpa to increase housing delivery. The resultant OAN of 495 dpa would stem the continual trend of worsening housing affordability, go some way to meeting the considerable need for affordable housing and would support projected employment growth.

⁵ The workforce jobs calculations are the most appropriate for the purposes of modelling employment growth and housing need as part of the calculation of OAN, as indicated in the relevant SoCG between the Council and the Waverley Housing Forum. The appropriate time period for forecasting is 2015-32, since a reduction in unemployment in 2013-15 indicates that the employment market appears already to have adjusted to the growth figures for those years. There are a number of employment forecasts, but one of them contains significant anomalies and should be discounted owing to the risk of skewing the figures.

Meeting unmet housing need in the HMA

26. The West Surrey HMA also includes Woking and Guildford Borough Councils. The SHMA calculates Woking's OAN to be 517 dpa, but Woking's adopted Core Strategy 2010-2027 only makes provision for 292 dpa over its plan period, leaving unmet housing need against the SHMA figure of 225 dpa, or 3,150 dwellings.⁶
27. The submitted Waverley Borough Local Plan makes no provision for Woking's unmet housing need. However, the NPPF states that local planning authorities should meet the objectively assessed need within their housing market areas. This requires cooperation between the authorities in the HMA to ensure that the need is met. Almost all the land outside Woking's built up area, and most of the land outside Guildford's built up area, is in the Green Belt. Waverley, even allowing for its Green Belt and AONB, and the European sites nearby, is significantly less constrained. Making no allowance in Waverley for Woking's unmet housing need is therefore not a sound position.
28. The underprovision exists now and has been growing from the start of Woking's plan period; it needs to be addressed. It is true that any future review of Woking's local plan will provide an opportunity to re-examine housing opportunities and adjust its assessment of unmet need against a new OAN calculation⁷, but it is very clear from Woking Borough Council's evidence to the hearing and from the obvious constraints imposed by the ring of Green Belt around Woking, that there remains a significant delivery shortfall against housing needs in Woking, and that the town will very probably remain unable to accommodate a significant proportion of its OAN in future.
29. That said, Waverley should not be expected to accommodate the full amount of Woking's unmet need indicated by the SHMA figures. The 2014 household projections for Woking were lower than those on which the SHMA were based⁸, and although the adjustment was less significant in percentage and numerical terms than at Waverley, the figures suggest that the scale of the underprovision could be less than 225 dpa. It is also possible that Woking might be able to deliver more housing than envisaged by its plan because, although there is still a running shortfall from the start of its plan period, housing delivery in 2013-14, 2015-16 and 2016-17 was ahead of the Core Strategy housing requirement. Moreover, Guildford is going through the plan preparation process, and the potential for Guildford to meet a proportion of

⁶ The Woking Core Strategy Inspector did not have the benefit of the 2015 SHMA, but his report recognised that the Core Strategy would not meet the full objectively assessed needs for either market or affordable housing in the Woking element of the housing market area.

⁷ Re-calculating Woking's OAN in the light of the 2014 household projections is outside the scope of this examination. The SHMA figure has therefore been referred to but with a recognition that lower household projections may result in some reduction to the degree of unmet need.

⁸ Waverley Responses Appendix 1: G L Hearn

Woking's unmet housing need will need to be tested through its own local plan examination. It would therefore be appropriate and reasonable for Waverley to accommodate half of the figure for unmet need identified through the SHMA process. The relevant figure annualised over Waverley's plan period amounts to 83 dpa⁹, which would need to be added to the OAN of 495 dpa.

30. Finally there is the issue of migration from London. There is a very specific reason why this needs to be considered in the case of Waverley. This is referred to in paragraph 2.55 of the SHMA: there is unusually close interconnectivity between the authorities in this HMA and London, and paragraph 4.68 recognises an important interaction in the demographic projections. The SHMA has undertaken a sensitivity test to examine the effects of different assumptions in respect of London migration. It is therefore a local consideration that needs to be taken into account in this particular instance. Net migration from London fell during the recession from 2008, and the SHMA work examined the potential effects of a partial rebound to pre-recession levels.¹⁰ Translating this into households and dwellings, the effect on Waverley was quantified as 12 dpa. The economy, the housing market and indeed the affordability indices in the HMA have all seen significant growth since the recession and it is reasonable to consider that there has been some resumption of the trend. Whilst recognising that the precise level of the continuing trend is uncertain, the figure of 12 dpa, based on only a partial rebound of pre-recessionary net flows, is a cautious approach and should be taken into account.
31. Taking the OAN of 495 dpa and adding 83 dpa to allow for Woking's unmet need and 12 dpa to allow for the effect of migration from London arising from unmet need would point to an overall housing provision of a minimum of 11,210 dwellings, or 590 dpa.

Housing provision in relation to environmental issues

32. Concerns were understandably put forward during the examination about the environmental capacity of the Borough, raising the question as to whether the Borough is capable of accommodating the identified amount of housing during the plan period without significant harm to the Green Belt or to key landscape or environmental objectives.
33. The issue of Green Belt is dealt with below under the heading of the Spatial Strategy. The plan proposes that land is released from the Green Belt at Godalming, Milford, Witley, Elstead and Chiddingfold. The amount of land is relatively modest and this report concludes that the release of each of those

⁹ Taking half of Woking's annualised unmet need of 225 dpa results in an annualised figure for Waverley of 83 dpa, because the Waverley Borough Local Plan has a later termination date.

¹⁰ See SHLAA paragraphs 4.67 to 4.78. Migration from London in the pre-2008 period was 337 persons per average higher than the 5 year period feeding into the 2012 based population projections. The sensitivity test considered an adjustment to a level which was half of this difference.

sites would not have a substantial effect on the function of the wider Green Belt and that strong new Green Belt boundaries could be established.

34. The matter of European protected sites is addressed below in connection with the Spatial Strategy, and in relation to Farnham, Haslemere and Dunsfold Aerodrome. The plan would have no effect on the integrity of any of the European protected sites. There are enough potential solutions to give confidence that SANG will be identified and provided to support the additional dwellings in Farnham and it is not necessary to identify a strategic SANG site for Local Plan Part 1.
35. The role of Dunsfold Aerodrome is also considered in relation to the Spatial Strategy; it is evident that the strategic allocation enables a significant amount of development to be accommodated on brownfield land, reducing the need to find further SANG or greenfield sites. It also reduces the need to find further SANG should the re-distribution of housing allocations result in higher numbers for settlements within 5km of the Thames Basin Heaths SPA, such as Farnham.
36. The strategic site allocations in this plan do not have a significant effect on valued landscapes or important biodiversity habitats. Whilst it will be necessary to allocate further greenfield sites in Local Plan Part 2, the plan contains a range of strong landscape and environmental protection policies – discussed later in this report under the section on development management policies – which are capable of ensuring that valued landscapes, including AONB, AGLV and other designations, are protected.
37. The highways impact of the plan has been evaluated and the Waverley Strategic Highway Assessment Report (Surrey County Council) indicates that, with mitigation, the impact of the Local Plan is not considered severe. Additional sites will be required to meet the modified housing figure in MM3 but Policy ST1: Sustainable Transport contains a range of requirements to ensure that transport infrastructure improvements are put in place to mitigate development impacts. Highways England has not identified any particular areas of concern and both Waverley and Guildford Local Plans have been progressed on the basis that the A3 Guildford improvement scheme is unlikely to commence before 2024. The impact of the Dunsfold Aerodrome allocation is discussed below in respect of the Spatial Strategy; transport mitigation measures are clearly required, but they have been thoroughly evaluated, and they can be planned for and funded by the development in a phased manner. There is no indication that the plan strategy would cause significant harm to air quality or generate undue additional noise.
38. The Local Plan includes a range of policies designed to secure that the development and use of land contribute to the mitigation of, and adaptation to, climate change. Of particular relevance in this respect are Policy SP2: Spatial Strategy; Policy ST1: Sustainable Transport; Policy TCS1: Town Centres; Policies CC1 to CC4 relating to climate change, sustainable construction and design, renewable energy development and flood risk management; and the requirements of the strategic site policies SS1 to SS9.
39. In conclusion, whilst recognising the Borough's planning, landscape and environmental designations, and concerns about traffic, there is no convincing

evidence that 11,210 dwellings over the plan period, or 590 dpa, cannot be delivered in a sustainable manner. The SA tested a range of options and stated at paragraph 6.3.4 that there were no "show stoppers" to delivery. The SA addendum, which looked at three options for accommodating the additional growth, commented that none of the options was likely to generate significant negative effects over and above the effects identified in relation to the submitted plan. It will clearly be necessary to allocate greenfield sites to accommodate the housing requirement, but the plan's policies enable the Council to exercise strong control over the impact of new development. Consequently, none of the evidence suggests the need for a policy intervention on environmental grounds to reduce the housing figure below the identified requirement of 11,210 dwellings over the plan period.

