

WOKING BOROUGH

CORE STRATEGY

EXAMINATION IN PUBLIC

EXAMINATION STATEMENT

CREST NICHOLSON

Submitted 13 March 2012

Matter 4 – Housing

3 April 2012

CREST NICHOLSON EXAMINATION STATEMENT 3
CREST NICHOLSON REF: 080



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Introduction

This Examination Statement has been submitted by Crest Nicholson as part of the Examination in Public on the Woking Borough Local Development Framework Core Strategy. The Statement highlights and where necessary expands upon representations submitted by Crest Nicholson at the Proposed Submission (Regulation 27) stage of the Core Strategy process. It does not repeat representations.

Referencing

Crest Nicholson has referred to its representations submitted on the Proposed Submission Core Strategy throughout the Examination Statement.

Appendix

Savills, SHLAA Critique & Alternative Five Year Supply Analysis



Inspector's Matter – Hearing 4
(Savills for Crest Nicholson Ref 080)

Abbreviations/ Glossary

- WBC – Woking Borough Council
- Savills – Planning Consultant
- SEP – South East Plan
- PPS – Planning Policy Statement
- WCS – Woking Core Strategy
- TBH SPA – Thames Basins Heath SPA

Matter 7: Is the Core Strategy's approach to housing provision sufficiently justified and consistent with national planning policy such as found within Planning Policy Statement 3: Housing (PPS 3)? With particular regard to deliverability, will the Core Strategy be effective in meeting the varied housing needs of the Borough over the plan period?

Introductory Comment

1. Crest Nicholson welcomes recognition in the Core Strategy of the South East Plan (policy H1) housing requirement, 292 dwellings per annum. This should be considered a planned requirement and not 'target'.
2. However, the approach to the planned distribution of housing (draft policy CS10) is fundamentally unsound, and is neither justified by evidence (notably of urban capacity/market need), or effective in realising a balanced supply of housing. The Borough Council cannot demonstrate a Five Year supply of housing; the Core Strategy must therefore outline a mechanism to adequately respond to this.
3. Savills for Crest Nicholson has produced a SHLAA Critique Report appended to this Written Statement as evidence to justify changes to draft policy CS10 and the Figure 4 Housing Trajectory. This evidence also provides further justification for an immediate Green Belt Review (as discussed in Written Statement 2 – Hearing Session 2).

1. Is the evidence base in support of the housing policies robust and credible? How does this relate to the PPS3 and its associated guidance? To what extent is the content of PPS1 and PPS3 particularly satisfied by the Core Strategy? How has the CS been informed by, and is consistent with, the Council's Housing Strategy?

4. The Core Strategy evidence, notably the SHLAA is not robust, further aspects of the SHLAA are ambiguous.
5. Appended to the this Written Statement is a detailed Five Year Land supply critique of the SHLAA, which highlights concerns with the Borough Council's overall spatial strategy (draft policy CS1) and specifically approach to housing delivery (draft policy CS10). The evidence includes an analysis of Five Year housing supply which demonstrates that dependent on the base year, the Borough Council can only demonstrate 3.5 to 4 years supply. This is contrary to PPS3 (Housing) and the

emerging National Planning Policy Framework (NPPF) (which seeks five years plus 20%).

6. Owing to the supply deficiency the Core Strategy must outline an effective mechanism to release land for development within the short to medium term.

7. The result of the evidence prepared by Savills is that Crest Nicholson seeks the following changes to the Core Strategy to ensure that it is sufficiently spatial, sound, robust and justified:

- The distribution of growth needs to recognise that additional Greenfield development land will be required over the plan period.
- That this growth is justified on a lack of urban capacity in the town centre, and also market need for 3 and 4 bedroom properties which is very unlikely in town centre locations.
- That additional land will also be required, possibly in association with Greenfield development for Thames Basins Heath SPA mitigation – i.e. additional Green Infrastructure.
- Recognition of the need for an immediate Green Belt Review to ensure effective land release.
- The Core Strategy should clearly set the parameters for a Green Belt Review to ensure sustainability objectives are met.

