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Dear Chris

Woking Site Allocations DPD – Annual Monitoring Report

I write on behalf of Martin Grant Homes in response to the Inspector's Post-Hearings Letter regarding the Woking Site Allocations Development Plan Document (SADPD).

Further to our previous correspondence highlighting the publication of the Council's Annual Monitoring Report (AMR) 2018-2019, we note the Inspector has invited comments from interested parties on the AMR 2018-2019 by 9th March 2020 to inform the Examination of the Woking SADPD. Accordingly, we hereby write to submit written representations in relation to the AMR 2018-2019. These representations accompany previous representations made on behalf of Martin Grant Homes to the Inspector's Matters, Issues and Questions in November 2019 and subsequently presented at the Examination Hearings in December 2019.

These representations are focused on AMR 2018-2019 monitoring indicator A02 Housing Delivery Test (HDT), following the publication of the HDT results on 13th February 2020 and given the relevance to the overall Examination. Notwithstanding the response provided regarding A02, further comments are provided in relation to the following relevant monitoring indicators in the AMR. For ease of reference, our representations identify the key issue and provide an explanation as to the relevance of the specific AMR findings to the Examination for the Inspector's consideration.

- A01: Net additional dwellings permitted and completed by location
- A03: Five year housing land supply
- A04: Average housing densities achieved on site by location, assessed against indicative densities
- A06: Dwellings completed by size and type
- A07: Net change in affordable dwellings permitted and completed, by location, size and tenure; planning obligations for affordable housing
- A08: Number of households on Housing Register, Housing Transfer Register and Sheltered/Supported Housing Register
- A10: Average house price against average earnings

A02 Housing Delivery Test

Issue

The HDT target within the AMR 2018-2019 requires that Woking *"complete at least as many dwellings as the housing requirement when considered over the last three years. When a local authority fails to meet certain percentage threshold below the requirement or need, various consequences are triggered, as set out in the*



*National Planning Policy Framework. Since Woking has a recently reviewed Core Strategy, the requirement is taken as the annualised Core Strategy housing delivery figure of **292 dwellings per annum*** [our emphasis].

The Ministry of Housing, Communities and Local Government (MHCLG) published the latest HDT measurements on 13th February 2020, covering the three year period from April 2016 to March 2019. An extract from published measurements for Woking is set out below:

Area name	Number of homes required			Total number of homes required	Total number of homes delivered	HDT: 2019 measurement
	2016-17	2017-18	2018-19			
Woking	292	300	431	1022	988	97%

It is clear that MHCLG has used the figure of 292 homes for 2016-17 but importantly not used this figure for subsequent years. The figure of 300 homes is used for 2017-18 (based on the Core Strategy requirement and household projections) and this increases to 431 homes in 2018-19 (based on the standard methodology), as explained further in Appendix 1. Given the figures used by MHCLG, it is clear that Woking has incorrectly used a figure of 292 dwellings per annum (dpa) for both 2017/18 and 2018/19 in the AMR 2018-2019.

On this basis and for the reasons set out in Appendix 1, not only is Woking’s housing delivery measurement lower than Woking has calculated in the AMR 2018-2019 (in percentage terms against its requirement), but importantly, the figures used by MHCLG demonstrate that it considers that **Woking’s Core Strategy is now out of date**.

Relevance to Examination

The ‘Review’ that Woking undertook of its Core Strategy policies in 2018 was discussed and acknowledged at the SADPD Examination Hearings. However, the HDT measurement demonstrates that the Core Strategy is in fact out of date and importantly has been since 25th October 2017, in advance of Woking submitting the SADPD for Examination. Whilst there would not appear to be any legal reason why Woking cannot continue to progress the SADPD, it is a) nonsensical to do so, and b) likely to result in a DPD that is unsound.

With respect to (a), there would appear to be little point in seeking to adopt a DPD that continues to deliver a housing requirement of 292 dpa when the Council is being assessed and sanctioned based on a much higher number of homes, currently of 431 dpa (which might vary year-on-year but not by any material degree).