The housing requirement

40. Having regard to all the above, Waverley's housing requirement as set out in policy ALH1 as modified by **MM3, is a minimum of 11,210 dwellings, or 590 dpa**, over the 19 year plan period from 2013 to 2032. This represents an increase of 1,349 dwellings, or 71 dpa, over the housing requirement in the submitted plan. The figure is soundly-based.
41. Policy ALH1 apportions the housing requirement to the various settlements in the settlement hierarchy, and **MM3** modifies these figures to meet the requirement of a minimum of 11,210 dwellings. MM3 also includes consequential changes to Objective 2, the explanatory text, and Appendix F. The housing requirement set out in MM3 accurately reflects the calculation set out in the various stages described above. It is in accordance with the NPPF and with the PPG, and is sound.
42. The apportionment of housing to the different towns and villages, and the MM3 adjustments in this regard, are discussed later under Issue 2, which deals with the spatial strategy.

The housing trajectory

43. Strategic sites for housing are identified at Coxbridge Farm, Farnham (Policy SS1); Land West of Green Lane, Badshot Lea, Farnham (Policy SS2); The Woolmead, Farnham (Policy SS3); land at Horsham Road, Cranleigh (Policy SS4); land south of Elmbridge Road and the High Street, Cranleigh (Policy SS5); land opposite Milford Golf Course, Milford (Policy SS6); Dunsfold Aerodrome (Policy SS7); and Woodside Park, Godalming (Policy SS8).¹¹ In the interests of clarity and to ensure the plan is up to date, **MM17** updates paragraph 18.2 and table 18.1 to set out the total number of dwellings that are expected to be delivered from these sites, together with the number of permissions and the expected delivery in the next 5 years.
44. The choice of sites reflects a balanced approach consistent with the spatial strategy, being located at the main towns of Farnham, Godalming and Cranleigh, together with Milford, which is a large village near Godalming, and

¹¹ There is also a Strategic Employment Site on land off Water Lane, Farnham.

on brownfield land at Dunsfold Aerodrome. This is discussed in more detail in Issue 2. Owing to landscape and environmental constraints, a large strategic site has not been proposed at Haslemere.

45. **MM4** contains an updated housing trajectory in the interests of clarity. The assumptions regarding delivery rates at Dunsfold Aerodrome both over the plan period and in the first 5 years are reasonable and are discussed in more detail in relation to the spatial strategy.
46. Other elements of the Council's housing trajectory and 5 year housing land supply are based on reasonable assumptions, and indeed the Council's approach is somewhat pessimistic in respect of small sites with planning permission, for which it has applied a 10% lapse rate. Whilst a proportion of such sites in the past may not have come forward, there is no requirement in the NPPF to apply a blanket discount of this scale; sites with planning permission should be considered deliverable unless there is clear evidence that schemes will not be implemented within 5 years. The application of this discount may therefore lead to an unnecessarily pessimistic assessment of the 5 year supply position. As regards the larger sites with planning permission, the Council's assessment is based on real information from the site developers and on the evidence set out in the Housing Land Supply and Housing Trajectory Contextual Note, so there is no reason to factor in a lapse rate. The latest trajectory for sites with resolutions to grant permission and for strategic allocations reflects new information from developers and details of a current planning application. Farnham Neighbourhood Plan allocations are separately enumerated and LAA sites within settlements now include the contribution from Aaron's Hill arising from MM12. The assumptions regarding small and large windfalls are based on past rates of delivery, the latter discounted by 15%. The Council's approach to all these elements is realistic and reasonable.
47. The plan is strategic and does not itself aim to allocate a full range of sites to meet the housing requirement. Having regard to the estimated contributions from all sources, sites for some 1,525 dwellings¹² need to be allocated in Local Plan Part 2 "Site Allocations and Development Management Policies", and in neighbourhood plans. The Council intends to bring forward Local Plan Part 2 quickly; Annex 1 of the Council's LDS indicates that it is due to be published in June 2018 with adoption in April 2019¹³. Its early adoption in accordance with this timetable, and a positive approach to site identification, are critical to meeting the housing requirement. There is every indication that the Council will adhere to the projected timetable.
48. Part 2 of the Local Plan is therefore an essential element of the Council's housing delivery strategy. However, if it were only to allocate smaller sites, as described by the submitted plan, it would be too inflexible to enable the housing requirement to be met and there would be a significant impediment to

¹² According to the latest trajectory, September 2017. This is the row in the trajectory for 'LAA outside settlements and other allocations in NPs and LPP2'. This figure does not make any allowance for 'LAA within settlements', some of which may also need to be allocated.

¹³ These timescales may need to be reviewed given the Council's desire to adopt Local Plan Part 1 before consulting on the preferred options for Local Plan Part 2.

delivery. **MM1** therefore includes a range of changes to the text to remove the reference to smaller sites and to make it clear that Part 2 of the plan provides the potential to allocate sites of any size. This is necessary in order to clarify the role of Part 2 and to assist with the delivery of the increased housing requirement established by MM3.

49. There are enough indications to be confident that the housing requirement will be delivered over the plan period, with the assistance of Part 2 and neighbourhood plans. A large number of possible housing sites have been submitted for the Council's consideration. With the provisions of the submitted plan, as modified, and with the realistic prospect of adequate allocations in Part 2 of the Plan, the housing requirement of a minimum of 590 dpa set out in MM3 is capable of being delivered over the plan period.
50. The trajectory also indicates that there is a sufficient supply of specific deliverable sites to provide 5 years' supply of housing against the housing requirement.¹⁴ The favourable conditions for development at Dunsfold Aerodrome are discussed later in relation to the spatial strategy and the contribution expected from this source within the first 5 years is realistic and modest. This conclusion is not dependent on the outcome of the current planning application. The trajectory in respect of other sources of supply is discussed above and is realistic.
51. There are a number of sites identified in the Land Availability Assessment (LAA) which the Council counts towards the 5 year housing land supply. In respect of those within the urban areas, the Council has taken a reasonable approach toward its numerical contribution by identifying a small selection of the more eligible sites from a larger pool. Those outside urban areas will come forward through Part 2 of the Plan or through neighbourhood plans.¹⁵ It is reasonable to assume that some of the LAA sites are capable of making a contribution to the 5 year housing land supply. Overall the evidence supports the Council's position that the 5 year supply position at 1 April 2017 was 4,464 dwellings.¹⁶
52. It is necessary at this point to refer to the methodology of the 5 year housing land supply calculation, to ensure that land comes forward in a controlled manner during the life of the plan through appropriate allocations as an integral part of the plan-led system. The SoCG agrees that the "Sedgefield" method should be used, which spreads the backlog arising during the first four years of the plan over the following 5 years. As regards the "buffer" brought

¹⁴ Evidence relating to the 5 year supply is set out in the relevant SoCG between the Waverley Housing Forum and the Council, the Council's 5 Year Housing Land Supply statement of 1 April 2017 and the Waverley Housing Forum's Matter 4 statement and appendices.

¹⁵ The Inspector in the Longdene House appeal (APP/R3650/W/16/3165974) discounted them from the 5 year housing land supply calculation, but it is necessary to take a much wider view in development plan making.

¹⁶ Appendix C: Housing Trajectory 2013-2032, Schedule of Proposed Main Modifications.

forward from later in the plan period¹⁷, it is the conclusion of this report that this must be set at 5%, and that this should be used as the basis for planning decision-making going forward.

