



The Planning  
Inspectorate

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# Report to Elmbridge Borough Council

by Mary Travers BA (Hons) DipTP MRTPI

Inspector appointed by the Secretary of State for Communities and Local Government

Date: 13<sup>th</sup> June 2011

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PLANNING AND COMPULSORY PURCHASE ACT 2004

SECTION 20

**REPORT ON THE EXAMINATION INTO:**

**ELMBRIDGE CORE STRATEGY**

**DEVELOPMENT PLAN DOCUMENT**

Document submitted for examination on 29 March 2010

Examination hearings held 29-30 March 2011

File Refs: PINS/K3605/429/4

## Non-Technical Summary

This report concludes that the Elmbridge Core Strategy Development Plan Document provides an appropriate basis for the planning of the borough over the next 15 years approximately. The Council has sufficient evidence to support the strategy and can show that it has a reasonable chance of being delivered.

A limited number of changes are needed to meet legal and statutory requirements. These can be summarised as follows:

- Providing a sub-regional context for the core strategy that will endure even if the South East Plan is revoked, and giving appropriate recognition to the need for cross-boundary working;
- Revising the housing requirement to ensure that it takes appropriate account of local circumstances while remaining in general conformity with the South East Plan;
- Adjusting the target for the overall provision of affordable housing to reflect what can be delivered in the plan period;
- Amending the broad distribution of new housing to individual settlements to take account of the most up-to-date information on urban potential, and updating the housing supply position;
- Amending the housing delivery contingency plan to ensure it offers a flexible response;
- Updating the proposals to meet the housing needs of gypsies, travellers and travelling showpeople so that the core strategy provides a sound interim framework, pending confirmation of the sub-regional and national context;
- Amending the policies on employment land provision and on sustainable buildings to ensure they offer reasonable flexibility, and
- Clarifying the mechanisms for co-ordinating housing delivery with provision of infrastructure and services.

All but two of the changes recommended in this report have been put forward by the Council and all of them have emerged in response to points raised or suggestions discussed during the examination. The changes do not alter the thrust of the Council's overall strategy.

## **ABBREVIATIONS USED IN THIS REPORT**

CD	Core Document
CS	Core Strategy
dpa	Dwellings per annum (year)
DPD	Development Plan Document
GTAA	Gypsy and Traveller Accommodation Assessment
IC	Inspector’s recommended change
LDS	Local Development Scheme
PPS	Planning Policy Statement
PHA	Post-Hearings Amendments
PPMC	Post-Publication Minor Changes
PSA	Post-Submission Amendments
PSFMA	Post-Submission Further Minor Amendments
RS	Regional Strategy
SEL	Strategic Employment Land
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SPD	Supplementary Planning Document

## Introduction

1. This report contains my assessment of the Elmbridge Core Strategy Development Plan Document (DPD) in terms of Section 20(5) of the Planning and Compulsory Purchase Act 2004. It considers whether the DPD is compliant in legal terms and whether it is sound. Planning Policy Statement (PPS) 12 (paragraphs 4.51-4.52) makes clear that to be sound, a DPD should be justified, effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for the examination is the submitted core strategy (March 2010) which is the same as the document published for consultation in January 2010. The submission core strategy was accompanied by a schedule of post-publication minor changes (PPMC) [Core Document (CD) 7].<sup>1</sup> With the exception of PPMCs 161 and 163 to which I refer below, the PPMCs are minor changes that factually update or improve the clarity of the plan, or correct minor errors.
3. Following the Coalition Government’s announcement of its intention to abolish regional strategies (RS) including the South East Plan, and subsequently the revocation of RS in July 2010, I agreed to the Council’s request for suspension of the examination for a limited period so that it could consider the implications, especially for housing provision. From 6 September-11 October 2010, the Council carried out post-submission consultation on setting a local housing target, including provision for gypsies, travellers and travelling showpeople [CD 601]. Suggested amendments to take account of changes to PPS3 as well as RS revocation [CD 602] were also consulted upon at this stage, along with an addendum to the sustainability appraisal report [CD 603].
4. In the light of the consultation responses and other relevant matters, the Council published a schedule of post-submission amendments (PSA) to the core strategy in November 2010 [CD 604]. The principal amendments are revisions to the overall housing requirement and provision for gypsies and travellers. The schedule also includes minor amendments, mainly to take account of revised PPS3 and future-proof the core strategy in the expectation that the South East Plan would be revoked. Following the Cala Homes judgment (November 2010) that effectively re-instates RS as part of the development plan, the Council published an RS conformity statement as an addendum to the core strategy in December 2010 [CD 605].
5. Prior to the opening of the hearings the Council published a schedule of proposed post-submission further minor amendments (PSFMA) to the core strategy [CD 900] that entail factual updates, improvements to cross-referencing, corrections of minor errors and other minor changes to the document. After the close of the hearings, a schedule of proposed post-hearings amendments (PHA) [CD 916] was published and representors’ views

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<sup>1</sup> Details of the core documents can be found on the examination website [www.elmbridge.gov.uk/planning/policy/csexam.htm](http://www.elmbridge.gov.uk/planning/policy/csexam.htm)

were invited. Subsequently, an addendum to this schedule containing updates and minor consequential changes was published by the Council [CD 918].

