

Appendix 1 – Tandridge Housing Supply & Delivery

- 1.1 This report has been prepared of behalf of the Applicant (Woolbro Group and Morris Investment) in accompanying the proof of evidence submitted with this appeal.
- 1.2 The UK Government has set a target of 300,000 homes per year in England by the mid-2020s. One estimate produced by the National Housing Federation (NHF) suggests that there is a need for 145,000 affordable homes per annum in England. According to a UK Parliament briefing, around 233,000 new homes were delivered in 2021/22, of which 59,175 were affordable. Therefore, it is clear that we are falling considerably short of this target at a national level.
- 1.3 The National Government's priority is to boost the supply of both market and affordable homes. This is a particular priority in areas where there are high levels of unaffordable housing.
- 1.4 Tandridge District Council have acknowledged that it is unable to demonstrate a five-year-housing-land-supply (5YHLS). This matter is agreed within the Statement of Common Ground (SoCG) submitted to PINS on 26th May 2023. However, the precise level of TDC's housing land supply is disputed.
- 1.5 This report aims to review the Council's current housing supply position in support of the proof of evidence and way in which Tandridge District Council (TDC) plans to address this housing shortfall.

National Planning Policy Context

- 1.6 Within the NPPF, there is a clear national priority to boost housing supply across the UK. This is of relevance in paragraph 60 of the NPPF which states:

“To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of the groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.”
- 1.7 As such, paragraph 74 of the NPPF requires LPAs to demonstrate a 5YHLS:

“Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where strategic policies are more than five years old.

The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of:

- a) 5% to ensure choice and competition in the market for land; or
- b) 10% where the local planning authority wishes to demonstrate a five-year supply of deliverable sites through an annual position statement or recently adopted plan, to account for any fluctuations in the market during that year; or
- c) 20% where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the planned supply”

1.8 Likewise, paragraph(s) 11 (d) – and subsequent footnote 8 – as well as paragraph 222 of the NPPF (Annex 1) in relation to the Housing Delivery Test (HDT) is of relevance:

“Until new HDT results are published, the previously published results should be used. For the purpose of footnote 8 in this Framework, delivery of housing which was substantially below the housing requirement means where HDT results:

- a) *for years 2016/17 to 2018/19 (HDT: 2019 Measurement, published 13 February 2020), indicated that delivery was below 45% of housing required over the previous three years;*
- b) *for years 2017/18 to 2019/20 (HDT: 2020 Measurement, published 19 January 2021), and in subsequent years indicate that delivery was below 75% of housing required over the previous three years.”*

1.9 In accordance with paragraph 11 (d) and footnote 8, relevant development plan policies should be considered out of date *“where local planning authority cannot demonstrate a five-year housing land supply of deliverable site (with the appropriate buffer, as set out in paragraph 74); or where the HDT indicates that the delivery of housing was substantially below (less than 75% of) the housing requirement over the past three years.”*

1.10 As such, it is determined that Tandridge’s housing supply and delivery position is assessed against these two tests:

- a) Whether it can demonstrate a 5YHLS
- b) Whether the HDT indicates a delivery of at least 75% over the past three years.

Housing supply

1.11 As per paragraph 61 of the NPPF, strategic policies relating to housing need should be informed by a local housing need assessment, conducted by the standard method- unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signal. As per National Planning Policy Guidance (NPPG) ‘Housing and economic needs assessment’ the standard method figure for Tandridge as of the most recent calculation is **642 homes per year**.

1.12 In maintaining sufficient housing land supply, in accordance with paragraph 74 (c) of the NPPF states that a 20% buffer should be applied “where there has been significant under delivery of housing over the previous three years, to improve the prospect of achieving the

planned supply”. Given TDC’s poor record on housing delivery, the buffer applies, resulting in a housing requirement of **770 homes per year** for the purposes of demonstrating a 5YHLS.