53. The primary reason is that this is a new plan and it re-sets the trajectory and supply position. A small number of appeal decisions issued before the publication of this report have calculated the 5 year supply on the basis of a 20% buffer on the grounds of persistent under-delivery, such as the Longdene House appeal (APP/R3650/W/16/3165974). However, the PPG recognises that S78 appeals cannot consider the whole plan-making picture. In the particular case of Waverley, a 20% buffer imposed along with the Sedgefield methodology, by raising the housing requirement over the first 5 years, would not adequately recognise the timing of Dunsfold Aerodrome and the role and timing of Part 2 of the Local Plan and neighbourhood plans, leading to a potential 5 year supply deficit. The new plan represents a change of circumstances from that which existed at the time of the Longdene House appeal decision, and the other appeal decisions that came to similar conclusions.
54. There has not, in any case, been a long term record of persistent under-delivery in Waverley such as to suggest a 20% buffer. The PPG states that the assessment of a local delivery record is likely to be more robust if a longer term view is taken, since this is likely to take account of the peaks and troughs of the housing market cycle. It is clear from Appendix 1 of the Council's 5 Year Housing Supply Statement of 1 April 2017 that, prior to the recession, completions in Waverley were running ahead of the planned requirement so, taking a long term view, a 5% buffer is justified.
55. There is therefore no convincing case for bringing a further 20% forward from later in the plan period. It is essential to recognise the 5% buffer as a necessary element of the sound management of housing supply over the plan period, through the plan-led system.
56. **MM4** updates various parts of the explanatory text and Appendix C of the plan to provide the latest housing supply position and housing trajectory. A housing requirement of at least 11,210 dwellings, or 590 dpa, would result in a basic 5 year requirement of 2,950 dwellings. On 1 April 2017 figures, there had been 1,048 completions over the first 4 years of the plan against a requirement of 2,360 (4 x 590), a shortfall of 1,312 dwellings, which in accordance with the Sedgefield methodology would be added to the 5 year requirement, giving a figure of 4,262. Applying a 5% buffer results in a 5 year requirement of 4,475 dwellings, or 895 dpa. The supply position for at 1 April 2017 was 4,464 dwellings but the trajectory shows an improving supply position through 2017-18 with 5.2 years' supply at 1 April 2018.¹⁸ Moreover, as discussed above, the Council's application of a 10% lapse rate to small sites with planning permission has unnecessarily depressed its estimate of the supply position. Taking these points into account, the evidence points clearly to a 5 year

¹⁷ See paragraph 47 of the NPPF

¹⁸ Appendix C: Housing Trajectory 2013-2032, Schedule of Proposed Main Modifications.

housing land supply at the time of writing. It is not therefore necessary to identify further sites in Local Plan Part 1.

57. However, the risks to supply – for example of variations in the start date and delivery rate at Dunsfold Aerodrome, or unforeseen impediments in bringing other sites forward – point strongly to the need for the Council to adopt a positive approach towards housing provision and to bring forward Part 2 of the Plan and encourage neighbourhood plans to identify sites as early as possible.

Affordable housing on development sites

58. Policy AHN1: Affordable Housing on Development Sites requires a minimum provision of 30% affordable housing in housing developments over certain thresholds. However, the policy as set out in the submitted plan allows Part 2 of the Local Plan, and neighbourhood plans, to vary the percentage of affordable housing on their allocated sites without setting out the circumstances under which this could happen. This is unsound because the level of affordable housing need in the borough is serious and its adequate provision is consequently a strategic matter; this part of the policy would leave doubt as to whether that provision could be achieved, and developers would be faced with uncertainty as to the amount of affordable housing expected on each site. **MM6** deletes the reference to the variation and also clarifies the text in respect of commuted payments in lieu of affordable housing provision on small sites in rural areas. Subject to MM6, the policy is sound.

Gypsies, Travellers and Travelling Showpeople

59. Policy ANH4: Gypsies, Travellers and Travelling Showpeople Accommodation indicates that provision shall be made for such groups in accordance with the Waverley Gypsy and Traveller Accommodation Assessment (GTAA). The latest version of this was published in June 2017. The Council's consultants sought to identify all sites and encampments in the study area and attempted to complete an interview during the non-travelling season with the residents on all occupied pitches and plots. They also gave the opportunity to households in bricks and mortar accommodation to engage in the process, and they engaged with seven nearby local authorities to understand the wider issues in the area. The assessment takes into account the guidance in Planning Policy for Traveller Sites (2015). The GTAA is a comprehensive piece of work and is soundly based. It concluded that there is a need for 27 additional pitches for households that meet the planning definition and up to 24 additional pitches for unknown households that were unable to be interviewed.
60. The GTAA considered that there was a need for two additional plots for travelling showpeople. The specific issue of the group of travelling showpeople who are claiming local connections in Cranleigh is appropriately addressed in the GTAA: at the time of publication in June 2017, work was ongoing to identify where these households are currently residing and whether their needs have been included in GTAA studies elsewhere. The outcome of this work may or may not require a revision to the GTAA to reflect the plot requirements for travelling showpeople in Waverley, but does not affect the wording of Policy ANH4 itself. The level of need will be monitored as set out in Appendix F of the Plan.

61. Policy ANH4 indicates that specific sites to meet the identified need for Gypsies, Travellers and Travelling Showpeople will be allocated in Part 2 of the Local Plan. In the particular circumstances of Waverley, this is a sound approach because Part 2, which will be the main vehicle for making site allocations, will follow very shortly after Local Plan Part 1. **MM7** allows for rural exception sites for Gypsies, Travellers and Travelling Showpeople, which will be considered in accordance with the PPTS. It also removes from Policy ANH4 in the submitted plan the requirement for proposals to meet an assessment of need, to ensure that the policy is consistent with the Plan's approach to other housing. This will allow sites to be brought forward without having to demonstrate need, providing they meet criteria relating to highway safety, essential services, access to local facilities and character and appearance. Subject to MM7 the policy is sound.

Mix of housing types to meet different needs

62. Based on projected demographic changes and the evidence in the SHMA, certain groups are considered to have particular housing needs; these are older people, families with children and people with disabilities. Policy AHN3 is a positively-worded policy that addresses the needs of these groups and is sound. The plan takes a non-prescriptive approach towards the size of homes and Policy ANH3 indicates that the range of different types and sizes of home in each case will reflect the most up to date evidence in the SHMA. The needs of those seeking custom and self-build homes has also been considered by the Council, which is maintaining a register of those who are interested in meeting their housing needs in this way in order to gain evidence of need. The plan's approach is sound in all these respects.

Conclusion

63. Subject to the MMs described above, the plan makes adequate provision for new housing and creates an adequate framework for the maintenance of a 5 year housing land supply.

Issue 2: Whether the spatial strategy is sound, including all its component parts.

Overview of the spatial strategy

64. Waverley is an elongated borough with rather discrete towns and villages, and there is a great deal of local interest in how new development should be distributed between them. Policy SP2 sets out the components of the spatial strategy, which governs both the distribution of strategic sites in the current plan and sites yet to be identified through Local Plan Part 2, neighbourhood plans and planning permissions. It aims to protect land of the highest amenity value, to safeguard the Green Belt, and to focus development at the four main settlements of Farnham, Godalming, Haslemere and Cranleigh, with moderate levels of development at the larger villages of Chiddingfold, Elstead, Milford and Witley, and limited amounts in smaller settlements. It also aims to maximise opportunities for the redevelopment of suitable brownfield sites for

housing, business or mixed use, an objective that lends support to the proposed allocation of 2,600 dwellings at Dunsfold Aerodrome. In dealing with an appeal for development on this site in 2008, both the Inspector and the Secretary of State considered that the aerodrome constituted brownfield land.

65. Focusing new development on the four main settlements is a sound approach and is in the interests of sustainable development, since most of the social, educational, employment and other facilities are there, and the larger villages also have a role in the strategy to meet housing and other needs and to support village facilities. As regards Dunsfold Aerodrome, the aim of re-using land that has previously been developed is one of the NPPF's core planning principles, and the approach that has been taken is in line with the concept of new settlements set out in paragraph 52 of the NPPF.
66. Policy ALH1 assigns numbers of new homes to the Borough's towns and villages and to Dunsfold Aerodrome in accordance with the settlement hierarchy, and **MM3** increases the number in order to meet the uplifted housing requirement described in Issue 1. The additional growth has been distributed among the settlements on a pro-rata basis but is partially adjusted to take into account constraints and opportunities in the different areas of the Borough. This reflects the preferred option in the HRA Addendum.¹⁹ Dunsfold Aerodrome was omitted from the pro-rata increase because the figure of 2,600 dwellings at that site was based on a realistic and achievable rate of delivery from the site over the plan period. Any allocation higher than 2,600 would carry a risk that the housing requirement would not be met over the plan period. Delivery rates from that allocation are discussed under the heading of Dunsfold Aerodrome below.
67. **MM2** modifies Policy SP2 to make it clear that major development is to be avoided on land of the highest landscape value, which is to accord with NPPF paragraph 115; to clarify that Bramley has limited scope for development and remains washed over by the Green Belt; to indicate that Local Plan Part 2 and neighbourhood plans will identify other housing sites, not just non-strategic sites, to be consistent with MM1; and to make consequential changes to the supporting text. These modifications are all required for clarity or consistency and are necessary to make the plan sound.

Spatial strategy: implications for European protected sites

68. The effect of the distribution of development was assessed by the HRA (July 2016) and appropriate assessment carried out for each of the 5 European sites in the Borough. The conclusion was that the plan would have no adverse effect on the integrity of any of the European sites. The issue of SANG (Suitable Alternative Natural Greenspace) in relation to the Thames Basin Heaths Special Protection Area (SPA) is discussed below in relation to Farnham and Policy NE3. The HRA Addendum considered the effects of the additional development from MM3: more dwellings would be located within 9km of Wealden Heaths Phase I SPA and Wealden Heaths Phase II SPA, but the overall amount of development within both 400m and 9km of both SPAs is

¹⁹ Option 3, HRA Addendum.

much less than at Thames Basin Heaths SPA and Natural England has previously recommended that the Council undertake HRA on all major developments located within 5km of Wealden Heaths Phase II SPA. This is reflected in paragraph 16.28 of the Plan's explanatory text and the approach is sound.