6. Together with the representations on the submission core strategy I have considered all the representations on the proposed changes. I am satisfied that they have emerged from a sound process of community involvement and sustainability appraisal where appropriate and that no interests would be prejudiced by taking them into account.
7. This report deals with the changes that are needed to make the core strategy (the plan) sound and they are identified in bold in the report (as **PSA**, **PHA**, **PPMC** or **IC** with the relevant reference number from the schedules). All but two of these changes have been proposed by the Council and these are set out in Appendix A. The changes that I recommend (IC) are set out in Appendix C. None of these changes should materially alter the substance of the plan and its proposals, or undermine the sustainability appraisal and participatory processes undertaken.
8. The various minor changes proposed by the Council as referred to above do not relate to soundness. They are generally not mentioned further in this report although I endorse the Council’s view that they improve the plan. These are shown in Appendices B, D, E, F and G.<sup>2</sup> I am content for the Council to make any additional minor changes to page, figure, paragraph numbering and to correct any spelling errors prior to adoption.
9. To comply with the legislation it is necessary for all the changes detailed in the Appendices to be subject to a recommendation in this report. This is set out in my Overall Conclusion and Recommendation.

## Assessment of Soundness

### Main Issues

10. Taking account of all the representations, written evidence and the discussions that took place at the hearings there are eight main issues upon which the soundness of the plan depends.

#### **Issue 1 – Considered as a whole, whether the plan has a sound basis having regard to the borough’s needs and its planning context, and whether it appropriately reflects national and regional planning policy, especially on the Green Belt**

11. The plan has been brought forward in a period of change and uncertainty, including the wider planning context for the borough and the pace of economic recovery. It looks to 2026, reflecting the South East Plan (RS) that guided its preparation. However the Council’s post-submission amendments [CD 604] put

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<sup>2</sup> At the Council’s request I have annotated PHA 13 in Appendix F to correct an error in the published document [CD 916].

forward adjustments, including to the overall housing requirement, acknowledging the government’s intention to revoke the RS and seeking to ensure that the plan reflects local circumstances.

12. Concerns have been raised that these changes produce a less resilient plan, especially if neighbouring districts were to scale-back housing and other provision, anticipating revocation of the South East Plan. However, for the reasons set out in this report, the plan (as amended) will remain in general conformity with the RS. Also, in terms of housing, employment and other development, the plan provides for growth, reflecting the government’s agenda, and generally it strikes a properly justified balance between needs and demands. I return to these matters in more detail below.
13. There is some uncertainty and only limited evidence about neighbouring authorities’ plans, given that a number of them are at an earlier stage in preparing core strategies. Therefore the Council’s assumption [CD 601] that other boroughs in the South East will not fundamentally change their response to addressing housing need and demand appears premature. Nonetheless, partnership working with neighbouring authorities is continuing to develop. There is not enough evidence to conclude that significant inconsistencies between the core strategy and plans that are being drawn up for the surrounding areas will emerge. The Council’s suggested change **PSA 5** (as further amended by PHA 16) provides a sub-regional context that will endure if the South East Plan is revoked, and **PHA14** provides the link to the monitoring framework. I endorse these changes in order to ensure that the plan gives appropriate recognition to the need for cross-boundary working. Overall, given current uncertainties, the Council is to be commended for pressing ahead in preparing a core strategy that plans positively for growth.
14. In general the plan is consistent with national planning policy. Careful attention has been given to the implications of the revised definition of previously developed land in PPS3, about which more is said in Issue 2 below. Flood risk is a significant issue, particularly in urban parts of the borough, and this has given rise to suggestions that growth should be directed towards areas of lower risk in the rural fringes. However the evidence indicates that alternative approaches to addressing key issues have been thoroughly appraised<sup>3</sup>, and in taking into account flood risk and other factors that have influenced the spatial strategy, the plan is not in conflict with PPS25. The Environment Agency is satisfied that the plan is sound.
15. About 57% of the borough lies within the designated Metropolitan Green Belt (Green Belt) which plays a regional role in containing London and retaining the identity of existing towns in this densely settled area. According to Policy CS1 of the plan, the Green Belt should continue to be a key determinant in shaping settlements and development patterns in the future. Areas within the Green

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<sup>3</sup> The iterative process followed by the Council is reflected in the evidence base. CDs 8 and 9 (Self-assessment Toolkit), CD 12 (Sustainability Appraisal/Strategic Environmental Assessment Report January 2010) and CD 603 Sustainability Appraisal addendum contain helpful summaries.

