

24 September 2009

Mr Colin Peck
Davies Arnold Cooper
6-8 Bouverie Street
London
EC4Y 8DD

Our Ref: APP/R3650/A/08/2089143
Your Ref:

Dear Sir,

**TOWN AND COUNTRY PLANNING ACT 1990 – SECTION 78
APPEAL BY DUNSFOLD PARK LIMITED
AT DUNSFOLD PARK, CRANLEIGH, GU6 8TB
APPLICATION: WA/2008/0788**

1. I am directed by the Secretary of State to say that consideration has been given to the report of the Inspector, Mr A J Davison BA(Hons) LLB (Hons) MSc MBA Dip LD RIBA FRTPi, who held a public local inquiry between 10 March and 3 April 2009 into your clients' appeal against a decision of Waverley Borough Council to refuse planning permission for a new settlement with residential development comprising 2,601 units made up of (i) 2,405 Use Class 3 dwellings; and (ii) 196 units of Use Class C2 residential institutions (up to a maximum of 14,000sqm); shops (Use Class A1) up to a maximum of 1,035sqm; restaurants and cafes (Use Class A3) up to a maximum of 230sqm; public house (Use Class A4) up to a maximum of 115sqm; hot food take-away (Use Class A5) up to a maximum of 115sqm; business uses including offices, and research and development industry (Use Class B1a and B1b) up to a maximum of 9,440sqm; light and general industry (Use Class B1c and B2) up to a maximum of 6,099sqm; storage and distribution (Use Class B8) up to a maximum of 7,624sqm; hotel (Use Class C1) up to a maximum of 7,015sqm; non-residential institutions including health centre, two schools, place of worship, museum and community centre (Use Class D1) up to a maximum of 9,906sqm; assembly and leisure uses including sports centre (Use Class D2) up to a maximum of 2,185sqm; monument; open space including water bodies, outdoor sports, recreational facilities and nature conservation areas; public transport routes, footpaths and cycleways; landscaping; all related infrastructure including roads, car and cycle parking, combined heat and power plant and associated equipment, water supply, telecommunications, drainage systems, waste treatment facilities and helicopter landing pad and hangar; the retention of

Department for Communities and Local Government
Christine Symes, Decision Officer
Planning Central Casework Division,
1/J1, Eland House
Bressenden Place
London
SW1E 5DU

Tel: 020 7944 8722
Fax: 020 7944 3919
Email: PCC@communities.gsi.gov.uk

36,692sqm of existing buildings and their future permanent use for a specified purpose as defined by the Use Classes (as specified in the Planning Statement); the demolition of 8,029sqm of existing buildings (as specified in the Planning Statement); the removal of three runways and the removal of hardstandings (as specified); the retention of aviation use, but solely for the purposes of helicopter flights (such as air ambulance services, police services, etc); the temporary use of Building 132 (as indicated in the Construction Report) for a construction headquarters at Dunsfold Park, Cranleigh, GU6 8TB in accordance with application number WA/2008/0788, dated 4 April 2008.

2. On 7 November 2008, the appeal was recovered for the Secretary of State's determination, in pursuance of section 79 of, and paragraph 3 to Schedule 6 to, the Town and Country Planning Act 1990 because the appeal relates to proposals for residential development of over 150 units or on sites of over 5 hectares which would significantly impact on the Government's objective to secure a better balance between housing demand and supply, and create high quality, sustainable, mixed and inclusive communities.

Inspector's recommendation and summary of the decision

3. The Inspector recommended that the appeal be dismissed and planning permission refused. For the reasons given below, the Secretary of State agrees with the Inspector's conclusions, except where stated, and agrees with his recommendation. A copy of the Inspector's report (IR) is enclosed for the main parties and a copy of his conclusions is enclosed for all other copyees. All references to paragraph numbers, unless otherwise stated, are to that report.