With respect to (b), paragraph 35 of the National Planning Policy Framework (NPPF) 2019 requires DPDs to be positively prepared, justified, effective and consistent with national policy in order to be sound. A DPD that seeks to provide for the delivery of only two-thirds¹ of the housing that is required (and against which delivery is being measured) would almost certainly have to be found unsound on the basis of not being either justified or effective.

The purpose of the SADPD (SADPD page 1) is to “enable the delivery of the Woking Core Strategy”. Whilst this might be achievable in principle it appears that 1) it would be nonsensical to continue to seek to deliver an out-of-date strategy, 2) that it is no longer possible for the SADPD to be considered sound, and 3) that the SADPD should therefore be withdrawn.

Other AMR Monitoring Indicators

Notwithstanding the above comments, further comments are provided below in relation to other relevant monitoring indicators in the AMR 2018-2019 and their relevance to the SADPD Examination.

¹ 292 / 431 = 67.7%

A01: Net additional dwellings permitted and completed by location

Issue

The AMR 2018-2019 reports a total of 231 dwelling completions in 2018/19, below the Core Strategy requirement of 292 dwellings per annum (dpa) (Table 2). According to Figure 3, completions were primarily focused in the 'Rest of Urban Area (including HDRA)' (High Density Residential Area), and according to Table 2, permissions were primarily focused in Woking Town Centre (286 dwellings, 45% of all new permissions).

Relevance to Examination

As explained in our previous representations, the Core Strategy requirement for 292 dpa is already a constrained figure based on the draft Regional Spatial Strategy Panel Report. However, the actual housing need is in excess of 431 dpa based on the standard methodology with affordability uplift and cap, as confirmed in the latest HDT results in February 2020 (referred to above and in Appendix 1).

As explained previously, the SADPD should enable additional available sites to be delivered to meet this higher level of need, rather than continuing to artificially constrain housing in the Borough. This is of even greater importance based on the outputs reported in the AMR 2018-2019, as the number of completions in 2018/19 (231 dwellings) is even further below the Council's current Local Housing Need (431dpa) as well as being below the Core Strategy requirement (292dpa).

Furthermore, the location of completions and permissions, primarily within the 'Rest of Urban Area (including HDRA)' and Woking Town Centre, has and will continue to result in higher density development of smaller units (see A04 and A06 below), which does not reflect the aims of the Core Strategy and identified needs for affordable family housing (Core Strategy page 20).

The SADPD evidence base has identified additional suitable sites (including Land North-West of Saunders Lane and Land North-East of Saunders Lane) which are capable of increasing housing delivery and the mix of sites required to meet Woking's housing need. Accordingly, Land North-West of Saunders Lane and Land North-East of Saunders Lane must be reconsidered for allocation in the SADPD.

A03: Five year housing land supply

Issue

The AMR 2018-2019 reports a housing land supply of 9.0 years over the period 2019/20 to 2023/24, based on the Core Strategy requirement of 292dpa (plus 5% buffer and previous under-supply provision). This amounts to a 5-year requirement of 1,619 dwellings and identified supply of 2,913 dwellings calculated by the Council (Table 4). This reflects the position reported in the Council's Five Year Housing Land Supply Position Statement (April 2019).

However, as the Core Strategy is considered to be out of date (as explained at A02 above and in Appendix 1), the housing requirement of 292dpa is no longer applicable for the purposes of calculating the 5-year requirement. In this instance, Paragraph 73 of the NPPF states that the housing requirement should instead be based on the Council's local housing need calculated by the standard methodology. Applying the local housing need of 431dpa would result in a 5-year requirement of 2,155 dwellings and thus a reduced housing land supply. In addition, as explained in our previous representations, the Council's identified supply includes 654 dwellings on allocated UA sites (plus 222 dwellings on non-allocated UA sites) where, as yet, there is no planning permission and no evidence to suggest that the sites will come forward in the five-year supply period.