69. It is also necessary to comment on the relationship of the spatial strategy and the issue of air quality and nitrogen deposition within SACs (Special Areas of Conservation) following the Wealden judgment.²⁰ The Council's consultants have undertaken additional work to ascertain the impact of the housing uplift arising from MM3. The only road materially affected is the B3001 Milford Road. The contribution would rise from 0.07 kgN/ha/yr to 0.08 kgN/ha/yr, which would still result in no 'in combination' exceedance of the critical level for traffic levels on the B3001. This is a negligible change and would still mean that a large net in-combination improvement is forecast overall for the Borough. The soundness of the plan is unaffected.

Spatial strategy: implications for the Green Belt

70. The Government attaches great importance to the Green Belts. Their essential characteristics are openness and permanence. Once established, their boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan.
71. As previously discussed, there is a pressing need for housing in Waverley, and a serious issue of housing affordability. Delivering the housing to meet the needs of present and future generations is a key aspect of the social dimension of sustainable development. The Council has acknowledged that it is not possible to meet identified housing need solely within its towns and villages and has recognised that the implementation of a sustainable spatial strategy will require a proportion of development to be located on greenfield sites outside the main towns and larger villages, some of which fall within the Green Belt. The Council therefore commissioned a Green Belt Review, which was published in two parts in August 2014.
72. The Green Belt Review contained an analysis of a wide spread of land parcels and their contribution to the purposes of including land in the Green Belt. This provided the evidence base for considering whether some land could be released from the Green Belt to accommodate much needed housing without significantly compromising the characteristics or purposes of the Green Belt. The review was a comprehensive and well-judged piece of work that carries considerable weight. The Council's Topic Paper of December 2016 explains the approach taken towards the selection of sites for release from the Green Belt in the light of the recommendations of the Green Belt Review.
73. At the strategic level, the need to provide adequate housing through the spatial strategy would lead to difficulties at Godalming unless some land was released from the Green Belt. The supply of sites within the town and on

²⁰ Wealden District Council v. Secretary of State for Communities and Local Government, Lewes District Council and South Downs National Park Authority [2017] EWHC 351 (Admin)

brownfield land is limited by the town's character and topography, and the town is surrounded by Green Belt. Godalming is one of the largest towns in the Borough and it would not be possible to provide adequately for the amount of growth commensurate with the spatial strategy without releasing some land from the Green Belt. The plan therefore includes the release of two sites; the details of these are addressed under the heading of Godalming below.

74. In addition, the larger villages of Chiddingfold, Elstead, Milford and Witley are washed over by the Green Belt. Paragraph 86 of the NPPF indicates that villages should be included in the Green Belt if they have an open character that makes an important contribution to openness of the Green Belt and it is necessary to prevent development in them. However, the four villages do not have these characteristics; they are relatively large and, being washed over by the Green Belt, they are prevented from accommodating modest development which would not compromise the openness of the Green Belt. The plan therefore proposes the release of these villages from the Green Belt, together with some areas of additional land, including land opposite Milford Golf Course and some other modest areas adjacent to the villages, the precise boundaries of which would be defined by Local Plan Part 2. The details of these are addressed under the relevant village headings below.
75. The areas of land to be released from the Green Belt in the submitted plan as modified are sufficient to cater for housing needs over the plan period and no further land will need to be released from the Green Belt in Local Plan Part 2. There is a pressing need for new housing which should be delivered in accordance with the spatial strategy and sustainability objectives of the plan, and this need is such that the selective release of limited areas of land from the Green Belt, in the areas chosen, is justified and would not fundamentally undermine the purposes served by the Green Belt. The detailed changes are dealt with below under the relevant sections on Godalming and the villages, but considered strategically, these changes are justified by exceptional circumstances.
76. The submitted plan's proposals to include new land in the Green Belt north of Cranleigh and north east of Farnham around Compton to the Green Belt are not justified by exceptional circumstances and are dealt with under the sections on Cranleigh and Farnham respectively.

The importance of Dunsfold Aerodrome to the overall spatial strategy and to housing delivery

77. As part of the background work leading to the spatial strategy, the SA examined seven "reasonable spatial strategy alternatives". A scenario with no development at Dunsfold Aerodrome was assessed, along with various options with different levels of housing and different amounts of development. The chosen option with 2,600 dwellings at Dunsfold Aerodrome performed best overall, and best on a number of criteria including biodiversity, community and wellbeing, heritage, landscape and soils. It was not the best performer on housing, partly because it did not cater for some of the unmet housing need from Woking (remedied by MM3) and partly because it would not concentrate all housing development at the main settlements. Nevertheless, it is clear from the evidence that a large housing allocation at Dunsfold Aerodrome is a much

better and more sustainable option than a smaller allocation or no allocation at all on the site, for a number of reasons.

78. Firstly, without a substantial allocation at Dunsfold Aerodrome, more greenfield housing sites would need to be identified, especially at the main towns. A number of potential sites have been promoted by developers, but at the hearings no developer claimed that, individually or in combination, these would be capable of providing enough dwellings to obviate the need for a large housing allocation at Dunsfold Aerodrome. The Dunsfold Aerodrome allocation is therefore essential not only to relieve pressure on greenfield land but to ensure the delivery of sufficient housing to meet Waverley's needs.
79. Secondly, it is necessary to consider the potential impact on the Green Belt. The submitted plan, as modified, only requires moderate releases from the Green Belt. Without a substantial allocation at Dunsfold Aerodrome, further changes to the Green Belt boundary could be needed, for example in the vicinity of Godalming and the villages which are closely confined by Green Belt.
80. Thirdly, the effect on the landscape should be considered. Allocating more housing closer to the main towns instead of Dunsfold Aerodrome would require additional development within the landscape settings of Farnham and Haslemere. The AONB is a nationally important designation; the AGLV is a valued landscape and is due to be reviewed with the aim of incorporating parts into the AONB, and parts of Farnham have a historic landscape setting. Dunsfold Aerodrome on the other hand is a flat site with no landscape designation. From most areas it is surprisingly well hidden, and development of an appropriate scale would have little impact on the landscape. An appropriate amount of structural landscaping within the development, as indicated on the masterplan (see below) would enable the development to be reasonably integrated into the landscape so that it would not appear intrusive from the AONB to the north. **MM22** adds to Policy SS7 to ensure that the setting of the AONB is protected.
81. Fourthly, there is the potential effect on the natural environment. Substantial parts of the Borough, particularly around Farnham and Haslemere, are close to SPAs and additional allocations here would increase the need to provide SANGs. A large allocation at Dunsfold Aerodrome could be delivered such that the new housing would lie entirely outside the Wealden Heaths Phase 1 SPA 9 kilometre zone and the Wealden Heaths Phase II SPA 5 kilometre zone.²¹
82. Turning to transport issues, the SA pointed out that there is no existing bus service to Dunsfold Aerodrome, and it is some distance from a railway station. However, **MM22** addresses the absence of a bus service by requiring a frequent service to be provided and secured in perpetuity to serve the whole site. The absence of a nearby railway station means that Dunsfold Aerodrome has a more restricted range of transport choices than Farnham and Godalming, but railway journeys account for a relatively small proportion of

²¹ HRA August 2016, paragraph 6.7.4

daily transport trips even in well-connected places like Farnham, where only 10% of journeys to work and only 4% of journeys overall are by that mode.