2. Is the latest SHLAA robust? (To include: what extent was a joint SHLAA with neighbouring authorities considered? Why was the site size threshold set at 6 units? Should the net increase in housing from sub-divisions be considered in the overall housing supply figures? Why are net housing increases from small sites only included in the overall housing supply figures for the last 5 years of the plan period? Were assumptions made as regards the potential impact of CIL?)

8. As outlined, Crest Nicholson doubts the robustness of sections of the SHLAA as reported throughout this Written Statement.

9. It is not clear from the SHLAA whether sites below six dwellings were included or not in the Figure 4 Housing Trajectory. The Council reports some 'exceptions' to this rule in paragraph 4.8:

“Sites within the planning process:

- *Land allocated (or with permission) for employment or other land uses which are no longer required for those uses*
- *Existing housing allocations and development briefs*
- *Unimplemented/ outstanding planning permissions for housing*
- *Planning permissions for housing that are under construction*
- *Sites where planning permission has previously been refused for residential development*
- *Sites where a planning application has been submitted but not yet determined or that are subject to pre-application advice”*

10. It is also not clear from the SHLAA whether sites which are of existing residential use were included in the Figure 4 Housing Trajectory, again some ‘exceptions’ are outlined by paragraph 4.8.
11. The exceptions include smaller sites in the planning process, although it should be noted that this includes sites where planning permission has been previously refused and sites where permission is not yet forthcoming. Sites are also included which benefit from extant consents but which are not yet implemented.
12. In interpreting the SHLAA evidence in drafting policy CS10 the Council appears to have attempted to maximise the potential in the existing urban areas to such a degree that no contingency has been factored. A discount rate for non-implementation does not seem to have been applied, which is surprising as there is a degree of uncertainty regarding the delivery of some of the smaller sites. The Council could not realistically propose to allocate all sites in the SHLAA for development via a lower tier DPD.
3. **To what extent, and in what ways, was the chosen spatial distribution of housing considered against alternatives? Is the spatial distribution of intended housing over the plan period clear?**
13. This is predominantly a question for the Borough Council.
14. Draft policy CS10 should be clearer, notably with regard to the Town Centre. There appears to be two housing allocations for the Town Centre, one for 2,300 dwellings and the other as a ‘broad location’ for 200 dwellings. It is also not entirely clear whether by ‘Town Centre’ the Borough Council is referring to the allocated Town Centre on the proposals map; if so then it is surprising that reliance on 320 dwellings at Poole Road

industrial estate is had (outside of the Town Centre) in justifying Town Centre urban capacity of 2,300 dwellings.

15. Crest Nicholson also questions the delivery of a number of sites within the SHLAA, the result of which is a lower land supply as outlined in the attached evidence.
16. An alternative distribution of housing would be justified against both the SA/SEA and SHLAA as outlined in the SHLAA Critique evidence appended. The Core Strategy already envisages the Green Belt as a 'broad location for growth' (draft Figure 3).
4. **Does the Council have a demonstrable housing land supply consistent with PPS3? Is the intended release of Green Belt deliverable? What reliance is made upon windfalls?**
17. The Borough Council can only demonstrate between 3.5 - 4 years housing land supply.
18. As outlined in Written Statement 2 (Hearing 2) the proposed timing of the release of Green Belt land is inadequate, and will not relieve the present failed housing supply. The Core Strategy is presently absent of a coherent delivery mechanism and hence fails the requirements of PPS3 and PPS12.
19. Windfalls are not specifically identified in the Core Strategy or draft policy CS10, although it is unlikely that many (if any) of the sites accommodating less than 10 dwellings will be formally allocated for development through the Site Allocations and Development Management DPD, and owing to this a number of smaller sites coming forward over the plan period could be classified as 'windfalls'. As the SHLAA sought to be very comprehensive in assessing every opportunity for residential development within urban areas, the prospect of additional windfalls is reduced.
20. The 'comprehensiveness' of the SHLAA highlights a need for a non-implementation rate to be factored (normally at least 10%) as not all sites will realistically come forward, notably those complex Town Centre sites, and those smaller sites of which a number have been included. There is no flexibility in-built within draft policy CS10 to accommodate non implementation at this time.
21. Crest Nicholson suggests that Policy CS10 includes an additional provision of 10% (496 dwellings) to be released via a Plan Review and/or further DPD post 2021/22