Relevance to Examination

The SADPD and its evidence base include no evidence to provide an accurate assessment of the delivery of each proposed allocation, contrary to the requirements of NPPF 2019 paragraph 73, as explained in our

previous representations. This is particularly relevant given that some UA sites require relocation of existing occupiers (e.g. UA33, UA34, UA31) and at some sites the landowner interest has not been fully established (e.g. UA30, UA31, UA32). Notably, additional information was submitted by the Council to the Inspector just prior to the Examination hearings (Examination document WBC/SA/035), which indicated that a number of sites within the Council's five-year supply (including UA30, UA31, UA32 and UA33) are not anticipated to commence until at least 2024/25 or beyond.

The NPPF has a clear and focused emphasis on deliverability, however there is no evidence that the Council has considered the deliverability of any UA site to inform their proposed allocation. In order to demonstrate that all site allocations are deliverable and developable relevant evidence must therefore support the SADPD. Indeed it is noted that the Inspector's Post-Hearings Letter (paragraph 8) requests that the anticipated rate of development of sites is included as a main modification. Should evidence demonstrate that the identified UA sites are not deliverable and developable as envisaged during the plan period, additional suitable sites should be identified which can come forward at the appropriate time, such as Land North-West of Saunders Lane and Land North-East of Saunders Lane.

A04 Average housing densities achieved on site by location, assessed against indicative densities

Issue

The AMR 2018-2019 reports that a significant majority of dwelling completions (90.48%) were on sites with a density above 30dph, with the average housing density at 115 dph (page 17), significantly above previous years where the density has averaged around 60dph (Figure 5). Across almost all locations in the borough, the density achieved exceeded the indicative density range set out in Core Strategy Policy CS10. For instance in the 'rest of the urban area', where most completions took place (see A01), a density of 82 dph was achieved against an indicative range of 30-40 dph. The AMR 2018-2019 explains that the 'sharp increase' in density was as a result of the completion of several flatted schemes around the urban area (page 18).

Relevance to Examination

The Core Strategy emphasises that there is a significant need for affordable family housing but acknowledges that 'affordable family homes that cannot all be met in high density flatted accommodation in the main urban centres' (Core Strategy, page 20). This has been borne out in the low number of affordable housing completions in 2018/19 at high density schemes in the urban area (see A07 below).

The SADPD similarly proposes the allocation of a significant proportion of UA sites which are anticipated to deliver predominantly higher-density flatted accommodation. As explained in our previous representations, only 4 UA sites (UA20, UA21, UA23 and UA38) are anticipated to be developed at densities less than 70dph (which it is assumed may comprise housing), equating to less than 4% of all dwellings expected to come forward at UA sites in the plan period. This is likely to further exacerbate the need for lower density schemes which can provide family housing. Indeed the Inspector's Post-Hearings Letter (paragraph 6) queries whether "development in the urban area alone would deliver the size, type and tenure of housing needed for different groups in the community" and also emphasises that development is required to meet qualitative as well as quantitative needs.

Accordingly, as set out in our previous representations, in order to meet identified local needs for lower-density family housing, additional suitable sites outside the urban area (such as Land North-West of Saunders Lane and Land North-East of Saunders Lane) must be reconsidered for allocation in the SADPD.

A06 Dwellings completed by size and type

Issue

The AMR 2018-2019 reports that across the borough, 54% of completions in 2018/19 comprised 1-bed units, with 74% comprising either 1 or 2-bed units (Table 7). Within the "Rest of urban area" and Woking Town

Centre, where most completions and permissions occurred in 2018/19 (see A01 above), the proportion of 1- & 2-bed units completed was even greater – 61% 1-bed units in “Rest of urban area” and 76% 1-bed units in Woking Town Centre (Table 7). Table 8 of the AMR 2018-2019 shows that the majority of completions were flats, comprising 74% of all completions across the borough, including all units in Woking Town Centre, West Byfleet District Centre and Local Centres.

The size and type of dwellings completed directly contrasts with identified needs set out in the Core Strategy (2012) and SHMA 2015, as set out in our previous representations. The Core Strategy (2012) (page 20) states that “*There is significant need for family homes, in particular, affordable family homes*” and more recently the SHMA 2015 sets out an overall need for 50% 3 and 4 bed units and 80% 2, 3 and 4-bed units across the West Surrey HMA.