83. The SA also indicated that vehicle mileage distances would be greater than with a non-Dunsfold Aerodrome option, but the difference would not be as much as might be expected. Part 4 of the TA (June 2016) quantified the difference between Dunsfold Aerodrome and non-Dunsfold Aerodrome options at between 1.7% and 8%.²² It is significant that the site is already the largest employment location in the Borough and provides a range of employment types, and it would have sufficient critical mass to support a primary school and local services, all of which would suggest that a reasonable proportion of trips would be internal to the site. A non-Dunsfold Aerodrome option would require the development of more urban-edge greenfield sites some distance from the town centres, which would tend to encourage car use.
84. Dunsfold Aerodrome is also well-related by road to the major employment, social and retail facilities at Guildford and Horsham. Distances to the nearest large town and station are not dissimilar to those of some proposed new garden villages including Long Marston, Oxfordshire Cotswolds and Deenethorpe.
85. The total volume of trips estimated for the Dunsfold Aerodrome allocation and the likely distribution of traffic have been the subject of technical studies by Surrey County Council (Strategic Highway Assessment, August 2016), and the TA (Mott MacDonald Stage 2 Report, February 2016) and provide a robust evidence base for an assessment of the traffic impact of the allocation. The Council also commissioned two reports from Mott Macdonald on current HGV flows from the site and the impact of the allocation in this respect. The transport strategy is to focus traffic from the site on to the A281 via a new link road, and this, and other transport infrastructure schemes, are set out in the Infrastructure Delivery Plan. Among these are contributions to mitigate the traffic impact on the southern approaches to Guildford and the local road network in Horsham. The SA has not raised any significant issues for the Dunsfold Aerodrome allocation in respect of noise and air quality. Policy SS7 seeks highway improvements and **MM22** adds to this policy to require mitigation for cumulative impacts and to ensure the safe operation and performance of the surrounding road network. This is necessary for soundness.
86. Whilst transport mitigation measures are clearly required in respect of the Dunsfold Aerodrome allocation, they have been thoroughly evaluated, and they can be planned for and funded by the development in a phased manner: for example, the bus service, list of highway measures largely centred on the A281 and the cross-boundary mitigation referred to above. For non-Dunsfold Aerodrome options, however, such comprehensive measures would be more difficult to achieve; the impact would be spread over the wider transport network and it would be more difficult to identify and fund the necessary

²² The difference in annual mileage between TA Option 1, a non-Dunsfold Aerodrome option and TA Option 3, an option similar to the chosen spatial strategy. The two percentage figures relate to 20% and 10% internalisation of trips respectively.

infrastructure improvements. There would also be an additional impact on Farnham and Godalming, towns with small traditional centres that are already affected by heavy traffic.

87. The strategic site allocation at Dunsfold Aerodrome is therefore a key contributor to housing delivery. Some very large housing allocations in other authorities have taken a considerable amount of time to make initial progress. But both the lead-in time and the planning approval period at Dunsfold Aerodrome are likely to be shorter than average, because a proposed development here has been in preparation over many years, infrastructure has been planned for and much detailed design has been carried out. Whilst there are acknowledged transport and other infrastructure issues to address, these are capable of being dealt with through planning conditions and obligations and there is no convincing evidence that they will result in significant delay. The site is flat and easy to build, and is in the ownership of one party who is experienced in developing and managing major projects. A delivery strategy involving housebuilders is in place, together with an indicative phasing plan, and planning obligations have been the subject of discussion with the local planning authority.
88. The Dunsfold Aerodrome Delivery Rates Assessment shows Dunsfold Aerodrome as starting to contribute towards delivery in 2019-20. It would have an average build out rate of 200 dpa over the lifetime of the development and would make a full contribution of 257 dpa from 2022-23, involving 4 housebuilders and delivering 30% affordable housing. The rate would fall away again between 2030 and 2032. Against the favourable background of land ownership, site characteristics and extensive preparation, this projected build out rate appears realistic and is analogous to Cambourne in South Cambridgeshire where delivery averaged 235 dpa over the build out period with a peak of 400 dpa.
89. The anticipated start date however appears tight and it is possible, depending on its outcome, that the decision on the called-in hybrid planning application for 1800 dwellings at Dunsfold Park (Council's ref WA/2015/2395) will affect that date. Nonetheless, whatever the decision on that application, which will be dealt with on its own merits, the development potential and deliverability of the Dunsfold Aerodrome allocation are favourable enough to provide some confidence that the site is capable of delivering a modest contribution of 273 dwellings to 2021-22, a figure established by the Council in consultation with the landowners, and will achieve its full expected contribution to the housing requirement over the plan period. There is no strong evidence that there are, for example, infrastructure issues that are so difficult to resolve that the site could not make the contribution expected by the Council. The implications of the risk to supply are dealt with in the preceding issue at paragraph 57.
90. Policy SS7 sets out an extensive list of requirements for the site including up to 2,600 dwellings, an expanded business park with around 26,000 sq metres of new employment floorspace, a local centre and schools and other social infrastructure, a country park, and other facilities. **MM22** adds requirements to the policy to recognise the significance of the heritage value of the site and protect the setting of the nearby Surrey Hills AONB, and re-phrases the housing requirement to "about" 2,600 homes to allow for some flexibility. It also amends the policy to ensure that necessary highways improvements take

into account cumulative impacts; a list of highway and transport schemes has been developed with Surrey County Council to mitigate the impact of the development and to address the issues raised in the TA. The bus service required by MM22, along with the provision of cycling and walking routes within the site, referred to below, will ensure that there are adequate opportunities to use non-car modes of transport. With the modifications contained in MM22, the policy is sound.

91. The PPG states that local planning authorities should secure design quality through the policies adopted in their local plans, and it contains a great deal of guidance on the kind of issues that need to be addressed in order to create successful, well-designed places. The Dunsfold Aerodrome allocation is large enough to put all the principles of good urban design into practice. However, Policy SS7 of the submitted plan, concerning the new settlement at Dunsfold Aerodrome, is essentially a planning list of requirements, and does not address design, whilst Policy TD1 of the submitted plan is a general design policy and does not go far enough to guide the design and development of Dunsfold Aerodrome. This aspect of the submitted plan is therefore unsound as it does not put good design at the heart of the plan making process for this strategic site, as sought by the NPPF and elaborated upon by the PPG.
92. **MM23** introduces a new policy into the plan: Policy SS7A: Dunsfold Aerodrome Design Strategy. Its aim is to ensure that the site develops as a special place with its own distinct local character, responds to its landscape setting and its own historic legacy, has a safe, inclusively designed, legible and permeable network of successful streets, greenspaces and public places, and pedestrian, cycle and vehicle routes organised to provide good access to social, community, retail and employment facilities. It requires the developer to produce a masterplan for the whole site that responds to the design principles in Policy SS7A. This will be subject to consultation and be assessed by a design review panel. Subsequent planning applications will need to be consistent with the masterplan. This is a sound approach.
93. In conclusion, the allocation at Dunsfold Aerodrome is a key part of the sustainable growth strategy for the Borough. It provides an excellent opportunity to meet a significant part of the housing needs of the Borough, including affordable housing, on a brownfield site. It is a good example of proactive planning to achieve co-ordinated, well-designed sustainable development and it offers opportunities for comprehensive urban design and master planning and social and transport facilities that smaller peripheral greenfield sites cannot usually offer. Subject to MM22 and MM23, the Dunsfold Aerodrome allocation is sound.

Farnham's role in the spatial strategy

94. The largest allocation of housing is directed to Farnham because it is the biggest town, with a good range of shops, services, social and transport facilities. MM3 raises Farnham's allocated growth to 2,780, from 2,330 dwellings in the submitted plan. This is an entirely reasonable and moderate increase, in line with the sustainable spatial strategy to allocate most development to the largest towns.

95. Three of the plan's strategic sites are located in the town. Coxbridge Farm, Farnham (Policy SS1), allocated for about 350 homes, is also included as an allocation in the Farnham Neighbourhood Plan. As it lies within 5km of both the Thames Basin Heaths SPA and the Wealden Heaths Phase 1 SPA, the Council is proposing to draw attention in the supporting text to the need for avoidance and mitigation measures. The issue of SANG at Farnham is addressed below. Policy SS1 is sound and no MMs are proposed.
96. Land west of Green Lane, Badshot Lea, Farnham (Policy SS2) is also within 5km of the Thames Basin Heaths SPA and the Council similarly proposes to draw attention to the need for avoidance and mitigation measures, as well as the need for sensitivity in relation to Weybourne Local Nature Reserve. **MM18** updates the capacity of the site from 100 to 105 dwellings to reflect the current planning application and also removes the reference to the minerals planning authority, since it would have deferred part of the decision to that authority, when the decision belongs to the local planning authority. In addition, it is unlikely that the prior working of the underlying mineral would be feasible. Subject to MM18, Policy SS2 is sound.
97. The Woolmead, Farnham (Policy SS3) is a town centre redevelopment site allocated for around 100 homes and 4,200 sq metres of retail floorspace. Outline planning permission exists for 96 dwellings on the larger part of the site. To make the policy sound, **MM19** removes the requirement for a comprehensive development, which would have been onerous since the two parts of the site are in separate ownership.
98. The Farnham Neighbourhood Plan has recently been made, and has broad support, but with housing allocations totalling 784 dwellings and a total anticipated supply of 2,201 dwellings, it does not provide for the whole of the submitted plan's allocation to Farnham²³ or the increased housing allocation in MM3. Extra housing allocations will be needed at Farnham in Part 2 of the Local Plan, and potentially through a partial review of the Neighbourhood Plan. The Council proposes to insert additional information into the plan's text to explain how those housing allocations are brought forward, which will be through allocations in Local Plan Part 2 unless there is an early review of the Neighbourhood Plan.²⁴
99. Planning is a continuous process, so whilst it is fully appreciated that a great deal of work has gone into producing the Neighbourhood Plan, the development plan will always need to evolve to reflect changing circumstances. The amount of housing allowed for by the Neighbourhood Plan is too low, being based on the submission plan's housing requirement, which is unsound. That does not make the Neighbourhood Plan itself unsound, but further housing allocations at Farnham will be necessary, with the probable

²³ The reason for this is that its termination date is 2030-31, a year earlier than the Local Plan. Post-hearing information supplied by Farnham Town Council indicates that the current anticipated supply is about 2,330 dwellings.