Procedural matters and matters arising after the close of the inquiry

4. Having had regard to the Inspector's comments at IR2, the Secretary of State has determined this appeal on the basis of the description set out in that paragraph. He is satisfied that no party would be prejudiced by this approach.
5. In reaching this position the Secretary of State has taken into account the Environmental Statement which was submitted under the Town and Country Planning (Environmental Impact Assessment) (England and Wales) Regulations 1999. He has had regard to the Inspector's statement that the Appellants had submitted an adequate Environmental Statement in support of the planning application, but that during the inquiry the Appellants agreed to revise the Environmental Statement to take account of additional highways matters (IR5).
6. The Addendum to the Environmental Statement (April 2009) provides updated transport information to that supplied with the original Environmental Statement (April 2008) and the first Environmental Statement Addendum (January 2009). It provides information on traffic conditions, trip generation, trip distribution, the effects of the development, site access and the sustainable transport strategy. It does not predict any likely significant environmental effects arising out of this updated transport information. The requisite notice about the revised Environmental Statement was published after the close of the Inquiry and the Secretary of State received a number of representations about it. The Secretary of State has given careful consideration to the representations he received, but

does not consider that these raise any new matters which require him to refer back to parties.

7. The Secretary of State is content that the Environmental Statement, as revised, complies with the above regulations and that sufficient information has been provided for him to assess the environmental impact of the application.
8. Following the close of the inquiry on 3 April 2009, the Secretary of State received a number of other representations about the appeal scheme. The Secretary of State has given careful consideration to these representations, but does not consider that they raise any new issues which require him to refer back to parties, before reaching his decision.
9. All correspondence received after the close of the inquiry, including that which relates to the Addendum to the Environmental Statement, is listed in the annex to this letter. Copies of the correspondence will be made available on written request to the address at the foot of the first page of this letter.

Policy considerations

10. In deciding the appeal, the Secretary of State has had regard to section 38(6) of the Planning and Compulsory Purchase Act 2004 which requires that proposals be determined in accordance with the development plan unless material considerations indicate otherwise.
11. In this case, the development plan comprises the Regional Spatial Strategy, which is the South East Plan (SEP- published on 6 May 2009) and the saved policies of the Waverley Borough Local Plan (WBLP - adopted 2002). The Secretary of State considers that the development plan policies most relevant to the appeal are:
 - i) SEP policies: H3 - Affordable Housing; SP3 - Urban Focus and Urban Renaissance.
 - ii) WBLP policies: C2 - Countryside Beyond the Green Belt, D1- Environmental Implications of Development; D4 - Design and Layout, IC4 - Existing Industrial and Commercial premises, M1 - The Location of Development and M13 - Heavy Goods Vehicles
12. At the time of the inquiry, the SEP had yet to be published in final form but, as set out by the Inspector at IR15, it had been through all its stages and was on the point of being approved. The Secretary of State has had regard to the fact that all parties at the inquiry agreed that the SEP should be accorded very considerable weight (IR15). The SEP was published during the time between the inquiry and the Inspector's submission of his report to the Secretary of State (IR16). The Secretary of State has determined the appeal on the basis of the published SEP. In view of the consideration given to the draft SEP at the inquiry, and the limited extent of the changes between the draft version considered at the inquiry and the final SEP, he is satisfied that there are no new issues that require him to refer back to parties for further representations prior to reaching his decision.

13. The Secretary of State has taken into account the fact that the saved policies within the Surrey Structure Plan (2004) no longer form part of the development plan and he gives them no weight.
14. Other material considerations which the Secretary of State has taken into account include: Planning Policy Statement 1 (PPS1): *Delivering Sustainable Development*; Planning Policy Statement: *Planning and Climate Change* (supplement to PPS1); Planning Policy Statement: eco-towns (supplement to PPS1) (PPS - Eco-Towns); Planning Policy Statement 3 (PPS3): *Housing*; Policy Guidance note 4 (PPG4): *Industrial, Commercial Development and Small Firms*; Planning Policy Statement 7 (PPS7): *Sustainable Development in Rural Areas*; Planning Policy Guidance note 13 (PPG13): *Transport*; Circular 11/95: *Use of Conditions in Planning Permission*; and Circular 05/2005: *Planning Obligations*.
15. The Secretary of State notes that the draft PPS1 – Eco Towns formed part of the inquiry evidence and was discussed at the inquiry. The final version of the supplement was published on 16 July, after the Inspector had completed his report. Having given careful consideration to the changes between the draft and the final versions of the PPS1 supplement, the Secretary of State does not consider that any of the changes are such as to require him to refer back to parties following publication of the final version.
16. The Secretary of State has also taken into account draft PPS4: *Planning for Prosperous Economies*, published for consultation on 5 May 2009. However, as this document is still at consultation stage and may be subject to change, he affords it little weight.

