

## **WAVERLEY BOROUGH COUNCIL**

### **SPECIAL EXECUTIVE - 22 AUGUST 2017**

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#### **Title:**

### **WAVERLEY BOROUGH LOCAL PLAN PART 1: PROPOSED LIST OF MODIFICATIONS**

**[Portfolio Holder: Cllr Brian Adams]  
[Wards Affected: All]**

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#### **Summary and purpose:**

The purpose of this report is to enable the Executive to note the proposed list of modifications to the Local Plan Part 1 and endorse its submission to the Local Plan Inspector. During the Examination of Local Plan Part 1, a number of potential modifications have been identified in order to address issues raised by the Inspector. These include modifications identified as a result of the Inspector's written questions as well as those arising from the Examination Hearings themselves. In setting out his preliminary views during the Hearings, the Inspector made it clear that certain modifications would be required to address points of soundness that he identified.

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#### **How this report relates to the Council's Corporate Priorities:**

Given its broad scope, the Local Plan will play an important role in relation to Community Wellbeing and the Environment.

#### **Financial Implications:**

It is anticipated that any additional costs will be met from existing funding.

#### **Legal Implications:**

The Council cannot adopt the Local Plan until the Inspector has recommended it to do so. Therefore, until the Inspector is satisfied with the proposed modifications, the Local Plan will not be found sound. The Legal Services team is satisfied that the content of this report is accurate and that the proposed modifications annexed to it are in line with the Inspectors' preliminary conclusions.

If the Inspector is not satisfied with the proposed modifications, he will likely require them to be amended. This will inevitably delay the Local Plan being found sound, increase the risk of a challenge being made against it and lead to additional costs to the Council. It is important therefore that the Council is confident that the proposed modifications will satisfy the Inspector.

Farnham's overall housing requirement will increase as a result of the proposed modifications and the Council proposes to consider additional sites, to account for the shortfall, through Part 2 of the Local Plan. Having sought Counsel's advice, the Legal Services team is satisfied that this approach is the most appropriate to meet its housing

need. Although the Farnham Neighbourhood Plan does not account for the uplift in housing requirement for Farnham, the Legal Services Department is confident that full weight will continue to be afforded to it. Where there is a conflict between the Farnham Neighbourhood Plan and Part 2 of the Local Plan, Part 2 will take precedence as it will be the more up to date development plan document. The Farnham Neighbourhood Plan will remain a development plan document and planning applications will continue to be decided in accordance with it in so far as Part 2 of the Local Plan allows.

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## **Background**

1. Local Plan Part 1: Strategic Policies and Sites was submitted for Examination in December 2016. The appointed Inspector has been examining the Plan against the prescribed legal tests and the tests of 'soundness' since then. Early in the Examination, the Inspector set out some initial questions to which the Council responded. He then set out his 'matters and issues' which contained a number of questions under different topic headings. The Council was asked to respond to each of the questions and other participants were able to submit further written statements as well.
2. These written exchanges were part of the process of the Inspector considering whether the Plan is sound. The Inspector then convened the Hearing Sessions that took place over a two week period from 27 June to 6 July. The Inspector had already reviewed a considerable amount of written material, so the agenda for the Hearings was focused on those matters where the Inspector wanted to hear from the interested parties before reaching his conclusions. The issues covered in the Hearings were:
  1. Housing need in Waverley
  2. Unmet housing need from elsewhere in the Housing Market Area (HMA)
  3. The housing trajectory
  4. 5-year housing land supply
  5. Green Belt
  6. The spatial strategy
  7. The design strategy for Dunsfold Aerodrome
3. At the end of each session, the Inspector indicated his preliminary findings. These were:-
  - The housing target should be increased from 519dpa to 590dpa. This includes an uplift for affordability issues and a requirement that Waverley meets 50% of the unmet housing need arising in Woking;
  - Various changes required in relation to the Green Belt. In particular, the Inspector was not convinced that there are exceptional circumstances to justify the addition of land to the Green Belt in Farnham and Cranleigh;
  - The Inspector concluded that there is not a reasonable alternative spatial strategy that excludes development at Dunsfold Aerodrome;
  - There is a requirement for an additional policy to establish the design-led vision and strategy for delivering the new settlement at Dunsfold Aerodrome.