Belt were included in the strategic housing land availability assessment (SHLAA) [CD 68], but it was concluded that the built-up areas have the potential to provide for the required numbers of dwellings over the plan period. Taking all development needs into account, the plan does not propose any alteration of the Green Belt boundary.

16. Housing provision is considered in Issue 2 below but in principle the plan’s approach accords with PPG2 and PPS3, protecting the Green Belt and giving priority to development of previously developed land. It is also consistent with Policies SP5 and LF1 of the South East Plan. These policies seek continued protection of the Green Belt, and in this part of the sub-region only envisage small-scale local reviews of boundaries where needs cannot be accommodated within the urban areas. In its approach to the Green Belt the plan is also consistent with the government’s Planning for Growth agenda.<sup>4</sup> This makes clear that wherever possible the answer to proposals for growth should be yes, while ensuring the key sustainable development principles set out in national planning policy would not be compromised.
17. In the current circumstances, subject to the changes endorsed above, it is reasonable to conclude that the plan has proper regard to the borough’s needs in the wider strategic planning context and is consistent with national and regional planning policies. It is therefore sound in these respects.

**Issue 2 – Whether the plan makes sound provision for housing, in terms of the overall number and mix of dwellings, and their distribution throughout the borough, and whether this allows reasonable flexibility**

Housing Requirement

18. Policy CS2 of the submitted plan made provision for 5,620 net additional dwellings for the period 2006-2026 (281 dwellings per year (dpa)) in accordance with the South East Plan figure for the borough. Taking account of completions since 2006, the residual requirement was set at approximately 4,000 dwellings, 2010-2026, equating to 250 dpa. The post-submission amendments [CD 604] propose a requirement of 3,375 dwellings, 2011-2026, an average of 225 dpa. Taking account of housing delivered 2006-2011, the revised provision entails a shortfall of about 3.3% against the South East Plan figure.
19. The background to the re-visiting of the housing requirement is set out above. The justification for setting the housing requirement locally has diminished, given that the South East Plan remains part of the development plan, but in practice the Council’s approach has been robust. It draws on the evidence that underpins the South East Plan, thus providing a strategic context. Taking account of recent completions and rolling forward the start of the plan period to 2011 ensures that it is based on the most up-to-date information available. As a result, it establishes a housing land supply that is a little under 15 years from the likely date of adoption of the plan, but there is no reason to expect

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<sup>4</sup> Planning for Growth’ statement by the Minister of State for Decentralisation, 23 March 2011.

this will have any significant effect on housing delivery before the plan is reviewed.

20. The revised housing requirement has emerged from a re-assessment of socio-economic and other factors affecting the borough, reflecting the advice in PPS3. Eight potential scenarios were tested, with levels of housing provision ranging between about 2,000 and 12,000 over the plan period [CD 603]. As the sustainability appraisal indicates, the positive social impacts of increased levels of housing provision are accompanied by negative environmental effects, including loss of land in the green network that is designated as Green Belt, while there is little effect on economic sustainability.
21. Taking account of the impacts of alternative levels of housing provision the consultation document [CD 601] concluded in favour of a requirement for 3,500 dwellings (which closely matches the residual requirement if the South East Plan figure is to be achieved). It was judged that this level struck an appropriate balance between the economic, environmental and social factors while matching the potential identified within the urban areas by the SHLAA [CD 68]. Following public consultation the final revised figure of 3,375 dwellings was selected. The reduction of 125 dwellings took account of local concerns that a more cautious requirement should be set to allow for uncertainties about the economy and funding for infrastructure and services in parts of the borough including Claygate, where the earlier proposed distribution was seen as challenging [CD 607].
22. With this background, the criticism that the revised requirement is based on urban capacity is understandable but it is not compelling. It would still broadly achieve the South East Plan requirement which sought to balance the housing and economic needs and demands of a relatively buoyant area with the protection of its quality of life. And it exceeds the figure recommended by the Panel that examined the draft South East Plan. That figure (equivalent to 3,063 dwellings for the plan period) was an uplift of the draft plan figure (the "Option 1" figure) in order to take appropriate account of economic and population growth while not relying excessively on urban potential.
23. Also, the revised requirement is not a ceiling, and there is good reason to expect that opportunities to achieve increased levels of provision will be grasped where appropriate. The borough has significantly exceeded the South East Plan figure to date, with an average of 412 dpa completed since 2006 compared with the requirement for 281. And given that since 2004, 98% of housing completions have been on previously developed land, the efficiency of the urban areas in generating new opportunities for housing is well-established and understood. But as I return to below, the revised requirement is based on a cautious approach to delivery rates in the current housing market.
24. A key issue about the housing requirement in the submission plan and to a greater extent the revised figure, is the implication for provision of affordable housing. Demand to live in the region is almost limitless and affordability in the borough is a major issue, with a relatively low stock of social rented housing and only 13.5% of all stock built 2006-2010 having been categorised as affordable. Based on the strategic housing market assessment (SHMA) [CD 62], over 12,000 new affordable dwellings would be required to meet the backlog of need and future arising need, 2011-2026.



