

Tandridge District Council. Examination of 'Our Local Plan:2033'

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11 December 2020

Dear Ms King

Examination of the Tandridge District Council Our Local Plan: 2033

Inspectors preliminary conclusions and advice

Introduction

1. I indicated at the conclusion of the examination hearings on 28 November 2019 that I would write to the Council to set out my thoughts on the Tandridge District Council Our Local Plan: 2033 (the Plan) at that point and on the way forward for the examination. My intention was however overtaken by events.
2. I subsequently wrote to you following the unsuccessful bid made to the Housing Infrastructure Fund (HIF) to help deliver improvements to Junction 6 of the M25 and the A22/A264 Felbridge Junction, in April 2020 (ID12) and again in June 2020 (ID13), asking a number of questions regarding the implications of the HIF Bid decision for the Examination of the Local Plan. I also wrote to you in July regarding the publication of the 2018 based household projections (ID14) and then regarding changes to the Use Classes Order (ID15).
3. I appreciate that whilst the Council has made considerable efforts to provide the information that I have requested, and that your various responses have been posted on the Examination website (TED37, TED38, TED38a, TE41 and TED42), it has not been possible for you to respond in full to my questions regarding the implications of the HIF Bid decision for the Plan. I understand that the preparation of a statement of common ground between the Council, Surrey County Council and Highways England and agreement of a methodology for further transport modelling is still some time away. Rather than perpetuate any greater delay in the Examination and uncertainty amongst representors and other interested parties, I have decided to issue this letter now to provide an indication of my thoughts on a number of key matters and to set out options for what may happen next. Should the Examination continue, my formal

recommendations and the full reasons for them would be given in my report to the Council at the end of the Examination.

4. The comments in this letter are based on all that I have read, heard and seen to date, including the Inspector led consultations conducted after the hearings finished. However, I emphasise that the Examination is not yet concluded and consultation on any Main Modifications (MM) is still to take place, or indeed any further hearing sessions which are to be held. Therefore, these comments are without prejudice to my final conclusions on the Plan.
5. The revised National Planning Policy Framework (The Framework) was published in July 2018 and further revised in February and June 2019. It includes a transitional arrangement in paragraph 214 which indicates that, for the purpose of examining this Plan, the policies in the 2012 Framework will apply. Similarly, where the Planning Practice Guidance (PPG) has been updated to reflect the revised Framework, the previous versions of the PPG apply for the purposes of this Examination under the transitional arrangement. Therefore, unless stated otherwise, references in this letter are to the 2012 Framework and the PPG which were extant prior to the publication of the 2018 Framework.

Legal compliance

6. For reasons I would ultimately explain in my report, I am at this point content that the Plan to date is legally compliant. This is of course subject to any further revision to the Habitats Regulations Assessment and Sustainability Appraisal being considered in due course. I have however significant soundness concerns which I shall go on to explain.

Strategic Infrastructure

TLP01: Spatial Strategy. Strategic Policy SGC01: South Godstone Garden Community and HSG11: Land to the West of Godstone

7. I shall start with the Spatial Strategy set out in TLP01. Amongst other things, this sets out how new housing would be provided in Tier 1 and Tier 2 settlements as identified in the Plan, and at the proposed South Godstone Garden Community (SGC01). SGC01 is intended to deliver about 1,400 homes in the Plan period, with a further 2,600 homes to be delivered beyond the Plan period. The delivery of homes is intended to commence in 2026/27. SGC01 would also provide for, amongst other things, accommodation for gypsies and travellers, employment land, roads and infrastructure and open space.
8. The Statement of Common Ground with Highways England (SDTCE23) is clear that the impacts of the development proposed through the Plan as a whole on the Strategic Route Network would be, in the terms of the Framework, severe. Moreover, it is the view of Highways England that

mitigation is required at Junction 6 of the M25 by 2024/25 based on the current situation, unless a later date is justified. The evidence is that Junction 6 of the M25 is currently operating over its design capacity during the AM and PM peaks (INFE29). Improvements to the strategic infrastructure at Junction 6 are considered necessary prior to any delivery of dwellings at the proposed South Godstone Garden Community. There is no convincing evidence before me to the contrary. In addition, I note that Policy HSG11 Land to the West of Godstone, which is sited near Junction 6, is required to make a contribution towards improvements at the junction, and the development of this proposal would also appear dependant upon the improvements being undertaken. I consequently consider the proposed improvements to Junction 6 fundamental to the implementation of significant parts of the spatial strategy.