Relevance to Examination

The AMR 2018-2019 findings, reporting a significant proportion of smaller, flatted completions in 2018/19, further emphasises the need for family housing to be delivered through SADPD allocations, in order to meet local identified needs (as explained at A01 and A04 above).

The SADPD does not specify the precise mix or type of dwellings that individual sites will be expected to provide. However, as referred to above and within our previous representations, the SADPD proposes allocation of a large number of UA sites which are considered likely to also deliver a high proportion of smaller, flatted units given the site characteristics and estimated densities.

It is considered that the UA sites identified will therefore be unable to deliver the required mix of housing to meet local needs. As such it is necessary that additional sites outside the urban area (such as Land north east of Saunders Lane (Ref. SHLAAHEA018) and Land north west of Saunders Lane (Ref. SHLAAHEA019)) are reconsidered for allocation, in order to ensure that lower-density family housing to meet local needs.

A07 Net change in affordable dwellings permitted and completed, by location, size and tenure; planning obligations for affordable housing

Issue

The Core Strategy requires delivery of 35% affordable housing delivery over the period 2010-2027, equating to 1,737 new affordable homes (102 dpa of the overall 292 dpa requirement). However, a total of only 33 affordable units were completed in 2018/19 (14.3% of completions) (AMR Table 9), significantly below the Core Strategy requirement. This forms part of a trend of under-delivery of affordable housing throughout the Core Strategy plan period, where the 35% target has not been met in 8 of the 9 monitoring years since 2010 (AMR Figure 9). Notwithstanding the under-delivery in 2018/19, 76% of the completions (25 of the 33 affordable unit completions) (AMR Table 9) that did occur were on Green Belt/safeguarded sites outside the urban area.

The AMR explains that delivery was “*significantly below target*” (AMR page 22) as a result of several large prior approval schemes coming forward and viability assessments for redevelopment schemes showing that meeting the 35% target would be unviable.

Relevance to Examination

The Core Strategy emphasises that there is a significant need for affordable housing. Paragraph 2.14 of the Core Strategy sets out that, “*The need for affordable housing for those who cannot afford to obtain housing on the open market is considerable.*” It is evident however from the AMR 2018-2019 findings that affordable housing needs are continually not being met by a considerable extent.

On this basis, as explained above and in our previous representations, it must be demonstrated that all site allocations proposed for allocation in the SADPD are deliverable and developable in order to ensure that sufficient affordable housing will be delivered moving forward. This is particularly important given the number

of UA sites proposed for allocation in the SADPD (which have inherent complexities and unusual costs) and given that the Council has recently accepted a lower proportion of affordable housing on several urban redevelopments schemes on viability grounds.

In contrast sites outside the urban area (such as Land north east of Saunders Lane (Ref. SHLAAHEA018) and Land north west of Saunders Lane (Ref. SHLAAHEA019)) can deliver much higher proportions of affordable housing, as evidenced in AMR Table 9 and in the SADPD and its evidence base, and should therefore be reconsidered for allocation.

A08 Number of households on Housing Register, Housing Transfer Register and Sheltered/Supported Housing Register

Issue

The AMR 2018-2019 reports that the number of people on the housing register increased in from 1049 in 2017-2018 (AMR 2017-2018, Figure 11) to 1183 households in 2018/19 (AMR 2018-2019, Figure 11). The AMR adds that “Demand for housing on the register vastly outweighs supply” (AMR 2018-2019, page 23).

Relevance to Examination

The findings reported in the AMR 2018-2019 further emphasise the need for additional affordable housing supply in order to meet the increasing number of households on the housing register. As explained above, the SADPD therefore must ensure that all site allocations proposed for allocation in the SADPD are deliverable and developable in order to ensure that sufficient affordable housing will be delivered moving forward. Should evidence demonstrate that the proposed site allocations are not deliverable and developable, additional suitable sites such as Land north east of Saunders Lane (Ref. SHLAAHEA018) and Land north west of Saunders Lane (Ref. SHLAAHEA019), which can deliver much higher proportions of affordable housing, should be reconsidered for allocation.