25. However, provision of 3,375 dwellings would allow for a substantial increase in the stock of affordable housing and would help to maintain a reasonable supply of lower-cost dwellings for the local labour force. As discussed below the plan sets a more demanding framework to increase the supply of affordable housing compared with the adopted local plan [CD 84]. It would not foreclose other options to improve access to and/or provide more affordable dwellings, and the range of initiatives being promoted by government will no doubt assist in this regard. The evidence from the Housing and Homelessness Strategy [CD 83] indicates that the Council is actively working with other partners to address its key priority of an increase in affordable housing.
26. The balance struck by the Council in selecting the housing provision figure also reflects the weight it attaches to protecting land in the Green Belt, but as concluded above the plan’s approach on this matter is sound in principle. The borough which adjoins Greater London has a dispersed pattern of settlement and its urban areas are tightly bounded by the Green Belt. Reflecting the urban morphology, the Green Belt is closely interwoven with the borough’s settlements and is generally fragmented. This renders it particularly vulnerable to erosion while it makes a significant contribution to environmental character as part of a green network. This is in addition to serving fundamental Green Belt purposes of preventing neighbouring towns from merging into one another and safeguarding the countryside from encroachment.
27. In this context the impact of even small-scale deletions from the Green Belt would be likely to be harmful and undermine its longer-term protection. The evidence does not demonstrate that exceptional circumstances that might justify such deletions currently exist. And for the same reason I find no justification for recommending changes that would alter the level of protection for the Green Belt currently afforded by the saved local plan policies. The merits of particular cases can be considered through the development management process, and as the Council intends, policy guidance for major developed sites in the Green Belt will be provided in subsequent DPDs.
28. For all of these reasons the Council’s proposed changes **PSAs 7, 9 and 13** that revise the housing requirement are properly justified. In summary they closely reflect the South East Plan requirement and have been locally tested to ensure its continued relevance. The marginal reduction compared to the submission plan figure is justified by uncertainties in the current economic conditions about funding for improvements to infrastructure and services in parts of the borough. I endorse these changes in the interests of making sound overall provision for housing in accordance with national and regional policies.

#### Housing Land Supply

29. The SHLAA 2010 [CD 68] is up-to-date and has been prepared in accordance with good practice guidance. Its methodology is robust and it takes account of advice from the Council’s Housing Market Partnership Panel that includes representatives of the development industry. This provides reasonable confidence in its assumptions about development densities and appraisal of other site factors. While the site assessments were undertaken prior to the revision of PPS3 concerning density and garden land, some density

assumptions were set below the 30 dwellings per hectare level in any event, reflecting the advice of the Panel. Also the expected yield from development of garden land has been adjusted to take account of a potential reduction in the number of dwellings coming forward from this source (see below). Furthermore, it assumes that not all planning permissions will be implemented nor identified opportunity sites developed and therefore a 15% discount for non-delivery has been applied to these sources of supply.

30. Specific criticisms have been levelled at the reliance on particular sites in the SHLAA and on this basis it is argued that the urban potential should be significantly reduced. But even if some sites may no longer be available or capable of development to the extent assumed, the SHLAA is updated annually and new sites are coming forward. With its robust methodology and development industry involvement, there is good reason to conclude that the SHLAA gives appropriate weight to market factors, including the effect of increased contributions towards affordable housing. From all the evidence, there is a sound basis for the assessment that the borough has at least a 10 year supply of identified developable sites. Allowing for uncertainties about implementation rates in current market conditions, there appears to be an identified supply of deliverable sites for the next 7-8 years, thus readily according with the advice in PPS3.
31. Also reflecting the advice in PPS3, there is no reliance on windfalls to secure delivery of housing in the first 10 years of the plan period. However a small sites windfall allowance<sup>5</sup> is included in the final 5 years of the supply. This estimate has emerged from detailed scenario testing of potential future rates of delivery, rather than relying on projections of past trends, and it is derived from assessment of the individual settlements. It also includes a downward adjustment of 22%, on the basis that lower rates of windfalls will be achieved on residential garden land, taking account of the revision of PPS3. Given the long-established policy framework that has guided development of existing residential properties and gardens in the borough [CD 96], this is a robust assumption. Overall, there is a sound evidence-based foundation for the calculation of the allowance and I have no doubt that it errs on the side of caution.
32. The justification in principle for including some element of windfalls in the housing supply has been reviewed in each update of the SHLAA prepared over the past three years. This reflects the need for robust evidence of genuine local circumstances to support the inclusion of such an allowance. The borough’s housing growth is characterised by redevelopment of small sites. Since 2006, an average of over 40% of the annual dwelling requirement has arisen from unidentified sites of less than six dwellings. It would not be realistic or effective to seek to identify all of these sites, but the settlement-based assessment and the SHLAA maps indicating the nature of sites that still exist within the borough are part of the approach advocated by PPS3 in these circumstances. Given these factors, it is justified to regard the individual

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<sup>5</sup> Sites of less than six dwellings. No allowance is made for larger windfalls.

settlements as broad areas which will deliver the small sites windfall allowance.