9. The transport modelling undertaken for the Plan identifies the need for mitigation measures to be put into place at a number of other locations in the highways network. The unsuccessful HIF Bid sought to secure the required improvements to Junction 6 of the M25 by 2024/25, along with other improvements. The reasons given for the Bid being unsuccessful were set out in the letter from the Ministry of Housing, Communities (MHCLG) and Local Government dated 10 March 2020 to Surrey County Council. These are as follows. *'Surrey's bid was an ambitious proposal in an area of high housing demand. However, the bid will not receive HIF funding due to the delivery risks stemming from the complex land assembly needed for the scheme. The bid also does not demonstrate sufficient value for money for the taxpayer, as the extra housing had the potential to create increased congestion on local roads, without clear mitigations, which outweighed the other benefits of the bid'*. The letter also sets out that (MHCLG) *'I believe the case would benefit from further development, including whether there are other transport improvements that would help mitigate against the increased congestion'*. Despite the outcome of the HIF Bid, the need for strategic infrastructure improvements remain.
10. Whilst the Plan was drawn up prior to the HIF Bid and I appreciate that the HIF was one of the ways in which this essential strategic infrastructure may be funded, the HIF nevertheless offered a way for the South Godstone Garden Community and the land to the West of Godstone to be developed within the Plan period, without giving rise to severe impacts on the transport network. In the absence of such funding, there is not the evidence before me that demonstrates that either of these schemes can be considered as being deliverable or developable as per the Framework definitions given the lack of clarity as to how and when the necessary infrastructure improvements would take place. Whilst we touched upon these issues at the Hearings, the HIF Bid decision came after the Hearings closed and represents a significant change in circumstance.

11. At this point in time, I have significant concerns about the soundness of the Plan given that I cannot conclude that the spatial strategy is justified, a number of the proposals of the Plan do not appear effective and in terms of effects on the transport network, the Plan would not be consistent with national policy.
12. I appreciate the efforts made by the Council to try to progress these matters, particularly in these difficult times due to the effects of the Coronavirus. However, in the absence of any comfort that the provision of strategic infrastructure is a matter that can be readily resolved in a timely fashion and not cause undue delay to the Examination and adoption of the Plan, and prolong uncertainty, presently, I can only conclude that the Plan is unsound and that there is clearly no path to making it so.
13. Given the view of Highways England that mitigation is required at Junction 6 of the M25 by 2024/25, there is also a broader question about the approach to the provision of development in Tandridge District and cumulatively with development in other areas, which may contribute to capacity issues at Junction 6. Put another way, in the absence of the certainty in delivery of transport mitigation, it is uncertain which, if any, of the Plans proposals may go ahead without residual cumulative impacts of development on the transport network being severe in terms of the Framework? These are significant concerns which go to the heart of the Plan.
14. I am conscious that representors and other interested persons have not had the chance to comment on the implications of the HIF Bid decision for the Plan, nor has this matter been subject to a further hearing session. My aim in issuing my letters to the Council was that further evidence could be provided which would then be subject to consultation and consideration as part of the ongoing Examination of the Plan. I go on to consider the possible ways forward for the Examination and in doing so, have these considerations upper most in my mind. The way forward is ultimately a matter for the Council however as it is of course the Council's Plan.
15. Finally, I must stress that even if the strategic infrastructure matter could be resolved in the next year or so, and at present there is no clear timetable for resolving this or a clear means of doing so, I am not convinced that the Garden Community would make any significant contribution to housing land supply in the Plan period due to the timescales involved in its implementation, exacerbated by the delay to this Plan. As we discussed at the hearings, there are a number of factors which would need to come together for the timely implementation of the proposal. These include amongst other things, the preparation, examination and adoption of the Area Action Plan, the preparation of and

consideration of planning applications, any compulsory acquisitions and the provision of off-site infrastructure, prior to work commencing onsite.

The objectively assessed needs for housing (OAN) and household projections

Housing Market Area (HMA)

16. It is clear that the definition of the HMA for Tandridge is not a simple matter. There is evidence that Tandridge has housing market relationships to varying extents with its neighbours, and that there is in effect, overlap of neighbouring HMAs across the District. It has not however been demonstrated that the District falls within a particular HMA, other than having wider relationships particularly with the London Borough of Croydon, Reigate and Banstead and Mid Sussex. In practical terms, given recent plan making activities of neighbouring authorities, the Council has had little choice but to prepare its Strategic Housing Market Assessment (SHMA) for Tandridge alone after attempts to prepare a joint SHMA were unsuccessful. Whilst the definition of the HMA based on Tandridge is inconsistent with the guidance set out in the PPG, it is nevertheless a pragmatic approach that has allowed the Plan to be prepared.