- 1.13 TDC’s most recent 5YHLS calculation as per its 2021-2022 Annual Monitoring Report confirms it has a 5YHLS figure of **1.57 years** (based on the requirement above including the 20% buffer).
- 1.14 It is noted that a recent appeal decision at Land West of Limpsfield Road, Warlingham, appeal ref. APP/M3645/W/22/3309334 (CD5.6) included an updated assessment of housing land supply by both parties. The Appellant calculated a 5YHLS of 1.38 years, whereas TDC calculated 1.89 years. Although a precise figure was not agreed, there was no dispute that the housing land supply in Tandridge was below two years.
- 1.15 I consider two recent major planning consents (or resolutions to grant) in Tandridge as being relevant to the district’s current supply, as they are likely to make material contributions to the figure reported in the most recent AMR. These are:
- 2021/2178 – Land West of Limpsfield Road, Warlingham - *“Construction of 100 dwellings (40% affordable) with associated infrastructure, landscaping and re-provision of sports facilities”* Allowed on appeal 11.04.2023.
 - 2022/1161/ & 2022/1022 – Young Epilepsy, St Piers Lane, Lingfield - *“Demolition of buildings and redevelopment to provide a residential care community (Use Class C2) comprising 152 units of accommodation...”* Resolution to grant at committee 11.05.2023.
- 1.16 The 100 dwellings granted permission under ref. 2021/2178 is equivalent to 0.13 years’ supply (100 dwellings / 770 annual requirement = 0.13 rounded).
- 1.17 With regards to the consents with refs. 2022/1161 and 2022/1022 for a residential care facility, TDC’s 2021 Authority Monitoring Report (AMR) notes that the contribution of C2 accommodation towards housing supply is calculated using a ratio of 1.8, as per the Housing Delivery Test Measurement Rule. On this basis, the 152no units of C2 accommodation resolved to grant under application ref. 2022/1161 equate to 84.4 dwellings, or 0.11 years’ supply (84.4 / 770 = 0.11 rounded).
- 1.18 The sum total of the above two schemes therefore contributes to 0.24 years’ housing land supply. When accounting for this in addition to the supply identified in the 2021 AMR, the total supply increases to 1.81 years (1.57 + 0.13 + 0.11). Given that there are concerns regarding the deliverability of some of the sites identified within the AMR figure, I consider that this is the “upper limit” of the district’s housing land supply.
- 1.19 It must also be noted that TDC have calculated a more up-to-date and alternative 5YHLS figure, which accounts for any recent planning consents since the publication of the AMR

in November 2022. However, this figure has been calculated and made available on a “without prejudice” basis and therefore cannot be referenced.

- 1.20 In calculating the latest and accurate housing figures appeal ref. APP/W3520/W/18/3194926 (CD5.9) determined that “It is wholly inadequate to have a lands supply based upon assertion and then seek to justify the guesswork after the AMR has been published.” The Inspector determines this in accordance with ‘Deliverable’ sites as defined in Annex 2 of the NPPF “sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within 5 years.”
- 1.21 As such, the Inspector notes that “Sites with outline permission, or those sites that have been allocated should only be considered deliverable where there is clear evidence that housing completions will begin on sites within five years.” The report states that ‘deliverable’ “does not relate to or include sites that were not the subject of an allocation but has resolution to grant within the period assessed within the AMR” and that the supply of sites that have received planning permission after the AMR ‘cut-off’ period should not be included.
- 1.22 **Thus, in applying the methodology the LPA must defer to the 1.57 years figure published within its most recent and up-to-date AMR.**
- 1.23 Notwithstanding any dispute regarding the precise level of TDC’s housing land supply, it is an agreed matter that TDC cannot demonstrate a housing land supply and that the shortfall is very substantial. As such, there is an acute need for additional housing in the district to address this shortfall.
- 1.24 The latest Housing Delivery Test (HDT) results published in January 2022 demonstrates a **delivery rate of just 38% for 2021, placing TDC within the top 10 worst performing authorities.** For both 2020 and 2019 TDC operated at a HDT rate of 50% and for 2018 this was 65%. TDC’s housing supply position has progressively worsened over the past 4-years, in which it has consistently failed to meet 75% of the target as per footnote 8 and Annexe 1 of the NPPF.

TDC HDT Results (2022)					
	2018-19	2019-20	2020-21	Total	HDT %
Required	649	593	430	1672	38%
Delivered	249	268	117	634	

Table 1 TDC HDT Results (2022)

- 1.25 When considering that the emerging Local Plan is not currently progressing, and that as it stands there is no agreed timetable for its adoption, and therefore no sign of a plan-led approach to tackle this housing deficit, TDC’s housing position is only anticipated to worsen over the coming years.