should overall delivery have faltered. This 'increase' is relatively modest when set against projected housing need, notably affordable housing.

5. How will matters relating to housing design be addressed to meet the aims of PPS3 et al?

22. Crest Nicholson has no comment to make on this matter.

CS10 Housing

6. Is the number of new homes consistently stated in CS? Are the house prices up to date in Para 2.14? Should current ONS stats be used?

23. Crest Nicholson has no comment to make on this matter.

7. What is the primary evidence to support the housing distribution identified in CS10? Is the evidence base robust (to include 2007 Fordham's Research Paper)? Can the required housing trajectory be delivered? Is the proposed approach to housing supply adequate and reasonable when considered against the evidence of need?

24. Crest Nicholson considers that the Council must be using the SHLAA as its primary evidence base to support draft policy CS10, as if the Strategic Housing Market Assessment (2009) were used then the Council would be proposing greater levels of 3+ bed housing, more suited to locations outside of the Town Centre.

25. As outlined, evidence to counter some of the SHLAA evidence has been produced and is appended to this Written Statement. This outlines that the Council has an over optimistic projection of town centre physical and market capacity to accommodate the planned 2,500 dwellings. Instead a greater proportion should be directed to the Green Belt, with locations sought via the in-parallel Green Belt Review and Site Allocations DPD process. This would be an effective measure, which is justified by evidence of capacity in the Green Belt (SHLAA), which Savills interprets as showing a realistic capacity (theoretical) to accommodate circa 8,000 dwellings in the Green Belt.

26. Crest Nicholson is not suggesting that every site in the Green Belt should be developed; there is neither the justification nor market capacity for this. Instead a realistic distribution of development should be allocated to the Green Belt so that the

suite of potential sites can be robustly assessed through the Green Belt Review. Crest Nicholson has outlined evidence to justify reducing the Town Centre allocation by 1,000 dwellings and increasing the Greenfield allocation by approximately the same (to 1,500 dwellings). This would represent 42 ha of land at 35 dph, which would require circa 29 hectares of SANG/ Green Infrastructure. Higher densities could be sought (40 dph) to make a more efficient use of land.

8. Is the policy sufficiently flexible to enable different density and housing mixes?

27. No, for the reasons outlined Crest Nicholson considers that the draft policy increases the prospect of a housing supply focused on smaller 1 and 2 bedroom properties. This would be contrary to evidence and PPS3.

9. Is the policy on Green Belt (GB) release robust and effective?

28. No, for the reasons outlined Crest Nicholson considers an immediate Green Belt Review required.

10. Are the indicative density ranges deliverable when considered against the required housing mix of the Borough?

29. No, for the reasons outlined Crest Nicholson considers that the draft policy increases the prospect of a housing supply focused on higher density and hence smaller 1 and 2 bedroom properties. This would be contrary to evidence and PPS3.

11. Where is the evidence that the town centre can support 200dph to meet the target of 2,300 dwellings? Will this be the required type of housing?

30. Draft policy CS10 effectively outlines a distribution of 2,500 to the Town Centre, all at very high densities (2,300 town centre plus 200 town centre 'broad location').

31. Crest Nicholson does not dispute that higher density development cannot be achieved in the Town Centre. The Savills evidence appended however outlines sufficient reasons to doubt the intended reliance on the Town Centre in the housing distribution, notably:

- Market capacity and housing need.