OAN

17. Given that the Plan was submitted under the transitional arrangements, in accordance with the PPG it is appropriate that the local needs assessment should be informed by the latest available information. At the hearings, we looked in some detail at the 2016 based household projections as the starting point for defining the OAN. The OAN derived by the Council is 332 dwellings per annum (dpa) whilst a range of figures were argued by representors for a higher OAN, up to around 570 dpa. I wrote to you in July and have received your comments that the Council considers that the 2018 based household projections represent a meaningful change in the context of the PPG¹. The Council is of the view that the meaningful change would give rise to an OAN of 266 dpa (TED42). This would represent a significant change to the Plan and would need to be subject of consultation and it is quite likely that further hearing sessions would be necessary. Any consequent change in the OAN may have implications for the demonstration of exceptional circumstances for the alteration of Green Belt boundaries².

18. I will however take this opportunity to share with you the position I had reached prior to the publication of the 2018 based projections as it would be of relevance to any future hearing session. This is that the OAN, in overall terms by applying the 2016 household projections and having

¹ Paragraph: 016 Reference ID: 2a-016-20150227

² For example see Aireborough Neighbourhood Development Forum v Leeds City Council & Ors [2020] EWHC 1461 (Admin)

regard to the need for adjustments, is likely to fall within the range of 450 to 495 (dpa). This range is significantly higher than the figure in the submitted Plan and that the Council calculate using the 2018 based projections. However, the definition of the actual OAN figure requires a recalculation as per the components explained below, hence I have provided a range at this point. The basis of the position I have reached is summarised in the following table, including those points which require calculation. Whilst I will set out my reasoning in full in due course, for clarification, I will briefly address the principal points.

OAN components starting with the 2016 based household projections			
1	Household change per year in published official projection	----- ---	322 hpa
2	Adjustments for mid year estimates 2013-18	-1 hpa	321 hpa
3	Allowance for empty and second homes	10 dpa	331 dpa
4	10 year migration adjustment to be calculated using the Councils 2016 SNHP 10 Year all migration figure	XX dpa	XXX dpa
5	Household formation rate adjustment using the Councils Household Representative Rate (HRR) Age Only Floor figure	69 dpa	XXX dpa
6	Market signals uplift of 20%	XX dpa	XXX dpa
7	Estimated OAN		XXX dpa

(The table includes both dpa and households per annum hpa as per statement of common ground SDTCE24)

Migration adjustment

19. The 2016 based projections give rise to a significantly lower overall household change figure than the 2014 based projections, which is due, in part, to different migration trend periods. For calculating the OAN for a plan period to 2033, I consider that a longer trend period for migration should be used instead of the shorter period in the 2016 projections. The use of a 10 year period is proportionate and that the approach to calculating the 10 year all migration figure by the Council is justified. The OAN should be calculated with a migration adjustment based on the Councils 2016 SNHP 10 Year all migration figure (as discussed in evidence base document HNS5).

Household formation adjustment

20. The PPG sets out that household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends and

for example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The household formation rates in the 2016 based projections are markedly lower than those of the 2014 based projections, and in particular, indicate a substantial decline in rates for males aged 20-39 and for females 75-89.

21. The difference between the 2014 and 2016 household formation rates can be explained to a degree by the change to the use of age and sex groups in the 2016 projections rather than separate projections for age, sex and marital status groups, and the move to the use of the 'household representative person'. However, uncertainty remains about their validity given the low 2011 census household figures, which indicate suppressed demand.
22. The Council has calculated a variant projection for which the Household Representative Rate (HRR) is assumed, as a minimum, to rise back to the 2001 level, referred to as the 'age only HRR floor'. This provides an adjustment of 69 homes a year to the 2016 based figures. Such an adjustment would address issues of suppressed demand particularly in regard to younger households. In addition, it would also eliminate falling HRRs in age groups between 55-74. This change would not just address suppressed demand however, and I agree that in some age groups, falling HRRs may just be due to more people living as couples, rather than single person households. Consequently, applying the age only floor adjustment, would in effect build in some 'headroom' within the OAN, which would also be of benefit in terms of affordability.