Housing delivery

- 1.26 Paragraph 76 of the NPPF sets out that where local planning authorities consistently fail to deliver at least 95% of their annual housing requirement over the previous three years, they are required to produce an Action Plan in line with national planning guidance to address the causes of under-delivery and identify actions to increase delivery in future years.
- 1.27 Given TDC's consistently poor record on housing delivery, it has had to produce a Housing Delivery Test Action Plan (HDTAP) every year since 2019.
- 1.28 TDC's most recent HDTAP was published in September 2022 (CD9.2). This identifies several actions aimed at boosting housing delivery, including the adoption of an Interim Housing Policy Statement (IHPS), as well as more general measures to bring forward and promote housing development. The IHPS states that applications which meet a set of defined criteria, including the development of brownfield sites and sites that have been included in the emerging Local Plan where the Examiner has not raised concerns "will be invited to come forward" as planning applications.
- 1.29 Despite the measures set out in successive HDTAPs, it is evident that housing delivery has not materially improved in Tandridge since 2019. In fact, Table 1 shows that the number of homes delivered has fallen each year since 2019, with only 47% of the number of homes being delivered in 2020-21 as in 2018-2019.
- 1.30 A review of Planning Committees in the past 12 months indicates that only one recent major development proposal involving a residential element has had a resolution to grant (planning application refs. 2022/1161/ & 2022/1022, as referenced above).
- 1.31 The site at Land West of Limpsfield Road, Warlingham is included in the emerging Local Plan and therefore should benefit from the support of the IHPS. However, the recent application (ref. 2021/2178) to provide 100 homes on this site was not supported by TDC, confirming that it would have refused the application following the lodging of an appeal on non-determination in late 2022. As such, it is not clear that the IHPS is having the intended impact in encouraging suitable sites for development to come forward and be delivered.
- 1.32 Another application (ref. 2022/548) for a proposed development for up to 128 independent living apartments and cottages at Lingfield House was withdrawn prior to a Planning Committee meeting held on 30th November 2022. The officer's report to committee (which had already been published), indicates that the application had been recommended for refusal.
- 1.33 As such, there is no evidence that suggests TDC have taken any active measures to improve its extremely poor and deteriorating performance in housing delivery.

Affordable Housing

- 1.34 UK government published statistics demonstrate a total of 59,175 affordable homes were delivered in England between 2021-2022, meaning England delivered just 40.8% of its 145,000 affordable housing target.
- 1.35 The Tandridge Housing Strategy (2019-2023) calculates a need in the district for 456 affordable homes per annum over a 5-year period. This is significantly above the total annual housing requirement set out in the draft Local Plan 2033, which includes both market and affordable housing. Therefore, it is evident that there is an acute affordable housing shortage that TDC does not consider itself able to meet.
- 1.36 As indicated on the National Government Live Table for the delivery of affordable housing delivery, Tandridge has historically performed poorly in its delivery, a position which significantly worsened in the past three-years:

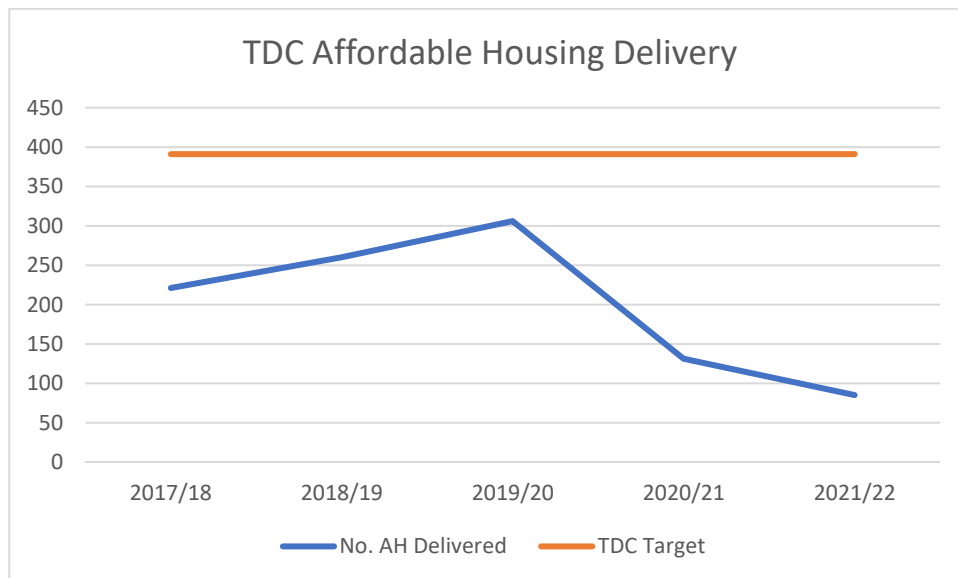


Figure 1: UK Government Live Data on affordable housing (AH) supply (Gov.uk)

- 1.37 In relation to TDC's annual target of 391 affordable homes (CD9.4 SHMA 2018), TDC delivered just 21.7% in the years 2021/22.

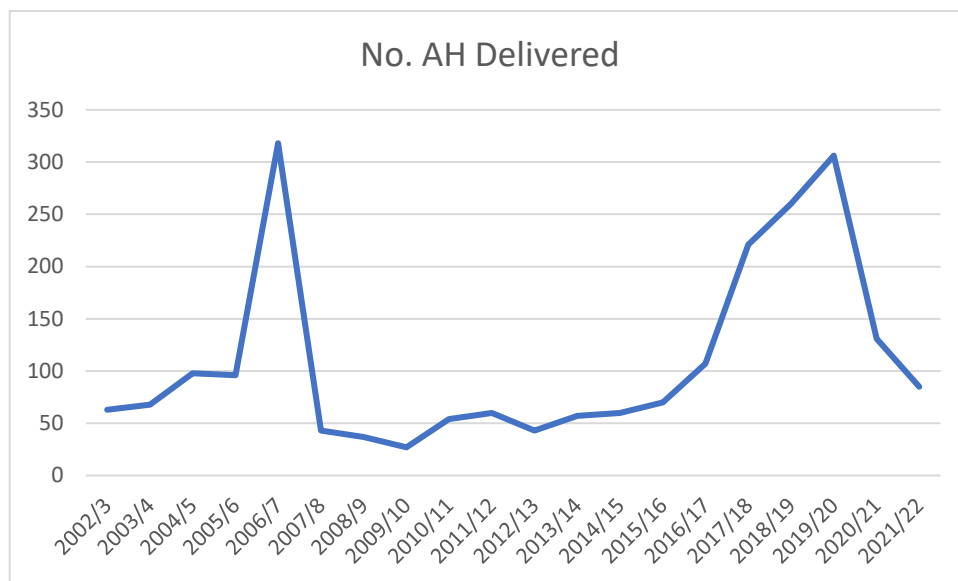


Figure 2: UK Government Live Data on AH supply (Gov.uk)

- 1.38 Evidence clearly shows TDC are consistently failing to meet identified need. As a result, the annual need for affordable homes as cited above is very likely to have increased significantly since this was calculated to account for the continuing deficit in delivery.
- 1.39 As per the above graph, TDC have delivered an average 116 affordable homes per annum since 2002.
- 1.40 Tandridge’s future supply of affordable homes indicates that it will provide an average of approx. 60.4 affordable homes per year against the next 12-months (as per the latest AMR).
- 1.41 A recent public inquiry in Tandridge at Land West of Warlingham Road, Limpsfield (ref. APP/M3645/W/22/3309334) determined that TDC has a future supply of affordable housing over the next five years of 264 units with an average of 53 units per year (calculated based on a high-level review of the identified ‘Residential Outstanding Capacity’ in the 2022 AMR and applying a policy requirement for 34% affordable housing as per Policy CSP 4).
- 1.42 The one recent major consent (ref. 2021/2178) cited above includes the provision of an additional 40 affordable homes. Upon review of all TDC Planning Committee meetings since the publication of the AMR in November 2022, no other major consents have been approved that trigger the affordable housing requirement.
- 1.43 Applying the additional 40 affordable homes to the estimate of future supply as cited above, a total of 304 affordable homes is arrived for the next five-years, which averages 60.4 affordable homes per annum.
- 1.44 This is against the identified need of 310-391 affordable homes per year (as per the Affordable Housing Needs Assessment 2018). This means TDC are set to deliver just 13.5% to 17% of its target for affordable homes.