33. Predicted windfalls in years 11-15 of the housing trajectory would not alone provide enough new housing at that stage, but there is sufficient time to identify and bring forward new sites, and there is a robust contingency plan to secure delivery of the housing requirement (see paragraphs 38-39 below). Taking all of these matters into account, it would significantly under-estimate the urban potential of the borough if the contribution from small unidentified sites is not taken into account. In terms of planning for housing delivery there is insufficient reason to exclude it. And if it were not included, it would be likely to give rise to unnecessary release of land from the Green Belt. Having regard to PPS3 and PPG2, the government’s objectives for housing delivery and protection of the Green Belt, and paragraphs 15, 16, 26 and 27 above, the plan’s allowance for small sites windfalls is fully justified by genuine, local circumstances.
34. The balance of all the evidence leads me to conclude that the SHLAA is fit for purpose and there is likely to be sufficient developable and deliverable sites to meet or exceed the housing requirement. For these reasons the Council’s suggested changes **PSAs 14, 16 and 17** (further amended by PSFMA 5) that update the housing supply position and the housing trajectory are justified and I endorse them accordingly.

#### Housing Distribution, Size and Type of Dwellings and Settlement Character

35. Reflecting the SHLAA findings, the proposed distribution of housing growth is focused on the main settlements of Walton and Weybridge and the smaller suburban settlements of Esher, Hersham, East and West Molesey, Hinchley Wood and the Dittons. Smaller quantities of growth are proposed in lower-order settlements. This pattern reflects the overall sustainability objectives and it would be unjustified to seek a housing distribution that is more closely proportionate with the size of settlements. The role of Stoke D’Abernon is soundly assessed, taking a balanced approach to accessibility and other sustainability criteria as a whole. In the light of all of the above, there is no convincing evidence that there is an alternative, more appropriate spatial distribution. I therefore endorse the changes to the settlement policies and the Key Diagram that set out the broad quantities of new housing that will be accommodated within the settlements (**PSAs 11 and 21**).<sup>6</sup>
36. It has been contended that the potential for place shaping has not been adequately explored, but I find little substance to this argument. The borough has areas of distinctive character and the overall strategy and policy framework of the plan will foster local identity and enhance the character of settlements. Taking account of indicative densities, the evidence does not suggest that excessive pressure will be placed on the urban areas [CD 903]. Policy CS17 on local character and design, which will be supplemented by

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<sup>6</sup> For the avoidance of doubt, this endorsement includes the associated changes to the settlement schedules contained in Appendix 2 of the plan.

design guidance, will positively assist the achievement of high quality new housing that respects its context. And in regard to the unique nature of Whiteley Village, Policy CS6 provides robust but reasonably flexible guidance that should enable opportunities and challenges facing the village to be addressed.

37. Policy CS19 aims to secure a range of dwelling types and sizes across the borough in order to foster inclusive communities. The SHMA [CD 62] indicates a need for roughly equal proportions of one, two and three-bedroom dwellings whereas recent supply has been less balanced, favouring two-bedroom apartments and large detached houses. Some concerns have been raised that the identified opportunity sites in the SHLAA will not help to redress the imbalance, and that greenfield releases will be necessary. But there is no compelling evidence that a range of housing could not be delivered on sites coming forward within the urban areas. I expect the Council will use all available opportunities to manage development so that it provides, as much as possible, for the range of identified need. No changes are required for soundness in this regard.

#### Flexibility and Contingency

38. Section 8 of the core strategy includes a housing delivery contingency plan and affordable housing contingency plan to respond to under-performance against requirements. In answer to concerns about clarity, flexibility and the need for a more positive approach to a shortfall against the affordable housing target, the Council has proposed amendments (PHA 15) to paragraphs 8.12 and 8.13 of the plan. These retain three years’ delivery figures as the trigger for contingency action, but in current volatile market conditions this does not appear an excessively long period to gauge performance. And having regard to my conclusions on the land supply above, on the current evidence it would not be justified to require identification of reserve sites in the Green Belt.
39. Overall, the proposed amendments improve the clarity of the framework and provide a stronger context for action on affordable housing under-provision. However, the sequential approach to the contingency measures may unnecessarily limit the Council’s flexibility in responding to a problem, and it should be made clear that one or a combination of measures may be taken to address delivery issues. On this basis, the plan would set out a reasonably effective, clear framework for addressing potential under-performance in housing provision that does not rely on review of the plan and is justified in the interests of soundness. I recommend a change accordingly (**IC1**), which amends **PHA 15**.