Market Signals adjustment

23. The PPG sets out that the housing need number suggested by household projections should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for, and supply of dwellings.
24. Tandridge, with a lower quartile affordability ratio stated at that time to be 14.10, is one of the least affordable areas amongst the comparator authorities considered in the Council's SHMA 2018 analysis of Market Signals Technical Paper (HNS12). Average house prices are significantly above the national average, as are rental levels and the estimated values of residential land. These factors have worsened over time. Tandridge however has over crowding rates appreciably below the national average and a lower level of concealed families. Taken together however, these factors clearly point to the need for a market signals adjustment. I would welcome your confirmation as to whether there has been any appreciable change in affordability since the Market Signals Technical Paper was completed.
25. I have been referred to a number of local plans where Inspectors concluded that market signals adjustments were necessary. I note in particular that in the case of Mid Sussex, with which Tandridge has acknowledged housing market links, a 20% uplift was applied. The

affordability ratio of Tandridge is higher than that of Mid Sussex, and therefore, this indicates that the 20% figure could be seen as the minimum level appropriate. I note however, that the Mid Sussex figure was based upon the 2014 based projections and consequently, the 'latest available evidence' before me in this regard is inevitably different.

26. The PPG sets out that in areas where an upward adjustment is required, plan makers should set this adjustment at a level that is reasonable. Starting with a minimum level of 20% for a market signals adjustment, this would recognise the need to address affordability. I have had regard to the effect of the household formation rate adjustment, which in addition to addressing suppressed demand, would, through applying the age only HRR floor, also make a contribution towards addressing affordability. Having considered the modelling put forward by the representors, I agree that there is not a 'precise' or 'correct' answer to what the level of any market signals adjustment should be. Given the complexity of the housing market area, the proximity of the London housing market and the question of whether significant new house building would simply correspond with considerable new inward migration, I have not been convinced that a figure higher than 20% is justified.

Overall conclusions on OAN

27. In summary, my preliminary view is that the definition of the HMA based on Tandridge District is a pragmatic approach which I find sound. I consider that the OAN using the 2016 based projections and the adjustments I have explained, should be in the region of 450 to 495 (dpa). However, this exercise now needs to be carried out using the 2018 based projections as a starting point applying any necessary adjustments considered above. Consequently, at this stage I cannot reach a conclusion on whether the OAN identified in the submitted plan is sound, though it is clearly below that derived starting with the 2016 based projections and applying the adjustments described above.

Housing need and the provision for housing

The housing requirement and supply

28. Paragraph 14 of the Framework sets out, amongst other things, that Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:

- any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or
- specific policies in this Framework indicate development should be restricted.

29. The Plan, as submitted, sought to deliver 6,056 homes in the Plan period (about 302 dpa). This is significantly below the OAN identified by the Council in the submitted Plan of 9,400 units. The Council has subsequently reviewed the potential supply of homes and through the hearings has stated that it should be 6,352 dwellings, principally through reconsidering the minimum capacity of the proposed allocated sites.

30. My initial view however is that I consider that the Plan would not deliver the indicated number of homes as proposed. This is because it has not been demonstrated that the identified Urban Capacity Sites, Town Centre Initiatives, provision of Council housing and empty homes initiatives are deliverable or developable as defined in the Framework. In addition, I have concerns as expressed above regarding the proposed Garden Community and Policy HSG11.

Commitments

31. In order for me to reach a view on whether the Plan would provide for a five year supply of deliverable housing sites on adoption, and a supply of specific developable sites or broad locations for growth for years 6 to 10, I need up to date information on the components of housing land supply. The Council's latest Annual Monitoring Report should be added to the Examination Library.

Windfall

32. The Council includes the provision for 31 net dwellings per annum to come forward by way of windfall (updated in document TED14). This is based upon the average number of completions of dwellings on sites of 4 or less, excluding residential garden developments, since 2006/7. The Framework allows for an allowance to be made for windfall sites if there is compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. I am satisfied that there is compelling evidence of past supply, and having regard to the Housing and Economic Land Availability Assessment, and proposed development management policies, supply at this level should be sustained through the plan period.