- Physical capacity, for example the town centre as a 'Centre of Significant Change' accommodates a range of competing land uses (retail/ commercial).
 - Major sites (10+ dwellings) can only accommodate up to 1,500 dwellings.
 - Three 'Gateway' sites are included in the 6 - 10 year period. These sites are complex to deliver and are within the present Primary/ Secondary retail area.
 - The Poole Road site (320 dwellings) appears to have been used to justify the 2,300 distribution; however, the site is not within the Town Centre.
 - Reliance is provided for an additional 200 dwellings with no obvious evidence in support.
32. Crest Nicholson therefore considers a Town Centre distribution of 1,500 dwellings to be more realistic.
- 12. Is there sufficient flexibility within Policy CS10? Particularly in relation to potential non-implementation? Should a non implementation figure of 10% be applied?**
33. As outlined, there is insufficient flexibility in the policy, furthermore a non-implementation figure of at least 10% is required, notably owing to the reliance (as outlined by the SHLAA) on a number of smaller sites (<10 dwellings). Crest Nicholson has outlined a suggested contingency measure which should be built-in to the policy.
- 13. Is the annual housing figure an indicative minimum target? Is the figure too low? To what extent have alternatives been considered?**
34. Crest Nicholson considers the housing requirement to be just that, and not a target. Evidence of housing need is already in excess of the planned annual requirement.
35. Alternatives of housing delivery were considered through the SA/SEA; for this reason Crest Nicholson considers there to be a justification for a greater housing requirement (10%) to 5,496 (2010-2027) based on a contingency mechanism should delivery have faltered by 2021/22.
- 14. Is housing at Moor Lane and Brookwood Farm justified by the evidence base? Is it deliverable?**

36. As outlined by the Savills SHLAA Critique appended, the delivery in entirety of Moor Lane and Brookwood Farm in the five year period 2012-17 should be questioned for the following reasons:
- Both sites are existing Local Plan allocations; since 1999 these site have not been forthcoming, which in itself demonstrates that the sites may be complex and/or difficult to deliver.
 - Moor Lane benefits from a planning consent (granted in 2006) although this has not been implemented or Reserved Matters submitted. It is unclear where the delivery of the site sits.
 - The capacity for Moor Lane in the draft Core Strategy Figure 4 is stated at 440 dwellings, yet the SHLAA states 400 dwellings.
37. The Savills SHLAA Critique outlines a revised delivery rate for each site, Brookwood Farm delivering from 2014/15 and Moor Lane delivering from 2015/16. The Savills suggested delivery rate is also 'stepped', contrary to the present draft Figure 4 Housing Trajectory which overall predicts a 253% increase in delivery from 2011/12 to 2012/13.

CS11 Housing Mix

15. **Is the policy sufficiently flexible to cater appropriately for specialist housing schemes such as care homes?**
38. Crest Nicholson has no comment to make on this matter.
16. **Does the CS plan adequately and upon a robust evidence base for the projected increased proportion of elderly within the population?**
39. Crest Nicholson has no specific comment to make on this matter, apart from to note that elderly persons may be less likely to want to live in higher density town centre environments, which the Core Strategy presently focuses the housing distribution.
17. **How will the aims of para 5.72 be realised? Is this supported by evidence? Consistent with CS 13?**
40. Crest Nicholson objected to this paragraph at the Proposed Submission stage as it would appear to outline a policy requirement for the mix of development schemes within a paragraph and not within policy CS11. It therefore is ineffective.

41. The housing need is not disputed; as paragraph 5.72 shows, over half (53%) of housing need is for 3+ bedroom. This supports Crest Nicholson's position that a greater proportion of development should be distributed to the Green Belt.
42. Crest Nicholson considers that the paragraph should be worded clearly as guidance, otherwise it risks interpretation as being a strict policy requirement. It is inevitable owing to the planned housing provision/ density that geography will dictate the broad mix of development proposals, for example Greenfield focused as being 3+ bedroom.