## **Proposed Modifications**

4. The Inspector did not identify any 'showstopper' issues. However, he did indicate that in order to address his preliminary findings, some modifications would need to be made to the Plan. The modifications will be a mix of main modifications and minor modifications. The main modifications will need to be subject to consultation and potentially Sustainability Appraisal. The full list of proposed modifications is a combination of the modifications to the Pre-Submission Plan, which the Council identified when the Plan was submitted in December, together with the modifications identified in response to the Inspector's pre-Hearing questions and, finally, those specifically arising from the Hearings themselves.
5. In the final wrap-up Hearing Session on 6 July, Officers outlined the headline main modifications arising from the Hearings and the Inspector confirmed that these are the modifications he is expecting. Officers have since worked to develop a list of modifications which will be signed off by the Inspector before consultation. Therefore, the version attached to this report as Annexe 2 is a near complete draft. It will be noted that the list differentiates between what are regarded as main modifications and those that are minor. In terms of the issues arising from the Hearings, the most significant main modifications are:
  - Updating Policy ALH1 to incorporate the new target of delivering at least 11,210 dwellings between 2013 and 2032 (590dpa). This also involves amending the distribution of homes by town/parish to reflect the new overall target and making it clear that the figures for each settlement are expressed as a minimum.
  - Various changes to the Green Belt Policy RE2, including clarifying the position in relation to the site at Aarons Hill/Eashing Lane, Godalming to state that this site will be removed from the Green Belt in Local Plan Part 1, and deleting the proposal to add land to the Green Belt in Cranleigh and Farnham.
  - A new Policy SS7A, which is the policy that will set out the urban design requirements for the new settlement at Dunsfold Aerodrome.
6. Overall, the housing target increases by 1,349 homes. Officers have considered some alternative approaches to distributing the uplift as follows:
  1. An uplift that applies the same proportionate increase as the current distribution in the draft Plan;
  2. An uplift where the distribution is more heavily weighted towards areas that are less constrained by environmental designations such as the Green Belt or AONB; and
  3. An uplift that largely reflects the proportionate uplift, but with some local variations. These include a lower proportionate increase in Cranleigh, given that, relative to other settlements, the current allocation to Cranleigh, in percentage terms, is higher than the other main settlements.
7. These alternative distributions are currently subject to some testing through Sustainability Appraisal (SA) and Habitats Regulation Assessment (HRA). Subject to the SA/HRA findings, officers are of the view that the apportionment of the uplift that should be included in the modifications sent to the Inspector is that set out in Option 3. Attached as Annexe 1 is a table showing the proposed distribution of the uplift in Option 3. This table includes other supporting information, by settlement, including the proportion, in percentage terms, of the original allocation and the uplift

per settlement and information on sources of housing supply to show the amount of housing potentially required over and above current commitments such as planning permissions. The full schedule of draft proposed modifications to the Plan is attached as Annexe 2.

8. In arriving at the distribution of the uplift, Officers have been very mindful of the fact that during the Hearings the Inspector did not indicate that there needs to be any change to the overall spatial strategy. The current distribution of housing reflects the Spatial Strategy. The Inspector's explicit support for the Spatial Strategy imposes a constraint on the degree of modification that is possible. The modifications need to be appropriate, consistent with the Spatial Strategy and should be 'modifications' to it rather than the introduction of effectively a new/varied Spatial Strategy. For example, it would not be appropriate to target smaller settlements for a significant proportion of the uplift, given that the spatial strategy has taken account of the settlement hierarchy in Waverley. Similarly, it would not be appropriate or consistent with the Spatial Strategy to target areas of Green Belt or AONB for a significant proportion of the uplift. The one caveat to this is that the distribution of the uplift takes account of the findings of the Green Belt Review, including the proposal to remove land from the Green Belt at Aarons Hill in Godalming. The uplift in Godalming takes account of the housing potential of the site at Aarons Hill.
9. It is not intended that additional sites be allocated in Local Plan Part 1 to meet the higher housing requirement. Instead, it is proposed that the scope of Local Plan Part 2 should be broadened so that a wider range of sites and site sizes will be considered. There will also still be a role for site allocations through Neighbourhood Plans. However, it will also be important to ensure that, with the higher annual target, the Council continues to maintain a 5 year housing supply. This could mean including certain site allocations in Local Plan Part 2, if there is a risk of delay in the production of Neighbourhood Plans that would otherwise have been responsible for those allocations.
10. In relation to Farnham, the proposed uplift from 2330 in the submitted Local Plan to 2,780 is a proportionate uplift. As the Table at Annexe 1 shows, the current allocation represents 34% of the total (minus Dunsfold Aerodrome, the village windfalls and other village commitments) and the proposed allocation remains the same percentage. It is acknowledged that the Farnham Neighbourhood Plan has recently been made and is now part of the development plan. It will have full weight as a development plan document pending completion of Local Plan Part 1 and, subsequently, Local Plan Part 2. However, the housing allocation in the Neighbourhood Plan is based on the draft Local Plan figure of 2330. Given that the overall housing target is being increased, it is reasonable for Farnham, as the largest and most sustainable of the main settlements, to take a reasonable proportion of the uplift. This would also be in line with the Spatial Strategy. It is recognised that an increase in the Farnham housing allocation may require the identification of additional SANG capacity. However, officers are confident that this can be resolved over the timeframe of the Local Plan up to 2032. At this stage, Local Plan Part 1 does not need to say where these additional homes in Farnham will be provided. It is envisaged that the additional allocations for Farnham would be made through Local Plan Part 2. This would avoid the need for an early review of the FNP following adoption of Part 1 of the Local Plan and to ensure it remains

up to date. There would be discussions with Farnham Town Council through consultation on Local Plan Part 2, regarding the sites needed to deliver the uplift.