²⁴ This is a late change proposed by the Council. Being a change to the explanatory text, it is a minor modification that does not go to the soundness of the plan, but for completeness it is included in the text of MM1 in the Schedule of Main Modifications.

need to adjust the built up area boundary. These changes will not diminish the importance or relevance of the work carried out to produce the Neighbourhood Plan, which will remain part of the statutory development plan.

100. Whilst recognising that some of the land around Farnham is subject to landscape and other designations, the Council is being realistic and positive by stating that sufficient suitable sites can be identified including previously identified sites in the 2016 LAA, new sites promoted since the LAA, and sites previously rejected in the LAA. This is in line with the PPG, which advises authorities to revisit the assessment in cases where insufficient sites have been identified, changing the assumptions on development potential, including physical and policy constraints. Appropriate mitigation and other measures could for example make certain sites acceptable.
101. Farnham Town Council has made a case for introducing a phasing policy which would delay the necessary additional allocations at Farnham until later in the plan period. The rationale behind this is that the Farnham Neighbourhood Plan is recent, involved a lot of work and carries a high level of public support. But as mentioned above, any necessary additional allocations would not undermine the work that has already been done and the Neighbourhood Plan would remain part of the development plan. The matter must be considered in the wider context: issues of housing need and affordability are starkly evident across the whole Borough, including Farnham, and the spatial strategy and the housing requirement (including the additional housing arising from MM3) apply to the whole Borough. Farnham, being the largest town, has a key role in delivering the housing requirement and ensuring that a 5 year supply is maintained; the suggested phasing policy would militate against this and could place additional pressure on other locations.
102. Farnham is within 5km of the Thames Basin Heaths SPA. Policy NE3 sets out the requirement for new residential development within 5km of the SPA boundary. Farnham Park has sufficient capacity to provide SANG for the submitted plan allocations in the Farnham area, but the increased housing requirement at Farnham arising from MM3 will require further consideration to be given to the provision of SANG. The amount of extra SANG required to meet the whole of the Farnham allocation could be between 4.75ha and 9.14ha, depending on dwelling occupancy rates.
103. Natural England did not raise objection to the Council's approach in the submission plan, but has suggested that the plan is unsound in respect of the additional 450 dwellings in MM3 unless new strategic SANG is identified now. That is not the case. There is no prospect of harm to the SPA, because permissions affecting it cannot be granted without suitable avoidance and mitigation measures. The real question is whether enough SANG will be identified in due course to allow for the timely delivery of the additional housing requirement in Farnham. On that point, the current level of unused capacity at Farnham Park is sufficient to cater for the majority of the plan's allocations at Farnham, which gives the Council time to take action to find sites suitable for SANG to meet the requirements of the additional 450 dwellings, and there are a number of potential directions that the Council can pursue.

104. One of those is the provision of bespoke SANG on development sites. Some developers indicated during the hearings that their prospective development sites can provide SANG. Some of these sites may have been rejected by the Town Council, but it may be necessary to re-visit previously rejected sites and consider whether they can be made acceptable through mitigation measures. There are also a number of potential strategic SANG sites. The Council's SANG Topic Paper Update (December 2016) indicates that there are opportunities for additional SANG, for example at Farnham Quarry and Runfold Sandpits, with other potential sites at Bishop's Meadow and Hale Road. Clearly the attributes of the sites will need to be evaluated to see whether they are fully capable of meeting SANG requirements, and not all of them may come forward, but discounting all of them would be unduly negative.
105. The range and variety of potential solutions provides sufficient confidence that SANG will be identified and provided to support the additional dwellings in Farnham required by MM3. It is therefore not necessary to identify a strategic SANG site for Local Plan Part 1. The plan's approach is sound.
106. **MM15** updates paragraphs 16.33 and 16.34 to explain how much new SANG will be required for the amount of proposed housing in the Farnham area, and the approach the Council will take towards identifying SANG. This modification is required in the interests of clarity. The terms of Policy NE3 itself would ensure that no harm is caused to the SPA, and no modifications are proposed to it. The evidence does not indicate that the plan is unsound either because it needs to provide more strategic SANG or that housing delivery in Farnham would be delayed or prevented because of the inadequate availability of SANG.
107. Finally, the submitted plan proposes to add to the Green Belt land north east of Farnham around Compton. However, the Green Belt Review does not contain compelling justification; it states that the site would "complement" existing Green Belt, with potential to contain Compton and maintain separation between Aldershot and Farnham, but this is a long way short of demonstrating exceptional circumstances. It is intended in any case to protect this area by introducing a focused Strategic Gap policy in Local Plan Part 2. There are no exceptional circumstances for adding this area to the Green Belt, and **MM13** deletes the relevant section from Policy RE2 in the interests of the soundness of the plan.
108. In respect of Farnham, the plan subject to the main modifications is sound.

Godalming

109. The plan allocates 1,240 dwellings to Godalming and MM3 increases this to 1,520. This is in accordance with SA Addendum Option 3, and is a proportionate increase with an adjustment to take into account the potential for housing at the Aaron's Hill site, discussed below.
110. The submitted plan identifies land south east of Binscombe, Godalming for removal from the Green Belt and inclusion within the settlement boundary. The Green Belt Review had identified wider areas of land suitable for release around Binscombe and Farncombe but the Council rejected some of these areas because they were fragmented. The site identified in the submitted plan is a smaller, well-enclosed piece of land between Binscombe and the built up area of Farncombe, which is separated by Binscombe from the wider

countryside and is closely related to existing development. This area would round off the settlement and would not have an impact on the openness of the wider Green Belt. The release is necessary to help accommodate Godalming's housing needs and the site is well chosen. **MM12** modifies the supporting text to indicate that this land will form part of the settlement area of Godalming and will no longer be within the AGLV, a sound approach to ensure consistency and to enable the site to contribute towards the housing requirement.

111. The Green Belt review identified land at Aaron's Hill, on the western side of the town, as being suitable for removal from the Green Belt. However, the submitted plan indicates that the matter will be considered in Part 2 of the Plan, following discussion with Guildford Borough Council, since the Borough boundary runs along the western side of the site. This leaves an unnecessary degree of uncertainty as to the Plan's intentions. The site is suitable for removal from the Green Belt: it is not of particularly high landscape quality, being flat and rather featureless, the existing urban edge is rather hard and the site would present the opportunity of establishing a better edge to the built up area and a better-defined Green Belt boundary. The Council endorses **MM12**, which removes this land from the Green Belt, a sound modification that makes clear the Plan's intentions and provides the opportunity for the site to be brought forward for housing, subject to appropriate access and other considerations to help meet the overall housing requirement and housing need in Godalming.

112. A further area of land at Milford Golf Course, which is relatively close to Godalming, would also be removed from the Green Belt and this is dealt with under the heading of Milford.

113. Having regard to the characteristics of these sites, the important need to provide for additional housing, the fact that the release of both sites would enable strong new Green Belt boundaries to be established, and the limited impact that their release would have on the important characteristics of Green Belt function, it is evident that the choice of the sites at Aaron's Hill and Binscombe for release from the Green Belt is sound and is justified by exceptional circumstances in each case.

Haslemere

114. The housing allocation in the submitted plan is 830 dwellings, and **MM3** raises this to 990. The allocation remains relatively low for the size of the town because of the presence of Green Belt and AONB. The LAA has not yet identified sufficient suitable sites to meet this number, but additional potentially suitable sites have been assessed in collaboration with Haslemere Town Council through preparatory work for Local Plan Part 2. The town is close to the Wealden Heaths Phase II SPA but, due to the amount of natural greenspace in the area, SANG is not the only potential mitigation measure and there is no need for a strategic SANG. Discussions have taken place with the National Trust to discuss possible projects that could mitigate development in the area. Development will be mitigated on a case-by-case basis as agreed with Natural England. The strategy is sound.