#### **Issue 3 – Whether there is a sound policy framework for delivery of affordable housing?**

40. Notwithstanding the concerns that the housing requirement takes insufficient account of the need to maximise the supply of sites for affordable housing, as concluded above the revision of the overall figure is soundly based. In accordance with PSA 61 to Policy CS21 the aim is to deliver at least 1,150 affordable dwellings over the plan period. This is a proportionate reduction of the target in the submission plan, in line with the proposed reduction of the overall housing requirement. It is derived from the potential that should arise from the SHLAA sites and other known sources of housing delivery, and it

represents 34% of the total housing provision. Policy LF4 of the South East Plan sets an overall target of 40% for this part of the region, but it recognises that the economics of provision need to be taken into account in setting local targets.

41. The sliding scale of targets and site size thresholds set out in Policy CS21 are underpinned by robust viability testing [CD 65] and there is no substantive reason to challenge them. By seeking affordable housing or financial contributions from all sites, compared with the local plan site size threshold of 15 dwellings, potential delivery of affordable housing will be maximised. The argument that it will be impractical to deliver affordable housing on smaller sites in the borough is not supported by substantive evidence and in any event the policy is sufficiently flexible to address site-specific issues. For the above reasons I endorse **PSA 61** in the interests of a soundly based policy framework for provision of affordable housing.
42. The contribution that could be made to overall housing need from allocations of sites for 100% affordable housing is understood, but this could be achieved through the site allocations DPD<sup>7</sup> and I have no doubt that the Council will seek to promote any such opportunities that arise where they accord with the core strategy. There is inadequate justification for any fundamental change to the plan’s policies on retail frontages in town centres in order to increase development potential for affordable housing.
43. Another change (PSFMA 20) proposed by the Council seeks to reflect government proposals to include affordable rent in frameworks for delivery of affordable housing. On this basis specific reference to the tenure mix of affordable housing provision would be removed from the policy and replaced by a reference to the most up-to-date SHMA or supplementary planning document (SPD). I am satisfied that this future-proofs the plan while not undermining its soundness.

#### **Issue 4 – Whether the plan makes justified, effective provision to meet the housing needs of gypsies, travellers and travelling showpeople**

44. PSA 65 proposes amendment of Policy CS22 to make clear that the site allocations DPD will aim to meet the identified housing needs of gypsies, travellers and travelling showpeople, informed by evidence from the most up-to-date gypsy and traveller accommodation assessment (GTAA). This proposed amendment and minor changes to this part of the plan have emerged from the consultation on setting local housing targets referred to in paragraph 3 above. The current GTAA [CD 60] looks to 2016 but is under review in partnership with other Surrey districts and is expected to be completed in Spring 2012. On the current timescale for its preparation it is likely therefore that the site allocations DPD will be informed by the updated GTAA.

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<sup>7</sup> The draft Local Development Scheme (LDS) 2011-2014 envisages that Settlement ‘ID’ Plans will perform the role of site allocations DPDs but the latter term is used for convenience in this report. Work on these plans is expected to commence in January 2012, with adoption in April 2014.

45. The Council also proposes an amendment (PSA 68) to include detail in the plan about the current identified need and the intention to update the GTAA. Acknowledging the present uncertainties about how need and provision will be addressed in the sub-regional and national context, **PSAs 65 and 68** provide a reasonable and sound framework to guide an appropriate level of provision on an interim basis. I endorse these changes accordingly.
46. Policy CS22 also sets out criteria for the determination of planning applications. **PPMC 161** makes clear that the requirement for access to the strategic road network applies only to sites for travelling showpeople. I endorse this change to ensure that Policy CS22 provides reasonable, justified policy guidance on this matter. On this basis the plan’s framework for meeting the housing needs of gypsies, travellers and travelling showpeople is sound.

**Issue 5 – Whether the policy framework for economic growth is soundly based and deliverable and reflects national policy in this regard**

47. Policy CS23 sets out a framework for accommodating future economic growth, including provision of employment land. It was informed primarily by an employment land review 2008 [CD 53] but in the light of the economic downturn the evidence base has been updated, using 2010 forecasts for growth [CD 53a]. Taking account of vacancies, it concludes that the existing supply of Class B<sup>8</sup> land and floorspace will be sufficient to meet needs for the plan period.
48. The employment land review has been criticised in a number of respects, particularly regarding the quality and viability assessment of existing sites and the vacancy rate that is appropriate for efficient operation of the market. On the former, more detailed site assessments might have been helpful but they can also become out-of-date, and taken as a whole the review study and the 2010 update provide a reasonably robust basis for the plan. So far as vacancy rates are concerned, the planned rate of about 8% seems to strike a reasonable balance between efficiency and flexibility, and if it errs on the side of caution this can be monitored and managed as economic conditions stabilise.
49. In this context, the broad thrust of Policy CS23 to protect the designated strategic employment land (SEL) is justified. Given the limited extent of the borough that is not designated as Green Belt and therefore the policy constraints on identifying new sites, it is important that sustainable economic growth is not hindered by loss of existing sites that are likely to be required for this purpose.
50. PPMC 163 provides for alternative uses on SEL by making clear that the adequacy of provision for employment and the stock of SEL, rather than employment floorspace, will guide such decisions. This should ensure that Policy CS23 is applied reasonably flexibly in accordance with the principles and objectives of PPS4. Also, the site allocations DPD could bring forward