18. How will the delivery of necessary family housing be secured and managed?

43. As outlined, Crest Nicholson considers the present housing distribution of the Core Strategy to be ineffective. It would not enable sufficient family housing to be delivered.

CS12 Affordable Housing

19. **To what extent is the CS approach to the total provision of affordable housing justified by the evidence base? How much affordable housing (and of what size/ tenure mix) is required and how will it be delivered? Are the thresholds justified? Should the affordable housing target be greater than 35%? Issues to be covered include: Are housing waiting lists increasing or decreasing? Does the policy address social deprivation adequately? Does the policy reflect the Council's Housing and Community Strategies?**
44. Crest Nicholson is not confident that the affordable thresholds in draft policy CS12 have been adequately justified.
20. **Are issues of development viability recognised adequately? Are the assumptions of the Viability Assessment unrealistic (market conditions; CSH level 4 not 5)? Will development be deliverable?**
45. Crest Nicholson is not aware of evidence of viability having been produced to justify the proposed 'blanket' 50% rate for affordable housing on Greenfield sites (irrespective of size). Draft policy CS12 is therefore ineffective as it is unable to respond to changing circumstances, for example economic cycles. Should evidence of viability be forthcoming then this could demonstrate a sustainable level of affordable housing (as a baseline) at a time of lower economic activity.

46. The policy should therefore either outline an affordable housing range (a lower threshold notably for Greenfield) and/or include a viability contingency. Paragraph 5.88 presently refers to 'exceptional circumstances', however words to this effect should be inserted into the policy itself. This would be an effective mechanism.
47. Savills is presently renegotiating a number of Section 106 Agreements to lower the affordable housing threshold on a number of schemes (including Greenfield) across the UK, all based on evidence of economic viability.
- 21. Is the proposed change to para 5.83 clear?**
48. Crest Nicholson has no comment to make on this matter.
- 22. Is 'affordable' adequately defined and consistent with PPS3? Are the tenure splits justified by the evidence base? Is there adequate detail with regard to the need and intended supply of dwelling house sizes – is this consistent with the evidence base?**
49. Crest Nicholson has no specific comment to make on this matter, apart from to highlight that discount market rent (80% of market rent) should also be considered as an affordable housing tenure as per PPS3.
- 23. How will the off-site provision of affordable housing be managed? Is the intended approach justified?**
50. Crest Nicholson has no comment to make on this matter.
- 24. What is the evidence base in support of enabling the payment of commuted sums for alternative provision elsewhere? Will the potential for off site affordable housing provision lead to an unbalanced proportion of affordable housing on the alternative site? Is this element of policy warranted by the evidence base?**
51. Crest Nicholson has no specific comment to make on this matter, apart from to highlight that the ability to make either on or off site provision is an effective measure and reflects changing circumstances and a range of development sites.

25. Is the 50% requirement for affordable housing on greenfield sites warranted by the evidence base? Why should land in public ownership be treated differently? Is this justified and effective? Will 50% target for affordable housing on greenfield be ineffective in terms of stymied delivery?

52. As outlined, Crest Nicholson is concerned that the 50% provision (not target) is inadequately justified and ineffective.

26. Is para 5.89 inflexible?

53. Crest Nicholson has no comment to make on this matter.

27. Is the policy clear with regard to affordable housing and non residential development schemes? Is this approach supported by robust evidence?

54. Crest Nicholson has no comment to make on this matter.

28. Should the issue of RSL6 rents be addressed within the CS?

55. Crest Nicholson has no comment to make on this matter.

Draft Policies CS13 & CS14

56. Crest Nicholson has no comment to make on these matters.

Conclusion

57. Crest Nicholson believes that the Core Strategy as submitted fails in a number of respects. In order to ensure that it is justified, effective and consistent with National Planning Policy and is therefore sound in PPS12 terms, changes will be required, or further evidence prepared.

What parts of the Core Strategy are unsound?