11. With regard to Cranleigh, officers acknowledge that the uplift is lower than would be the case with a proportionate increase. It is recognised that the allocation for Cranleigh in the submitted plan is relatively high in proportional terms, compared to existing settlements. However, the Inspector has not indicated that this should be changed. The proposed uplift for Cranleigh is below that which would arise from applying the same proportionate increase and is considered to strike the right balance between protecting the most sensitive environments whilst recognising that there is a limit to the amount of development that should be directed to this part of the Borough. As demonstrated in the table at Annex 1, the contribution that Cranleigh will make to the uplift is a relatively small increase taking account of current commitments. Taking account of existing green-rated LAA sites, the addition for Cranleigh over and above existing commitments is 56.
12. With regard to the Aarons Hill site in Godalming, the submitted Plan states that, subject to further discussions with Guildford Borough Council, the site could be suitable for removal from the Green Belt and that this would be considered in Local Plan Part 2. The Inspector was not satisfied with this and said that the Council must be clearer in its intentions for this site in terms of whether it is in the Plan or not. Officers feel that the removal from the Green Belt should be confirmed in Local Plan Part 1 and that this should be one of the main modifications. The land in question straddles the Guildford/Waverley boundary. Whilst there would be advantages in the whole site coming forward, the land in Waverley can come forward on its own, subject to careful design and landscaping. Given the other Green Belt constraints around Godalming, this site will also make a valuable contribution both to meeting the uplift and meeting local needs. The proposed uplift in Godalming, from 1,240 to 1,520, takes account of the potential of this site.
13. In relation to Haslemere, it is proposed that the uplift should be a proportionate one, from 830 to 990 dwellings. It is recognised that the allocation for Haslemere remains relatively low given the size of the settlement. However, this is in recognition of the significant constraints around Haslemere, including the Green Belt and AONB. As it currently stands, there are not enough potentially suitable sites identified through the Land Availability Assessment (LAA) to meet this uplift. Officers are confident that suitable sites will be identified over the whole plan period to 2032 to meet the allocation.
14. In terms of the villages, the proposed distribution largely reflects the distribution from a proportionate increase. In a few cases the allocation is above the proportionate allocation. In all cases, officers are confident that sites will be found to deliver the allocations over the plan period.
15. Officers have considered whether there would be any scope for Dunsfold Aerodrome to take any of the uplift. The key issue here is around deliverability during the Plan period. This issue was subject to extensive debate at the Examination Hearings, with a number of representors challenging whether even 2,600 homes are deliverable in the Plan period. Whilst it is considered that 2,600 are deliverable, it is considered that there is little or no scope to increase this number in this Plan period.

16. With regard to the Dunsfold design policy SS7A, the Council has been asked to prepare the wording for the policy. However, whilst there is clearly some choice around the precise wording, the Inspector made it clear what he was expecting in broad terms and may modify the wording to ensure it is achieving what he considers is needed.

## **Conclusions**

17. In progressing straight to his final report on the Local Plan, it is clear from the Inspector's observations that he will approve the Spatial Strategy and that he will do so on the basis that the Plan, with main modifications, complies with the tests of soundness set out in the NPPF. Clearly, it is important that the main modifications to the Plan, that will be subject to consultation, will be those that specifically address the concerns around soundness that the Inspector has identified through the Examination. Subject to the outcome of the work on the Sustainability Appraisal (SA) and the Habitats Regulations Assessment (HRA), the modifications, including the revised housing distribution, detailed in the schedule attached as Annexe 2, will be forwarded to the Inspector.
  18. Whilst the Council was asked to draft the modifications, following the identification of the headlines during the Hearings, it will be for the Inspector to make the final decision on whether the main modifications are those that he considers are needed to address his concerns about soundness. It is possible, therefore, that he may make some changes to the proposed modifications. Officers are liaising with the Inspector on the list of modifications. For example, officers are still working on the wording of the proposed new Policy SS7A, which relates to the design strategy for Dunsfold Aerodrome. Officers will circulate an updated version of the Schedule of modifications once this work has been completed. In addition, the Inspector has also indicated that a document containing just the main modifications should be produced, to avoid any confusion during the consultation. Again this separate list will be circulated once complete. Once the Inspector is satisfied with the main modifications, then these will be subject to public consultation. It is important to stress that the consultation is only on the main modifications and not an opportunity to raise other issues.
  19. Although the Council undertakes the consultation, it is the Inspector who reviews the responses received and takes these into account before issuing his final report. It is expected that the consultation on the main modifications will start around 4 September and will run for 6 weeks. On this basis, and subject to the number of responses, Officers are still hopeful that the Inspector's report will be received later in the year.
  20. The timetable for the final stages of the Part 1 examination will have implications for the timetable for Local Plan Part 2. In particular, the Council cannot proceed to a consultation on a preferred options version of Part 2 until Local Plan Part 1 is concluded, given that Part 1 provides the strategic direction for allocations and policies contained in Part 2. Officers are in the process of reviewing the timescale for the final adoption of Local Plan Part 1 and the production of Local Plan Part 2 and a formal update of the Local Development Scheme (LDS) will be made in due course.
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## **Recommendation**

It is recommended that the Executive notes the list of proposed modifications to the Local Plan Part 1, as set out in Annex 2, and endorses its submission to the Local Plan Examination Inspector.

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## **Background Papers**

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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