- 1.45 Tandridge’s current housing waiting lists stands at 1,788 households, which has increased by an average of 47 homes per year since 2003, with an increase of 70 from 2021 to 2022 alone.

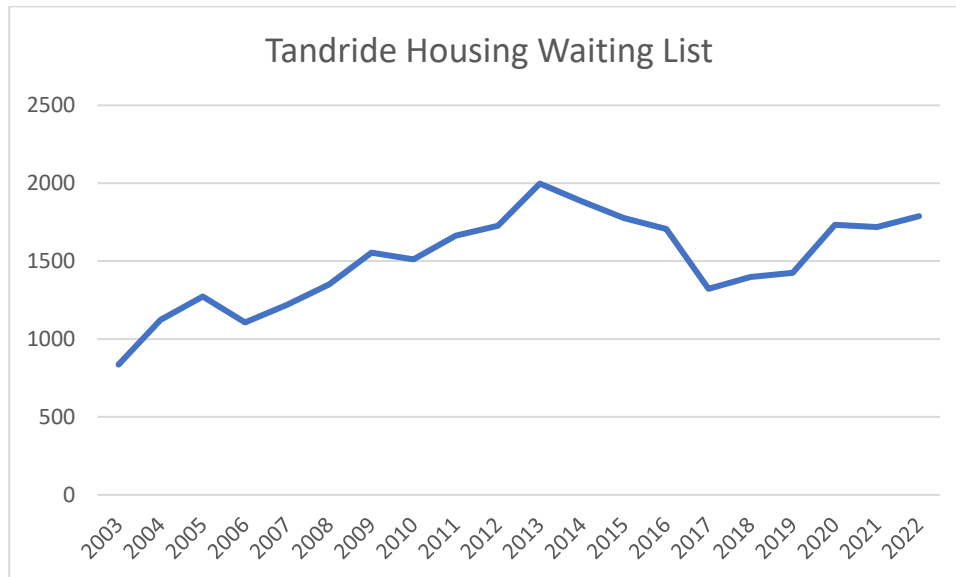


Figure 3: UK Government Live Table Housing Waiting List (Gov.uk)

- 1.46 As such, all evidence indicates there is a pressing need for the delivery of affordable housing across the district. This is not currently being met and, in the absence of a plan-led approach, there is no indication that this will be met in the foreseeable future.
- 1.47 Housing generally within Tandridge is considered out of reach with regards to price, such are the constraint in supply, when compared to identified need.
- 1.48 Recent ONS data indicates that Tandridge is one the least affordable local authorities in the UK (outside of London) with the average housing price being valued at approx. £500,000, comparative to the UK average of £270,000.
- 1.49 This data also indicates that the housing affordability ratio in Tandridge is approximately 15, meaning that average house prices are 15 times average earnings. This makes housing in Tandridge the 21st least affordable of all local authorities in England and Wales, relative to earnings.