Town centre and other initiatives

33. An allowance is included in the housing trajectory for sites to come forward in town centres which may potentially contribute to the supply of homes. I am not convinced however that any such contributions should be considered as being either deliverable or developable as per the Framework definitions. Whilst the evidence points to efforts by the Council to maximise development opportunities outside of the Green Belt, there is not compelling evidence that such sites have been consistently available or will continue to provide a reliable source of new homes. Therefore, the inclusion in the trajectory is not justified. Similarly, there is insufficient evidence to justify the inclusion of a contribution of dwellings from the North Tandridge One Public Estate (HSG20) in the

trajectory, given the uncertainty about the sites which may be developed. However, I do regard these initiatives have potential to contribute some supply over the Plan period.

Council house building

34. The Council has a housebuilding programme using the capacity of its Housing Revenue Account, with a current programme of 141 homes. There is capacity to deliver between 30-40 homes per annum in the first 7 years of a new programme starting in 2022/23. However, in the absence of confirmation as to the future programme and details of specific sites, I cannot regard such schemes as being either deliverable or developable in terms of the Framework, and an allowance for Council house building should not be made in the trajectory. Future Council house building will contribute to the overall supply of housing in the Plan period.

Vacant and empty homes

35. The Council also include a contribution to housing land supply from returning empty homes into use, which is a matter addressed in the Council's Housing Strategy (HNS1E). The vacancy rate in Tandridge at 2.84% is above the average for England as set out in the MHCLG Dwelling Stock Estimates: 2017, England which stood at about 2.5%. However, vacant homes form part of the baseline housing stock of the District and one would expect to see a certain level of vacancy in the housing stock due to various factors and within the normal operation of the housing market.

36. I note that the Council does not have a policy to reduce the overall vacancy rate for the District, or to sustain a lower level of vacancies through the plan period. Whilst it intends to prepare an Empty Homes Strategy and a targeted action plan, as far as I am aware, these are not in place. Although in 2018/19, 15 empty homes were brought back into use, I cannot be confident that such initiatives would provide a reliable net source of housing through the Plan period and would not in effect be a form of double counting, given that such homes already form part of the housing stock. The inclusion of an allowance for vacant and empty homes in the trajectory is not therefore justified.

Housing commitments and lapse rates

37. The Council identify that as of 1 April 2019, there was planning permission for 1,097 dwellings, after excluding planning permissions for 89 further dwellings which are considered unlikely to come forward within the time frames of the respective permissions. The Council has recorded that planning permission has lapsed for a total of 77 net housing units in the plan period to date, a lapse rate of about 5%. The removal of the 89 dwellings amounts to a figure of over 5%. Furthermore, it is clear from the Council's data that nearly all permitted housing sites are built out, reflecting the strength of the housing market. I do not accept that applying a higher lapse rate is supported by evidence, especially

considering what I have heard and read about housing need and demand. Therefore, the Council's approach to this matter is reasonable.

Proposed housing allocations

38. The submitted Plan includes estimated site yields for the proposed housing allocations. Having had careful regard to the evidence, I find that in a number of cases, there are under-estimates of the potential site yields. I consider that the policies should be clear as to what the potential yields may be, though the Plan should be clear that it will ultimately be through the operation of the development management process where the actual number of units constructed at each allocation would be decided. I shall make specific comments in respect of a number of proposed allocations later, but for the purposes of calculating broad housing land supply, I find that the potential site yields set out in TED17 to be appropriate and that they could make a significant increase in supply over that set out in the submitted Plan.

Overall conclusions on supply

39. The housing land supply should be recalculated, using the latest available data such as completions. I am satisfied that the windfall allowance is sound, but find that the contributions to supply from town centre initiatives, Council house building and vacant and empty homes are not justified. As I have explained above, supply from the Garden Community should also be removed, along with that from HSG11, unless there is very clear evidence that the strategic road infrastructure can be provided. Please recalculate the current housing land supply on the above basis.

The dwelling requirement

40. The dwelling requirement for the Plan will be considered through the application of paragraph 14 of the Framework. I have already explained that I anticipate that the OAN derived from the 2016 based projections is likely to be in the region of 450 to 495 dpa. The affordable housing OAN should be around 296 dpa for the Plan period, with the first five years after adoption being 337 dpa. In the first 6 years of the Plan period, 1,524 homes were delivered. This rate of delivery, whilst considerably in excess of the requirement of 125 dpa set out in the currently adopted Tandridge Core Strategy, is considerably below the OAN, or indeed the level of local housing need calculated using the standard method (which is considerably higher again). Calculated against the recalculated OAN which I anticipate falls in the range 450/495 dpa using the 2016 based projections, there would be an under supply in the Plan period to date which would need to be addressed in the remaining years. This would widen the gap between supply and requirement further. The low affordability of homes and the high need for affordable homes to meet existing and future needs add to the acuteness and intensity of need for new homes in Tandridge.