Cranleigh

115. Cranleigh has a substantial population, a high street with a good range of shops, cafes and other uses, and has local schools and community facilities. So although it is celebrated by some as "England's largest village", it is appropriate to count it for the purposes of the strategy as one of the main towns, and it is suitable for accommodating strategic site allocations. The submitted plan allocates two of the strategic sites to the village in recognition of the fact that it is one of the less constrained areas in terms of Green Belt, landscape and environment. **MM3** increases Cranleigh's housing allocation modestly from 1,520 dwellings to 1,700 dwellings. The apportionment of development to Cranleigh is in accordance with the spatial strategy and is sound.
116. A site at Horsham Road, Cranleigh (Policy SS4) is allocated for about 250 homes in two phases, with the first phase having been granted planning permission in 2016. **MM20** deletes the policy requirement that would have prevented development of phase 2 before the substantial completion of phase 1 in the interests of flexibility and to reflect the current situation, in which construction is under way. Subject to that modification, the policy is sound.
117. Land south of Elmbridge Road and the High Street, Cranleigh (Policy SS5) is allocated for 765 homes and a country park. It is in three ownerships and the submitted policy requires a holistic and integrated scheme for the whole site. To bring the policy into line with the terms of the planning permissions for the three parts of the site, **MM21** deletes the requirement for a staged delivery with the parts of the site closest to the village centre being developed first, since the permissions do not contain that requirement. Subject to that modification, the policy is sound.
118. The submitted plan proposes to add land north of Cranleigh to the Green Belt. However, the conclusions of the Green Belt Review do not provide convincing justification. The Review does not use compelling terms to suggest a strong need for boundary changes. The area would have a "potential role" in limiting ribbon development, protecting the land from urbanisation and preserving the village setting, but there is little to suggest that Green Belt designation would be necessary to achieve these ends compared with the application of normal settlement boundary and countryside protection policies. Moreover the land includes Cranleigh School whose ability to adapt and expand would be considerably restricted by Green Belt designation. This proposed change to the Green Belt boundary is not justified by exceptional circumstances and **MM13** deletes the relevant section from Policy RE2 in the interests of the soundness of the plan.

Milford

119. Milford is proposed for removal from the Green Belt. As discussed above, this is justified by exceptional circumstances as it would enable the village to cater for modest development needs.
120. It is also proposed to release land from the Green Belt for strategic housing site SS6, land opposite Milford Golf Course, which is allocated for around 180 dwellings. Although partially serving Milford, this site is also well related to Godalming. It is relatively flat and well-enclosed and development would have very little effect on the wider landscape or on the openness of the Green Belt

other than the site itself. The Green Belt Review pointed towards the potential for release of this land and the setting of a long-term village development boundary in conjunction with the removal of the whole village from the Green Belt.

121. In the pre-submission consultation version of the plan, this land was shown as a strategic site for housing but was not removed from the Green Belt, the expectation being that the Green Belt boundary would be adjusted later, in Local Plan Part 2. However, it is not a sound approach to allocate a strategic site for housing but leave it in the Green Belt as this would signal mixed intentions and undermine the value of the housing allocation. **MM12** modifies Policy RE2 to remove the land from the Green Belt; this is consistent with the housing allocation and enables the site to be brought forward earlier to help meet the housing requirement.
122. There is an 88 year old covenant on the land limiting development to 27 dwellings. Covenants are not normally planning matters, but it has been suggested that, were delivery restricted to only 27 dwellings, this would not represent the exceptional circumstances required to support the change in the Green Belt boundary. However, the need for housing land to be made available in the public interest and the strategic exceptional circumstances for Green Belt release point to a reasonable prospect of the covenant being varied, modified or discharged under s84 of the Law of Property Act 1925 to enable the full capacity of the site to be achieved.
123. A project-level HRA assessment will be required for site SS6 due to its proximity to the Wealden Heaths Phase 1 SPA. The site is well-related to the built-up part of the village and its services and to Milford Station and to the A3100, the main road into Godalming. There is a footway into the village which is narrow where it passes over a river bridge, but there is no notable accident record here and the route is capable of accommodating the pedestrian traffic from a development of about 180 dwellings. There may also be scope to provide other pedestrian and cycle links into the village. These are requirements of the policy. Station Lane is restricted to 40mph and is lit, and if considered necessary there may be scope to reduce the speed limit. The site is capable of accommodating a vehicle access with good sight lines. The allocation is sound.
124. Secretts Garden Centre has been suggested as an alternative to site SS6. However, it is also within the Green Belt, and is not a location that was specifically identified for release from the Green Belt in the Green Belt Review, so it is not a non-Green Belt alternative to allocation SS6. It is also less well related to the station. Whether it amounts to previously developed land, whether it is suitable for development, and what its capacity might be, are matters for separate consideration and are not for this report, but the allocation of site SS6 would not prevent previously developed Green Belt sites from being considered for redevelopment provided they were in accordance with the NPPF and the Local Plan.
125. Having regard to the characteristics of the site opposite Milford Golf Course, the pressing need to provide for additional housing, the ability of the site to help towards meeting the housing needs of both Godalming and Milford, the sustainable location of the site, the fact that it is well enclosed and would

enable a strong new Green Belt boundary to be established, and the limited impact that the site's release would have on the important characteristics of Green Belt function, it is evident that this is a very well-chosen site and its release from the Green Belt is justified by exceptional circumstances.

Chiddingfold, Elstead and Witley

126. The plan removes the existing settlement areas of Chiddingfold, Elstead and Witley from the Green Belt and identifies sites outside the settlement boundaries for removal from the Green Belt in Part 2 of the Plan. With the exception of Chiddingfold, these are marked by asterisks on the village plan insets in the submitted plan, rather than boundary lines, because their boundaries have not yet been defined. The sites are relatively small pieces of land identified by the Green Belt Review, or by the Council, which are well-related to the villages, make a limited contribution to the openness of the Green Belt, and are capable of accommodating the modest levels of growth allocated to these villages. The sites will not necessarily all be released from the Green Belt; the intention is that more detailed site investigation work will be carried out through neighbourhood plans and in the preparatory work for Local Plan Part 2, with the neighbourhood plans potentially setting the settlement boundaries and Local Plan Part 2 establishing the detailed changes to the Green Belt boundary. This approach will provide the opportunity for local consultation in firming up the sites and defining their precise boundaries.

127. Having regard to the overall housing need, the characteristics of these villages, discussed under the Green Belt heading above, the modest scale of the sites and their close relationship to the villages, and the potential opportunity through Local Plan Part 2 to define their boundaries in a way which would not significantly compromise the function of the Green Belt, there are exceptional circumstances which justify releasing these modest pieces of land from the Green Belt. **MM12** deletes the less precise supporting text to give greater clarity to the approach the Council will take to Green Belt release in Part 2 of the Local Plan, and brings the approach at Chiddingfold into line with the other villages. Subject to this modification, the plan's approach to this matter is sound.

Other villages

128. The submitted plan allocates modest amounts of additional housing to the villages broadly in proportion to their size but taking into account opportunities and constraints. MM3 increases the allocation, but the numbers of additional dwellings remain relatively small. The approach to these villages is in line with the spatial strategy and neither the submitted plan nor the additional allocation in MM3 proposes an excessive or disproportionate increase for any of the villages. The plan's approach is sound.

Spatial strategy: conclusion

129. The plan's spatial strategy is sound subject to the main modifications including the distribution of the additional housing arising from MM3.

Issue 3: Whether the development management policies of the plan are clear, effective and consistent with statute, Government policy and guidance.

130. Not every policy is discussed in this section. Where policies are not mentioned here, they have either been discussed previously in this report or they are considered sound and it is unnecessary to comment on them. A number of MMs are required to the contents of some of the policies in the submitted plan to ensure that they are sound.
131. **Policy ST1: Sustainable Transport:** Criterion 1 of the submitted plan requires all development to be located where it is accessible by forms of travel other than the private car. This is too rigid to apply to all development and would conflict with Policy EE1 (as modified by MM8: see below) which promotes a strong rural economy, and with Policy SP2 which allows for limited growth in the villages. **MM5** alters the policy so that it seeks to maximise opportunities for sustainable transport modes whilst recognising the nature of the scheme and the location of the site, and recognises that different measures will be required in urban and rural locations. The policy is sound subject to this modification.
132. **Policy EE1: New Economic Development:** the text in the submitted plan is very limited in what it says about the rural economy, confining itself to the re-use and conversion of existing buildings, and is therefore in conflict with the NPPF. **MM8** seeks to promote a strong rural economy and, in addition to building conversions, promotes the development and diversification of agricultural and other land-based rural businesses. It also clarifies the text in respect of the forthcoming Part 2 of the Plan. Subject to MM8 the policy is sound.
133. **Policy EE2: Protecting Existing Employment Sites:** in the submitted plan, this appears as a negatively worded policy that would act to restrict reasonable proposals for residential development on employment sites in suitable circumstances. It is not positively prepared and would be in conflict with the NPPF. **MM9** alters the policy to make it more positively worded and sets out the circumstances in which a change to residential use would normally be approved. It also alters some of the text relating to Part 2 of the Plan for the sake of clarity. The policy is sound subject to this modification.
134. **Policy TCS1: Town Centres** establishes where the focus of town centre uses should be and **Policy TCS2: Local Centres** set out the role of such centres. In the interests of clarity and soundness, **MM10** inserts the names of the four main towns into Policy TCS1, and deletes the references to prior approval, since the conditions governing prior approval are set out in full in Schedule 2 to the General Permitted Development Order; a local planning authority cannot consider any other matters when determining a prior approval application.
135. **Policy LRC1: Leisure, Recreation and Cultural Facilities:** **MM11** re-writes the policy to make it more positively-worded and flexible than that in the submitted plan, clearer as to the different requirements for outdoor and indoor facilities, and more closely aligned with the NPPF. The re-written policy is sound.