58. Crest Nicholson requests changes to the draft policies CS10 (the housing distribution) and CS12 (the Greenfield affordable housing threshold), and further to the supporting text to CS11 (housing mix) and the draft Figure 4 Housing Trajectory (regarding anticipated delivery rates/ distribution).

Which soundness test(s) it fails and why?

59. Crest Nicholson is not satisfied that the present wording of draft policy CS10 and housing distribution (Figure 4 Housing Trajectory) is justified, effective or consistent with national planning policy.

60. The supporting text to CS11 (paragraph 5.72) is ineffective as it risks ambiguity.

61. Draft policy CS12 is ineffective and potentially unjustified owing to the high Greenfield affordable housing threshold, and absence from the policy of a viability clause.

How the Core Strategy can be made sound. Including the precise changes and wording that is sought

62. Amend policy CS10 to include the following housing distribution:

	<i>Indicative Number of Dwellings</i>	<i>Indicative Density range</i>
<i>Woking Town Centre</i>	<i>1,500</i>	<i>In excess of 200 dph</i>
<i>West Byfleet District Centre</i>	<i>170</i>	<i>50 – 100 dph</i>
<i>Infill development in Local Centres</i>	<i>250</i>	<i>30 – 60 dph</i>
<i>Infill development in the rest</i>	<i>750</i>	<i>30 – 40 dph</i>

<i>of urban area</i>		
<i>Moor Lane site, Westfield</i>	400	30 – 50 dph
<i>Brookwood Farm, Brookwood</i>	300	30 – 50 dph
<i>Green Belt (site(s) to be released after the Green Belt Review</i>	1,590	30 – 50 dph
<i>Contingency for Non Implementation. (Additional sites to be released post 2022/23) if required</i>	10% (496 dwellings)	n/a
Total	5,496	

(see Table 5 within the Appended SHLAA Critique Evidence for further explanation)

63. Amend the Housing Trajectory (Figure 4) as follows:

Retain the 143 dpa in 2010/11 and 2011/12, and amend the other key sources of supply as follows (dwellings per annum):

	<i>New Central</i>	<i>Martins Press</i>	<i>Moor Lane*</i>	<i>Brookwood Farm</i>	<i>Hoe Valley</i>	<i>Gateway Sites</i>	<i>Hard Commitments</i>	<i>Developable</i>	<i>Green Belt Release</i>	<i>Dwellings Per Annum</i>
2012/13	80	16			31		50			177
2013/14	80	16			31		50			177
2014/15	80	16		30	31		50			207
2015/16	80	16	40	60	31		50			277
2016/17	80	16	80	60	30		50		100	416
2017/18			80	60		45	44	179	120	528
2018/19			80	60		45	44	179	145	553
2019/20			80	30		45	44	179	145	523
2020/21			40			45	44	179	145	453
2021/22						45	44	179	145	413
TOTALS	400	80	400*	300	154	225	470	895	800	

*Based on stated SHLAA (2011) position. Savills Five Year Supply analysis has reflected the Core Strategy draft Figure 4 Housing Trajectory of 440 dwellings.

64. Also amend the graphics to make the delivery rate at Hoe Valley (31 dpa) clear.
65. Changes to the housing distribution will also affect other parts of the plan, notably draft policy CS2.
66. Amend the wording of paragraph 5.72 as follows (new text underlined):

The Council recognises that each site dependent on location will have its own characteristics which will influence the design and density of development proposals. The SHMA (May 2009) found that the overall Borough-wide need and demand for new homes is:
19% 1 Bed, 28% 2 bed, 29% 3 bed and 14% 4+ bed.

67. Amend the fifth paragraph of policy CS12 as follows (new text underlined):

All new residential development on Greenfield land will be required to provide between 35% and 50% affordable housing dependent on the characteristics of the development proposal as justified by evidence of viability.

Add a new paragraph to the policy:

Where a development proposal cannot provide at least 35% affordable housing irrespective of location, then evidence of viability will be required so that a bespoke level of affordable housing may be agreed.

END OF STATEMENT