41. About 94% of the Plan area is within the Metropolitan Green Belt. The Council has sought to accommodate new homes in the parts of the District outside of the Green Belt through specific direct measures such as regeneration initiatives and through the proposed development management policies. However, it is clear that further opportunities for new homes to be provided in these locations are limited. As I have already explained, it is difficult to evidence that some of the potential opportunities identified in the Plan meet the definitions of deliverability or developability as set out in the Framework for them to be taken fully into account in the housing land supply. However, as I have previously stated, they could contribute to the overall provision of housing over time.
42. The Council has, through its Green Belt Assessment, Strategic Housing Land Availability Assessments and Sustainability Appraisal assessed constraints on the supply of land for housing. I find that these assessments are adequate, and together with the evidence of the efforts to accommodate homes outside the Green Belt boundaries, show that there are significant difficulties in achieving sustainable development without impinging on the Green Belt boundaries and removing land from the Green Belt. The Council has, through its Green Belt Assessment, considered the nature and extent of harm which would arise from the proposed allocations to the Green Belt and has sought to ameliorate the possible impacts on the purposes of the Green Belt through the plan making process. I will comment on individual proposed Green Belt boundary alterations in due course, but consider that the Council's approach to concluding whether there are exceptional circumstances for altering the Green Belt boundaries has been systematic. I agree with the Council's position that at a strategic level, there are exceptional circumstances to alter Green Belt boundaries.
43. The Government attaches great importance to Green Belts through national planning policy, whilst also seeking to boost significantly the supply of housing. These factors come together through the application of paragraph 14 of the Framework. There is a body of representors who wish to see Green Belt boundary alterations to an extent that a greater amount of land is released for new development. There are also representors who do not consider that the Plan should be seeking to remove land from the Green Belt to the extent proposed. However, I must form a balanced judgement as to the amount of land which should be removed from the Green Belt by this Plan. Furthermore, parts of the District also fall within the Surrey Hills and High Weald Areas of Outstanding Natural Beauty and in this Examination, I am giving great weight to conserving landscape and scenic beauty, whilst having regard to the purpose of conserving and enhancing the natural beauty of the areas of outstanding natural beauty.
44. It is clear to me that there are specific policies of the Framework which indicate that development should be restricted in Tandridge and that in principle, the Plan would be sound in not meeting the OAN in full. I

cannot conclude on what a sound requirement should be. This is because of the position on the OAN, the need to recalibrate housing supply and uncertainties over the provision of strategic transport infrastructure, particularly upon the South Godstone Garden Community and Policy HSG11.

Unmet need

45. The Plan, in not meeting the OAN in full, would give rise to significant unmet housing need. With the SHMA being undertaken on the basis of the HMA defined for Tandridge District, the unmet need cannot be accommodated within the HMA. In this round of Plan making, neighbouring local planning authorities have stated that they are unable to help Tandridge in meeting any unmet need arising in Tandridge. In this context, there is little more that Tandridge could have done to secure their cooperation.
46. Whilst I intend to recommend that the approach taken for this Plan in defining the HMA is acceptable in pragmatic terms, given that development plans have been prepared by neighbours on the basis of HMAs which exclude Tandridge, I would also consider recommending that an immediate review of the Plan is commenced on adoption. This would enable full opportunity for joint working with neighbours in the next round of plan making, so that the particular circumstances which has led to defining the HMA can be avoided next time around.

Provision for Gypsies, Travellers and Travelling Showpeople

47. As discussed at the Hearings, I am of the view that the approach in the Plan to meeting the needs of Gypsies and Travellers does not accord with national policy as set out in the Planning Policy for Traveller Sites (PPTS). The Plan does not adequately address the need for further pitches identified through the Gypsy and Traveller Accommodation Assessment (GTAA) 2017 through its approach to those people for whom it was not possible to determine their travelling status (unknowns) and is not addressing the needs of those Travellers who identify as cultural travellers in terms of the Equalities Act 2010. Romany Gypsies and Irish Travellers for example, are ethnic minorities and thus have the protected characteristic of race under s149(7) of the Equalities Act, whether they have Traveller status for the purposes of PPTS or not. These matters can be addressed through the level of need being reassessed and through the Plan identifying a supply of specific deliverable and where necessary developable sites sufficient to meet the identified need.
48. I note that the Council has, since the hearings, already undertaken work to this effect. The provision of any sites in the Green Belt should be done on an inset basis, as I would have concerns about the deliverability (and therefore effectiveness) of 'washed over' sites where very special circumstances would have to be demonstrated in any future planning application, as such development is likely to be considered as being inappropriate development. It would be necessary to undertake

consultation on any proposed sites which could be undertaken as part of a MM consultation, followed as necessary by hearings.