136. **Policy RE3: Landscape Character:** a substantial part of the rural area of the Borough is included within the Surrey Hills AONB, but there are also a number of local landscape designations. It is not necessary to describe each one in this report, but it is acceptable for the Plan to contain local landscape designations if they assist in setting out broad areas of "valued" landscape in NPPF terms and help to explain what is expected of development proposals within them.
137. The main issue in respect of Policy RE3 relates to the Area of Great Landscape Value, a local designation. The AGLV is contiguous with some of the AONB but extends beyond it near Farnham and Godalming. Natural England is due to review the AONB boundary in 2018 and this may take in some of the AGLV. In the meantime it is reasonable for the Plan to retain the AGLV designation and apply similar principles for its protection as those for the AONB; this is consistent with approach taken by the development plan in other Surrey districts with AGLV land.
138. However, the Plan must at the same time recognise that the AGLV is a local designation. **MM14** clarifies that the AONB is of national importance and its protection and enhancement are subject to national planning policies, and that the protection of the AGLV will be commensurate with its status as a local landscape designation. This reflects paragraph 113 of the NPPF. Other changes within MM14 clarify that the land south of Holy Cross Hospital, Haslemere is to be retained in the Area of Strategic Visual Importance. These changes are all necessary for consistency and clarity.
139. **Policy NE3: Thames Basin Heaths Special Protection Area:** Farnham is within 5km of the Thames Basin Heaths SPA. Policy NE3 sets out the requirement for new residential development within 5km of the SPA boundary. The position regarding the SPA and housing delivery at Farnham is discussed above in relation to the spatial strategy.
140. **Policy CC2: Sustainable Construction and Design** contains a number of factors that will be taken into account to promote sustainable forms of development and reduce greenhouse gas emissions. In the interests of water conservation and to avoid additional water stress, **MM16** seeks to ensure that new dwellings meet a maximum water requirement of 110 litres of water per person per day. It also seeks the highest available speed broadband infrastructure in new developments to reduce the need to travel. These modifications reinforce the effectiveness of the policy and are sound.

Assessment of Legal Compliance

141. My examination of the compliance of the Plan with the legal requirements is summarised in the table below. I conclude that the Plan meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Local Plan has been prepared in accordance with the Council's LDS (the latest version being October 2017).
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in August 2014. Consultation on the Local Plan and the MMs has complied with its requirements.
Sustainability Appraisal (SA)	SA has been carried out and is adequate. The SA addendum is also adequate.
Habitats Regulations Assessment (HRA)	Habitats Regulations Assessment screening has been carried out, together with Appropriate Assessment for each of the five European sites in the Borough (July 2016). The effects of MM3 have been considered in the HRA Addendum (September 2017).
Climate change adaptation and mitigation	The Local Plan includes policies designed to secure that the development and use of land in the local planning authority's area contribute to the mitigation of, and adaptation to, climate change. Of particular relevance in this respect are Policy SP2: Spatial Strategy; Policy ST1: Sustainable Transport; Policy TCS1: Town Centres; Policies CC1 to CC4 relating to climate change, sustainable construction and design, renewable energy development and flood risk management; and the requirements of the strategic site policies SS1 to SS9.
National Policy	The Local Plan complies with national policy except where indicated and MMs are recommended.
2004 Act (as amended) and 2012 Regulations.	The Local Plan complies with the Act and the Regulations.

Overall Conclusion and Recommendation

142. The Plan has a number of deficiencies in respect of soundness for the reasons set out above, which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the 2004 Act. These deficiencies have been explored in the main issues set out above.

143. The Council has requested that I recommend MMs to make the Plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix the Waverley Borough Local Plan Part 1 satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.

Jonathan Bore

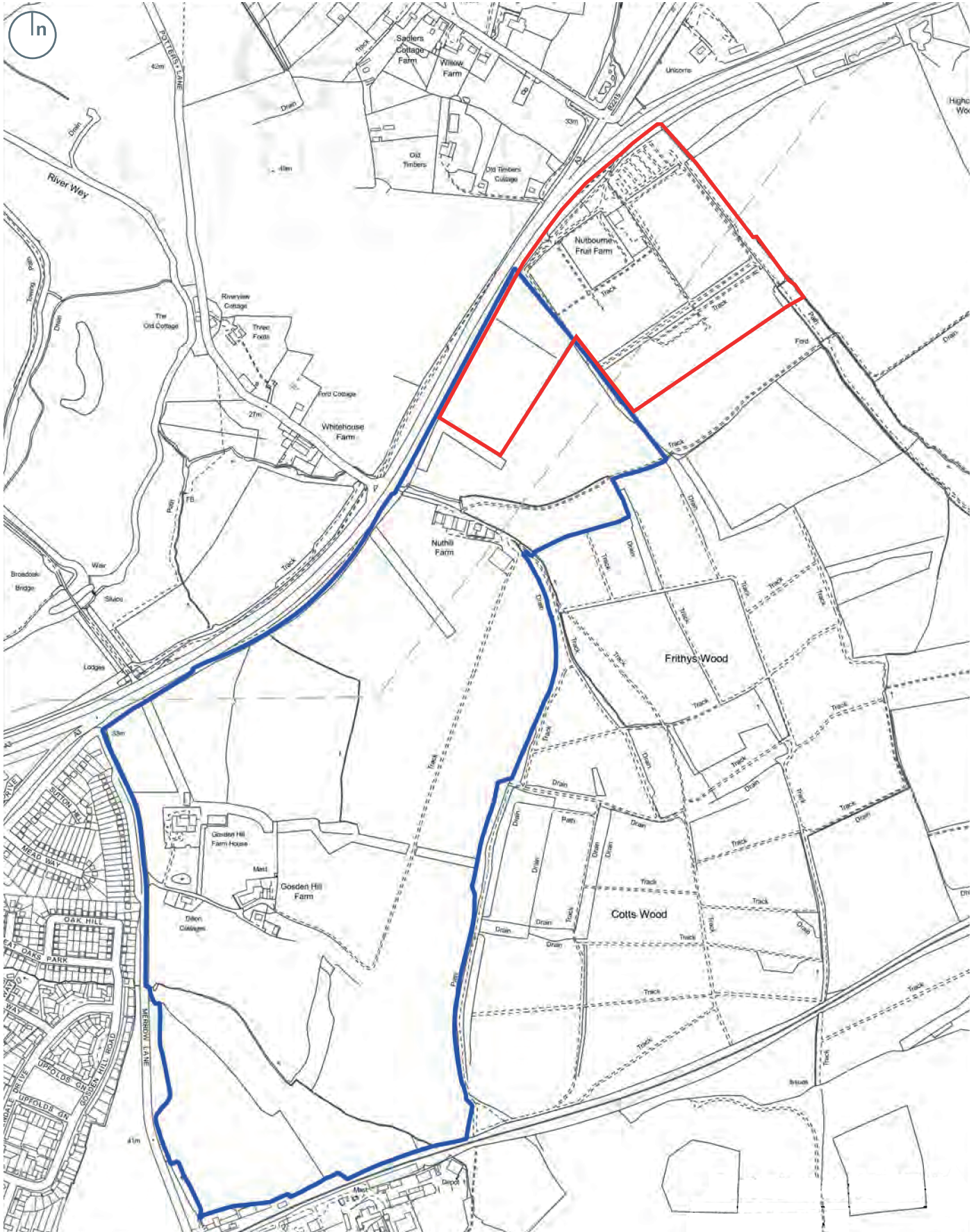
Inspector

This report is accompanied by an Appendix containing the Main Modifications.

Respondent Number: 16206593

Bloor Homes - Hearing Statement on Matters 2,3,4,5,6,9 and A25

Appendix 3: Bloor Homes - Additional Land available to the east of Gosden Hill Farm Allocation



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- Allocation boundary
- Land under control of Bloor Homes

Client
Bloor Homes
 Project
Gosden Hill Farm, Guildford
 Drawing
Site Location Plan

Project No. BLOR3011	Status Final
Drawing No. 1000	Scale 1:10,000 @ A4
Revision 00	Date 14 July 2017



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