A10 Average house price against average earnings

Issue

The AMR 2018-2019 illustrates a continuing worsening trend in the affordability ratio (house prices against earnings) for housing, both for residents and people who work in the borough. The AMR notes that “Housing remains very expensive in Woking” (page 24).

The worsening trend has continued on a year-by-year basis since 2012 when the Core Strategy was adopted, which itself emphasised the need for affordable family homes. In the past year, the affordability ratio for residents has increased further from 11.14 in 2017/18 (AMR 2017/18, Figure 13) to 11.78 in 2018/19. For people who work in the borough, the affordability ratio has increased further in the past year from 12.21 in 2017/18 (AMR 2017/18, Figure 13) to 12.96 in 2018/19 (AMR 2018/19, Figure 13).

Relevance to Examination

It is clear that affordability is a significant issue in Woking which is a proxy for housing need. The issue was previously emphasised in the Core Strategy which emphasised the need for affordable family homes, however affordability has continued to worsen in the period since. As such there is an even greater need to ensure the deliverability of sites in order to address the local housing need.

The NPPF has a clear and focused emphasis on the need to demonstrate deliverability; however, there is no evidence that the Council has considered the deliverability of any of the allocated sites within the SADPD, as explained above and in our previous representations. This is particularly relevant to the UA sites given their inherent complexities and unusual costs.

In order to demonstrate that all site allocations are deliverable and developable relevant evidence must therefore support the SADPD. Should evidence demonstrate that the identified UA sites are not deliverable and developable, additional suitable sites should be reconsidered for allocation, such as Land North-West of Saunders Lane and Land North-East of Saunders Lane, in order to increase the supply of housing and address affordability issues.

Conclusion

The AMR 2018-2019 assesses Woking's housing delivery against the Core Strategy requirement; however the latest HDT assesses Woking's delivery against a higher housing requirement based on the standard methodology, therefore indicating that MHCLG consider Woking's Core Strategy to be out of date. As the purpose of the SADPD is to *'enable the delivery of the Woking Core Strategy'*, it would appear that it is no longer for the SADPD to be found sound and therefore the SADPD should be withdrawn.

Notwithstanding this, the findings reported in the AMR 2018-2019 – demonstrating continuing trends of high-density urban development, low affordable housing delivery and worsening affordability – emphasise that the Core Strategy is not performing well and reinforce the comments in our previous representations, and presented at the Examination Hearings, of the need for the SADPD to allocate suitable sites to meet identified local needs. Accordingly, should the SADPD Examination proceed, Land North-West of Saunders Lane and Land North-East of Saunders Lane must be reconsidered for allocation.

I trust that the matters highlighted above will be taken into account in the examination of the Woking SADPD, however please do not hesitate to contact us if you have any queries or require any further clarification.

Yours sincerely

A handwritten signature in black ink that reads "Julia Mountford". The signature is written in a cursive style with a horizontal line underneath the name.

Julia Mountford
Associate Director

APPENDIX 1

A02 Housing Delivery Test

Explanation of figures informing the HDT homes requirement

Paragraph 6, of the Housing Delivery Test: 2019 Measurement Technical Note (February 2020), confirms that, where the adopted Local Plan is “*up-to-date*”, the housing requirement set out in a strategic policy in the Local Plan should represent the housing requirement for that year for the purposes of calculating the HDT.

In footnote 11, the Measurement Technical Note states that “*An ‘up to date plan’ for the purposes of the Housing Delivery Test is a plan with an adopted housing requirement which is less than five years old, or is older than five years and has been reviewed and found not to require updating. ‘Out of date’ for the purpose of the Housing Delivery Test, is a plan with an adopted housing requirement which is five years old or older and has not been reviewed, or a review has found that the strategic housing policies require updating.*” [our emphasis].

Paragraph 33 of the National Planning Policy Framework (NPPF) 2019 sets out that, “*Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary.... Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.*”[our emphasis].

As discussed at the Examination Hearings, Woking adopted its Core Strategy in October 2012. In October 2018, Woking undertook a ‘review’ of this Core Strategy (i.e. 6 years after the Core Strategy was adopted). From the internal review carried out by WBC of its Core Strategy policies, WBC concluded that its Core Strategy was in general conformity with the then NPPF 2018, despite the changes to the calculation of housing need and substantial increase in housing requirement when compared to the Core Strategy requirement of 292 dpa.