Overall conclusions on the dwelling requirement

49. The dwelling requirement for the Plan will be considered through the application of paragraph 14 of the Framework. At present due to my concerns about soundness and unresolved matters, I am unable to reach a firm view on this matter. My preliminary view is that the OAN is higher than that set out in the submitted Plan and that the gap between OAN and supply will widen significantly.

Proposed Allocations

50. Before I finalise my views on the proposed allocations, I have some further questions below. The issues I identify may diminish housing supply through the Plan.

HSG02: Chapel Road (submitted Plan estimated site yield 15 dwellings) and HSG04: Woodlands Garage, Chapel Road, Smallfield (submitted Plan estimated site yield 10 dwellings)

51. The proposed sites both fall within Flood Zone 3B (the functional floodplain) and are for development which falls under the 'more vulnerable' category. The evidence before me is insufficient to demonstrate that both elements of the exceptions test have been passed and I am minded to recommend that the sites are deleted from the Plan as they do not accord with national policy. These matters may however be capable of being addressed through site specific assessments to inform the exceptions test and subsequent MMs. I invite you to consider whether you wish to undertake that.

HSG06: Land off Salmons Lane West, Caterham (submitted Plan estimated site yield 75 dwellings)

52. The proposed allocation falls within the Kenley Aerodrome Conservation Area and the settings of a number of designated heritage assets. In order for me to be able to reach a view on the soundness of the proposed allocation, please provide me with your assessment of the significance of the heritage assets for which there is potential for the allocation to cause harm, and an assessment of the effect of the proposed allocation on the significance of the heritage assets.

HSG12: Land at the Old Cottage, Station Road, Lingfield (submitted Plan estimated site yield 60 dwellings)

53. The proposed allocation falls predominately within the Lingfield Conservation Area and the settings of a number of listed buildings. In order for me to be able to reach a view on the soundness of the proposed allocation, please provide me with your assessment of the significance of heritage assets for which there is potential for the allocation to cause

harm, and an assessment of the effect of the proposed allocation on the significance of the heritage assets.

SES04: Westerham Road Industrial Estate, Tatsfield

54. The proposed allocation relates to an area of previously developed land, situated within the Surrey Hills AONB and Green Belt, used principally for open storage. I am minded to conclude that there are exceptional circumstances to alter the Green Belt boundaries in respect of the site, set out in the Green Belt Assessment. It is however a sensitive site in landscape terms and at present is not developed with any buildings of a significant height. The policy should be amended to ensure that the landscape and scenic beauty of the AONB would be conserved.

Education provision

55. The Council, working with Surrey County Council has provided the note (TED23) regarding primary school provision and comments were invited from participants. The forecasts, taking into account the development proposed through the Plan, identify a deficit of school places growing towards the end of the Plan period for Tandridge as a whole.

56. The Plan as submitted includes provision for two new primary schools, one at HSG15: Land West of Limpsfield Road, Warlingham, and a 'strategic opportunity' at HSG13: Land West of Red Lane, Hurst Green.

57. In order for me to reach a conclusion on education provision, it would be helpful if further information could be provided which assesses the need for the proposed school sites in the context of the existing provision and capacity of primary schools in Tandridge, and forecast growth in need arising through the Plan period.

Development Management Policies

58. I have the following comments in regard to a number of development management policies. I have read your response regarding the implications of the changes to the Use Classes Order and consider that these matters can be addressed through the preparation of MMs.

TLP02: Presumption in favour of Sustainable Development

59. The Policy would be inconsistent with the current Framework on adoption. Given there is no need to reiterate policies of the Framework, the policy should be deleted.

TLP08: Rural Settlements

60. The Policy identifies those settlements designated as Rural Settlements (Tier 3) and sets out criteria for the management of development. However, given the way the policy is structured and that all the listed settlements other than Woldingham are washed over by the Green Belt, it would not be effective and is not consistent with Green Belt Policy as set out in the Framework. The Policy should be amended so that the policy

approaches are clearly distinguished between Woldingham (inset from the Green Belt) and the washed over settlements. A number of the criteria for development within the Green Belt are not consistent with the Framework and would not be effective. For example, criterion IV regarding extensions or alterations to existing buildings is not consistent with paragraph 89 of the Framework in respect to 'disproportionate additions' and there is no justification for this inconsistency. The Policy should be altered so that it is consistent with the Framework and with the changes proposed to Policy TLP03.