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<sup>8</sup> As defined in the Town and Country Planning (Use Classes) Order 1987 as amended.

currently designated SEL for alternative uses in accordance with the policy, thus enabling sites such as Imber Court Trading Estate to be considered in detail. Similarly, the potential for affordable housing development on either SEL or other employment land can be examined through the preparation of the site allocations DPD or through planning applications. Therefore a specific reference to this particular issue in Policy CS23 is not necessary for soundness. Overall, there is no strategic need for the core strategy to review sites designated as SEL.

51. In this context also it is not necessary for the policy to set out quantitative targets for employment provision. The plan already contains helpful guidance for each of the settlement areas on the extent of change that will take place, in terms of employment provision and other matters. The post-hearings amendments include updates and clarification of this information. Policy CS18 provides justified and effective policy to guide future development of the borough’s town centres, including their role as employment centres. Subject to its amendment by **PPMC 163** which I endorse, the plan’s framework for economic growth is sound and it accords with the government’s agenda in this regard.

**Issue 6 – Whether Policy CS27 on sustainable buildings sets out a justified, deliverable approach to reducing the carbon footprint of new dwellings**

52. The plan aims to address the effects of climate change and reduce the borough’s relatively large carbon footprint [CD 67] through an integrated set of policies in support of the spatial strategy. As part of this, Policy CS27 requires that residential development of 10 or more dwellings should achieve level four of the Code for Sustainable Homes in relation to energy and CO<sub>2</sub> emissions where viable. The evidence base [CDs 65 and 910] supports the policy in terms of financial viability, and there is reasonable flexibility to achieve the aims of the policy by various means. However there is limited evidence to support the technical feasibility of meeting the requirement across the borough as a whole, in advance of the national timetable for reducing carbon emissions. In these circumstances the wording of the policy should be less prescriptive. I recommend accordingly (IC2). Subject to this change, the policy is justified and there are reasonable prospects that it can be implemented.
53. It was suggested that Policies CS27 and CS17 should be merged to provide a more integrated framework for sustainable design. The principles of an integrated approach should be fully supported, but the current separation of the two policies should not inhibit this to any significant extent. Therefore no change is necessary in this regard.

**Issue 7 – Whether the plan is based on a sound assessment of the infrastructure required to support development and gives sufficient guidance for its provision in a timely manner**

54. Policy CS28 on implementation and delivery makes clear how the spatial strategy will be implemented with the timely provision of infrastructure. This is supplemented by the details provided in the settlement schedules about particular items of infrastructure and the timescale for their delivery, and by Policy CS16 on social and community infrastructure. The detailed background

information is contained in the Infrastructure Delivery Plan (IDP) [CD 59] that is regularly updated. From all of the evidence it is clear that the key items of infrastructure have been identified and that none give rise to any significant risks to delivery of the plan.

55. There is substantive evidence that partnership working with infrastructure providers to secure the implementation of the plan is already established and that responsibilities and funding mechanisms have been identified [CD 59]. The planning obligations and infrastructure SPD [CD 88] supports delivery through a formula-based approach to infrastructure contributions, and is programmed for review later this year. It is intended that a charging schedule for community infrastructure levy contributions will be adopted by July 2012.
56. The generally small-scale nature of developments in the borough makes it more difficult to plan for and fund infrastructure provision but I have no doubt that the Council will continue to use all the means at its disposal to identify requirements and secure the mechanisms to deliver them. Subject to **PSAs 80 and 82** which the Council has suggested to clarify how the level of infrastructure and services will be kept under review, to keep pace with housing development, there are reasonable prospects that timely delivery of the necessary infrastructure will be secured.
57. Concerns have been expressed about the effect of reduced funding for small-scale local transport improvements which are not individually significant but make an important contribution to transport integration and help to mitigate the effects of new development. The Council accepts that ideally the IDP and the settlement development and infrastructure schedules should identify programmes and funding sources for such improvements. This depends on completion of detailed work that is currently being undertaken with Surrey County Council but the absence of this information in the core strategy is not critical to its soundness.
58. Paragraphs 8.14 – 8.16 of the core strategy set out a contingency plan to address any shortfall in community and social infrastructure. This provides appropriate, reasonably flexible mechanisms to deal with uncertainties and support implementation of the strategy. Having regard to all of the above, the plan gives sufficient guidance on the provision of infrastructure and is sound in this respect.