Main issues

17. The Secretary of State considers that the main issues in this case are.
 - a) The relationship of the proposal to the development plan;
 - b) Development in the countryside;
 - c) Sustainability;
 - d) Housing land supply;
 - e) Allocation of affordable housing;
 - f) Conditions; and
 - g) Obligation.
18. Having had regard to the Inspector's comments at IR352-354 about the fall-back position, for the reasons given in those paragraphs, the Secretary of State agrees with him that there is scope for a considerable intensification of the existing use of the site without the need for further development (IR354). The Secretary of State has also taken account of the Inspector's comments at IR355-358, and he agrees with the Inspector that the operational part of the aerodrome, including the runways and interstitial grassed areas, is previously developed land (IR358).

The relationship of the proposal to the development plan

19. The Secretary of State has had regard to the development plan, in particular the policies set out in paragraph 11 above. He has considered the extent to which the proposal complies with the development plan below.

Development in the Countryside

20. The Secretary of State has had regard to the fact that the site is set in a rural area of great character and natural beauty, close to the Surrey Hills AONB (IR360). For the reasons set out at IR360 to IR364, like the Inspector the Secretary of State does not accept that the site in its present state makes a positive contribution to the appearance of the landscape around it (IR364). With regard to the impact the development would have on views from the Surrey Hills AONB, for the reasons set out at IR363, the Secretary of State agrees with the Inspector that the village would feature in these views but that it does not follow that it would be obtrusive (IR363). Furthermore, he agrees with the Inspector that the more muted colours and textures of materials likely to be used in the houses and other buildings of the proposed Eco-Village would result in the development having less visual impact on views from the AONB than the existing aerodrome (IR364).

21. For the reasons set out at IR365, the Secretary of State agrees with the Inspector that the development would not affect the tranquillity of the area (IR365). The Secretary of State observes that the scheme would include lakes, a great deal of landscaping within the village and the creation of a country park and, like the Inspector, he considers that these elements of the scheme would help blend the development into the surrounding countryside, as well as increasing the visual interest and attractiveness of the site (IR366). He has also had regard to the extent to which the scheme would give improved public access to the site and, like the Inspector, the Secretary of State considers that this could only be a benefit to the wider community (IR367). Overall, for the reasons set out by the Inspector at IR360-367, the Secretary of State agrees with the Inspector's conclusion that the proposed development would not cause material harm to the character or appearance of the countryside and that, in that respect, it would comply with saved policies C2, D1 and D4 of the WBLP (IR368).

Sustainability

22. The Secretary of State has taken account of the Inspector's comment at IR369 about the very high overall level of sustainability and a low carbon lifestyle which the development would achieve. He has had regard to the Inspector's comments about the reason for the rejection of the Appellants' bid to have the Eco-Village included in the Eco-Towns programme (IR370). He has also taken account of the Inspector's comments (IR371) about the conclusions reached by Friends of the Earth in relation to the scheme. The Secretary of State agrees with the Inspector's analysis on these matters (IR369-371) and, like the Inspector, he accords very great weight to the conclusion reached by Friends of the Earth in this case.