The Technical Note explains how the HDT is calculated in various scenarios; of which the following three are relevant to Woking:

1. Authorities with an up to date plan for the entire HDT period;
2. Authorities with a plan which is partially up to date during the HDT period; and
3. Authorities without an up to date plan.

Woking’s plan was adopted on 25th October 2012 and 5 years from this date is 25th October 2017. This is partway through the financial year (March to April) which informs the HDT calculation. Given the HDT results, MHCLG has concluded that Woking has one year that falls into each of the above three categories, i.e.

2016/17 – Woking has an up to date plan

2017/18 – Woking has a partially up to date plan (until 25th October 2017) and after this date, it is out of date

2018/19 – Woking’s plan is out of date.

Each of the three years are addressed in turn below.

2016/17

As the plan is up to date, the HDT measurement is informed by the Core Strategy requirement of 292 dpa.

2017/18

Midway through this monitoring year, on 25th October 2017, the Core Strategy becomes 5 years old. MHCLG has concluded that from this point forward, the Core Strategy is out of date. This position is further explained below.

Paragraphs 10-17 of the Housing Delivery Test: 2019 Measurement Technical Note (February 2020) explain the position “...for an authority with a plan which is partially ‘up to date’ during the Housing delivery Test period...” Importantly, paragraph 11 and 14 are particularly relevant which state that:

- Paragraph 11 – *If the plan becomes ‘out of date’ then from this point onwards the housing requirement is based on annual average household growth / local housing need plus unmet need depending on the test year.*
- Paragraph 12 – *If the plan becomes ‘out of date’ midway through a year, a weighted average for that year is calculated. This means that for as many days that the plan was ‘up to date’ within a test year, the annual target is used. For the remainder of the year, annual average household growth / local housing need plus unmet need is used.*
- Paragraph 13 – *The number of homes required each year over the three-year period is based on the lower of the housing requirement or household growth / local housing need plus unmet need for each year.*
- Paragraph 14 – *In this instance, the housing requirement in a given test year could be:*
 - a) *The target from the plan (if the plan is ‘up to date’ for the full year);*
 - b) *A weighted average of the target from the plan and annual average household growth (for the test year 2016/17 and 2017/18) or local housing need (for the test year 2018/19) plus unmet need (if the plan is only ‘up to date’ for part of the year);*
 - c) *Household growth plus unmet need for test years 2016/17 and 2017/18 (if the plan is ‘out of date’ for the full year); or*
 - d) *Local housing need plus unmet need, for test year 2018/19 (if the plan is ‘out of date’ for the full year).*

The HDT measurement is informed by the above paragraphs of the Technical Note that relate to when a plan becomes out of date midway through a way. The adopted Core Strategy figure has been used until 24th October 2017 when the plan is out of date and the average household growth figures have been used for the remainder of the year from 25th October 2017 until 31st March 2018. Using this methodology, the following figures are arrived at:

		Number of days	Requirement
Requirement when plan up to date (Core Strategy of 292 per year)	1 April 2017 to 24 October 2017	207	165.6 dwellings
Requirement when plan out of date (household projections of 309 between 2017 -27)	25 October 2017 to 31 March 2018	158	133.8 dwellings
Total requirement for 2017/18			299.4 dwellings

Accounting for various rounding of figures, the 299.4 dwellings equates to the 300 dwellings per year MHCLG has defined as the housing requirement for 2017/18. It is therefore clear that MHCLG has concluded that from 25 October 2017, the Core Strategy is out of date.

2018/19

The housing requirement informing the HDT for 2018-19 is 431 dwellings, the Local Housing Need (LHN) as calculated in accordance with the standard method. Paragraph 14 of the Technical Note is clear that when a plan is out of date for the full year, the requirement for that year for the purposes of calculating the HDT is the LHN figure.

This is critical to the Examination as it continues to demonstrate that MHCLG has concluded that Woking's Core Strategy is out of date.