



The Planning Inspectorate

Report to Waverley Borough Council

by Jonathan Bore MRTPI

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

Date 01 February 2018

Planning and Compulsory Purchase Act 2004

(as amended)

Section 20

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

The Plan was submitted for examination on 21 December 2016.

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

File Ref: PINS/R3650/429/8

Abbreviations used in this report

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

Non-Technical Summary

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

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

The Main Modifications can be summarised as follows:

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

Introduction

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

Main Modifications

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

Policies Map

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

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

Consultation

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

Assessment of Duty to Co-operate

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

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

Assessment of Soundness

Main Issues

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

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

Introduction

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

Calculating the OAN

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

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

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

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

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

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

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

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

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

Conclusion on the OAN

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

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

Meeting unmet housing need in the HMA

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

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

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

⁸ Waverley Responses Appendix 1: G L Hearn

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

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

Housing provision in relation to environmental issues

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

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

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

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

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

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

The housing requirement

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

The housing trajectory

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

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

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

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

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

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

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

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

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

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

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

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

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

¹⁷ See paragraph 47 of the NPPF

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

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

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

Affordable housing on development sites

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

Gypsies, Travellers and Travelling Showpeople

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

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

Mix of housing types to meet different needs

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

Conclusion

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

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

Overview of the spatial strategy

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

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

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

Spatial strategy: implications for European protected sites

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

¹⁹ Option 3, HRA Addendum.

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

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

Spatial strategy: implications for the Green Belt

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

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

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

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

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

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

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

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

²¹ HRA August 2016, paragraph 6.7.4

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

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

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

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

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

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

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

Farnham's role in the spatial strategy

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

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

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

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

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

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

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

108. In respect of Farnham, the plan subject to the main modifications is sound.

Godalming

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

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

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

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

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

Haslemere

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

Cranleigh

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

Milford

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

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

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

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

Chiddingfold, Elstead and Witley

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

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

Other villages

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

Spatial strategy: conclusion

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

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

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

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

Assessment of Legal Compliance

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

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

Overall Conclusion and Recommendation

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

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

Jonathan Bore

Inspector

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