**Issue 8 – Overall, whether the plan is reasonably flexible and can be monitored to ensure its effectiveness**

59. From all the evidence there can be little doubt that the main risks to delivery of the plan are under-provision against the housing requirement or that infrastructure improvements might not keep pace with new development. The underlying risk is primarily an economic one about availability of funding and therefore to a significant extent is beyond the Council's control. However the plan sets out adequate contingency measures as referred to above and its policies are positive and reasonably flexible. Also the plan is not dependent on one or two major projects, a few large sites or a particular source of finance and is therefore fairly resilient. As a result of the borough's strengths, including its market attractiveness, it is well-placed to respond to improved economic conditions. Overall, it is likely that the plan will be effective.



60. The objective-led performance framework in Appendix 1 of the plan contains a generally comprehensive set of indicators and targets for monitoring the progress of the plan against its vision, objectives and policies. The targets vary in specificity and some remain to be fixed. The framework would benefit from inclusion of additional milestones where appropriate, to aid the monitoring process. However it is reasonable to expect that refinement and updating of the monitoring framework will address these matters in due course. As it stands, it is adequate to support the effectiveness of the plan and is therefore sound.

### **Other Matters**

61. The plan includes policy guidance on a range of other matters including green infrastructure, the Thames Basin Heaths Special Protection Area, biodiversity, the River Thames and its tributaries, flooding, and travel and accessibility. Individually and together they provide a sound underpinning of the spatial strategy and where appropriate, they address any policy deficit that could otherwise result from revocation of the South East Plan.

62. A wide range of issues has been raised in the representations and at the hearings but those that do not affect the soundness of the plan are not referred to in this report. Nonetheless it is evident from the minor changes proposed by the Council that it has endeavoured to address these issues wherever appropriate in the interests of improving the plan. Having taken account of all the points raised, I have concluded that no other changes are necessary to ensure that the plan is sound.

## Legal Requirements

63. The examination of the compliance of the core strategy with the legal requirements is summarised in the table below. It is concluded that the core strategy meets all the requirements.

<b>LEGAL REQUIREMENTS</b>	
Local Development Scheme (LDS)	The core strategy was submitted for examination in March 2010 as scheduled. However, significant changes to the planning policy context led to re-consideration of the plan’s housing targets, resulting in delay in the examination timetable. Details of these matters and the revised timetable were published on the Council’s website. The draft revised LDS envisages adoption of the core strategy in July 2011.
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in 2006 and consultation has been compliant with the requirements therein.
Sustainability Appraisal (SA)	SA has been carried out as a parallel process to the preparation of the core strategy and is satisfactory.
Appropriate Assessment (AA)	In accordance with the Habitats Directive, Appropriate Assessment has been undertaken and approved by Natural England. It demonstrates that there would be no significant harm to the conservation of any European sites as a result of the proposals within the core strategy.
National Policy	The core strategy complies with national policy except where indicated and changes are recommended.
Regional Policy	Prior to its disbanding the Regional Planning Body (RPB) was consulted throughout the stages of preparation of the core strategy. The RPB was satisfied that the core strategy was in general conformity with the adopted regional strategy (The South East Plan). I consider that the core strategy as amended remains in general conformity with The South East Plan.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the Elmbridge and Surrey SCSs.
2004 Act and Regulations (as amended)	The core strategy complies with the Act and the Regulations.

## Overall Conclusion and Recommendation

64. **I conclude that with the changes proposed by the Council, set out in Appendix A, and the changes that I recommend, set out in Appendix C, the Elmbridge Core Strategy satisfies the requirements of s20(5) of the 2004 Act and meet the criteria for soundness in PPS12. Therefore I recommend that the plan be changed accordingly. For the avoidance of doubt, I also endorse the Council’s suggested minor changes, set out in Appendices B, D, E, F and G.**

*Mary Travers*

Inspector

This report is accompanied by:

Appendix A (separate document and accompanying Annex): The Council’s suggested changes that are necessary for soundness.

Appendices B, D, E, F and G (separate documents): Minor changes suggested by the Council.

Appendix C - Changes that the Inspector considers are necessary to make the plan sound (attached).

## Appendix C – Changes that the Inspector considers are necessary to make the plan sound

Inspector Change No.	Policy/Paragraph No in the Plan	Change
IC1	Paragraph 8.12 as proposed to be amended by the Council’s change PHA15.	<p>Replace the sentence following the first set of bullet points as follows:</p> <p>“If the overall figure is not met, the Council will implement one or more of the following measures in order to increase the delivery of housing, as detailed below;”.</p>
IC2	Policy CS27	<p>Amend the first sentence of the policy as follows:</p> <p>“To reduce the carbon footprint of new development the Council will expect, where viable both financially and technically:”</p> <p>In the penultimate paragraph of the policy, replace “requirements” by “criteria”.</p>