TLP:12 Affordable Housing Requirement

61. The Policy sets a threshold of 5 dwellings and over for an affordable housing requirement on sites outside of Tier 1 and 2 settlements, and allocated sites. Whilst the application of the 5 dwelling threshold within the AONBs would be consistent with the Written Ministerial Statement by the then Minister of State for Housing and Planning on 28 Nov 2014, and would future proof the Plan in terms of current national planning policy, the general application of the threshold to other rural areas (which are not designated as 'Rural' under section 157 of the Housing Act 1985) has not been justified. The Policy should be amended accordingly. This is in addition to the changes discussed at the hearings.

Way forward

62. The examination has been running for nearly two years and there are still significant uncertainties regarding fundamental issues about housing need and supply. As things stand, it is conceivable that the need may be higher than proposed in the submitted plan and there are significant problems with the housing supply, including the proposed Garden Community, with no obvious way of resolving this specific issue in the near future. There is therefore a widening gap between need and supply. Furthermore, the unresolved questions around the provision of strategic transport infrastructure casts doubt on the capacity of the strategic transport network to accommodate development in the District. In addition, the work needed to move the Plan to adoption is akin to plan preparation rather than plan examination.

63. I now turn to the question of how to progress the Examination? There are several broad choices as I see it:

- Pause the Examination and continue to attempt to resolve the issue of the provision of strategic infrastructure, the OAN, housing requirement and supply, including the Garden Community proposal and provision for Gypsies and Travellers to an agreed timescale along with changes made to the Plan as necessary arising through addressing my soundness comments above; or

- Withdraw the Plan and commence the preparation of a new Plan as per current national planning policy.

64. I consider that the first option is likely to cause significant delay to the adoption of the Plan, perpetuate uncertainty to local people and even if this work is carried out, I am unconvinced that the Garden Community proposal would make a significant contribution, if any, to housing land supply during the plan period, or indeed whether I should be able ultimately to find it sound. Furthermore, the Plan which emerged from this process may be considerably different from which was submitted for examination, such as including proposed allocations for Gypsy and Traveller sites, and it will be necessary, amongst other things, to revisit the spatial strategy, the OAN and the question of exceptional circumstances for altering the boundaries of the Green Belt, along with further Sustainability Appraisal and Habitats Regulations Assessment.

65. There is also the risk that further evidence will emerge during the time the Examination is paused, and circumstances may change, which may give rise to yet further work.

66. Clearly, there are a number of matters which representors and interested parties may wish to comment upon and should the Plan be progressed, I will make clear when comments would be sought and further hearings held. There are a number of potential MMs that we have discussed and that you have collated following the Hearings and it is likely that others would arise following the completion of the additional work I have identified above. Clearly, the Council would have to carry out considerable further work, this would need to be consulted on followed by further hearing sessions. Sustainability Appraisal and Habitats Regulations Assessment is likely to be required in connection with these.

67. I have set out as a second option that asks whether progress would be better made in pursuing a new plan, given the significant efforts needed to make sound that submitted, which may require immediate review given that it is being examined under the transitional arrangements or as proposed in the White Paper. However, I appreciate that the withdrawal of the Plan would not address ongoing issues of housing land supply in Tandridge nor address the provision of sites for Gypsies and Travellers.

68. I understand that after the considerable efforts made by the Council to progress the Plan since the close of the hearings, my views expressed in this letter will be disappointing. However, as things stand, the submitted Plan has a number of significant soundness issues which do not appear capable of being readily fixed and the point has been reached where a decision needs to be taken as to how the Plan should be progressed.

69. I appreciate that you may need some time to reflect on the contents of this letter and to determine the preferred course of action. I am not

setting a deadline for a response from the Council, but an early indication of when the Council is likely to be able to provide a response would be appreciated.

70. I am not seeking a response to this letter from any other parties and will not receive any comments on it. Nevertheless, I am happy to provide any necessary clarification to the Council via the Programme Officer. The Council should make this letter available to all interested parties by adding it to the Examination website.

Yours sincerely

Philip Lewis

INSPECTOR