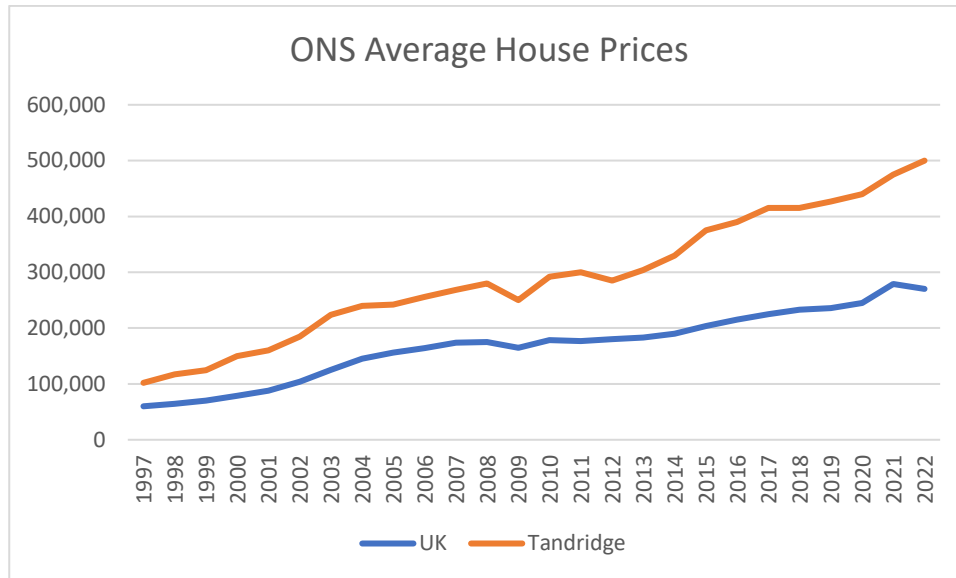


Figure 4: ONS Av. House Price (ONS)

1.50 Lingfield Parish Council’s analysis within its Regulation 14 Neighbourhood Plan published in February 2023 indicates that the average house price in Lingfield is just below £600,000. This is approximately double the UK average.

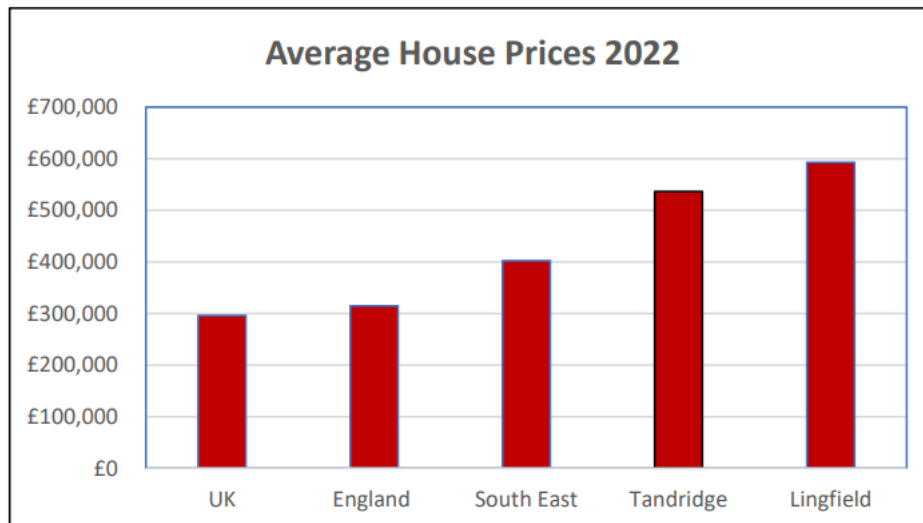


Table 5 - Average House Prices 2022 (ONS and Rightmove)

Figure 5: Lingfield. House Prices (Lingfield Draft Neighbourhood Plan Regulation 14)

1.51 This point is reinforced in Paragraph 40 of the Examiner’s preliminary findings in respect of the Emerging Local Plan which states: “The low affordability of homes and the high need for affordable homes to meet existing and future housing needs add to the acuteness and intensity of need for new homes in Tandridge.” Thus, there is clear recognition that housing, and particularly affordable housing are not being delivered at the necessary rates leading to an increasingly widened gap between supply and demand.

Conclusion

1.52 This report has considered TDC's recent performance in housing supply and delivery against targets mandated by national policy. The key findings of the report are summarised below:

- TDC's current housing land supply position, in accordance with the published AMR, is determined to be 1.57 years. This is substantially below the minimum five-year supply of housing land that local planning authorities are required to demonstrate.
- The most recent HDT indicates that TDC is delivering just 38% of its minimum target.
- In relation to the provision of affordable housing, TDC is consistently failing to meet local need. Recent data published by the ONS indicates that just 21.7% of the 391 affordable housing units that are needed per annum were delivered in 2021/22.
- Looking at affordability, TDC's average housing price is approx. £500,000, whilst Lingfield's is just below £600,000. This is substantially above the UK average of £270,000.
- Average house prices in Tandridge are approximately 15 times average earnings, making it the 21st least affordable local authority in England and Wales.
- It is apparent that TDC are consistently failing to provide new homes to meet local need for both market and affordable housing and as a result are experiencing a acute shortfall in access and affordability of housing.