23. For the reasons set out at IR372, the Secretary of State agrees with the Inspector that, in so far as the existing situation is concerned, the site is not in a sustainable location and little can be done to improve the existing infrastructure beyond minor alterations to road junctions (IR372). He has had regard to the fact that the Appellants have sought to make the village as self-contained as possible, and have developed a package of other measures designed to ensure that the scheme would minimise the use of motor transport (IR373). Like the Inspector, he accepts that the Appellants' estimate of 12,000 daily additional movements gives a reasonable impression of the scale of additional traffic likely to be generated by the development (IR373-374).
24. The Secretary of State agrees with the Inspector that there is a reasonable prospect that aviation, commercial and industrial uses would intensify if the appeal were to fail, and that this would have a direct impact on the amount of traffic, both private and commercial, using the roads in the area (IR375). However like the Inspector, he considers that even allowing for that, the additional vehicular movements resulting from the development would put severe and unacceptable pressure on an overstretched road network in which there is only limited scope for improvement (IR375). Furthermore, the Secretary of State agrees with the Inspector that the consequences of the failure of the various measures included in the S106 Undertaking would be very severe given the scale of the development and the inherently unsustainable location of the site (IR376).
25. The Secretary of State agrees with the Inspector that the 5,000 new houses to be built in Waverley over the twenty year period of the SEP are likely to have a major impact on traffic wherever they are placed (IR377). He has had regard to the Council's case that they would be best accommodated in an urban extension such as that proposed at Slyfield on the outskirts of Guildford, and also to national policy as set out in PPS3 and PPS7 and the development plan, all of which seek to focus new development on existing urban areas (IR377). However, he agrees with the Inspector that whether or not this could be achieved in Waverley with similar or smaller impact on traffic generation remains a matter of conjecture pending formulation of the Local Development Framework, the preparation of which is still at an early stage (IR377).
26. The Secretary of State agrees with the Inspector that the proposals would benefit the wider area as well as residents of the Eco-Village by introducing a high quality bus service (IR378). For the reasons set out at IR378, he agrees that Cranleigh is too far away for access by either walking or cycling, and he also agrees that there is some doubt as to whether some of the improvements could be achieved (IR378).
27. The Secretary of State agrees with the Inspector's conclusion that, notwithstanding the reduced reliance on the private car, the development would still generate a considerable amount of additional road traffic (IR379). Like the Inspector, he considers that in this respect the appeal scheme would not be compatible with the existing transportation infrastructure of the area, and would not be sustainable in transport terms. He shares the Inspector's view that the proposal would conflict with WBLP policies D1(d), IC4(v), M1 and M13 (IR380).

Housing Land Supply

28. In respect of a five year supply of housing land, the Secretary of State agrees with the Inspector that difficulties associated with major housing sites that are referred to by the Appellant are not such as to prevent there from being a reasonable prospect of the sites being available (IR381). He also agrees that the five year figure is of limited significance in this instance because the appeal scheme would not start to make a significant contribution to housing provision until after the five years have elapsed (IR381).
29. The Secretary of State has had regard to the severe shortage of affordable housing in Waverley, and to the evidence about the social and economic consequences of the failure to deal with the problem (IR383). Having had regard to SEP policy H3, he has given careful consideration to the fact that the appeal scheme would include 910 affordable homes, of various types and tenures, dispersed throughout the development (IR384). Given the identified need, the Secretary of State accords substantial weight to the affordable housing offered.
30. The Secretary of State has had regard to the Inspector's comments that the Council faces a challenge in deciding how to accommodate the residual SEP housing requirement for Waverley to 2026 and agrees that, within this context, for the reasons set out at IR382, the appeal proposal has many advantages (IR382). Like the Inspector (IR386), the Secretary of State has also had regard to the requirement in PPS3 that local planning authorities should not refuse applications solely on the grounds of prematurity. For the reasons set out at IR385-IR387, the Secretary of State agrees with the Inspector that, with regard to the presumption against the refusal of planning permission on the grounds of prematurity, there are exceptional circumstances in this instance (IR386), and that a decision to allow the Eco-Village to proceed at this stage, prior to the formulation of the Local Development Framework, would be premature and would effectively pre-empt the proper consideration of alternatives as part of the development planning process (IR387).
31. The Secretary of State agrees with the Inspector that the proposal to site major housing and industrial development in a rural area would conflict with current national planning policy as set out in PPS3 and PPS7, and would conflict with Policy SP3 of the recently approved SEP, and Policy C2 of the WBLP (IR388). He does not consider that the affordable housing offered by this scheme, to which he has attributed substantial weight, is a matter which outweighs the harm set out above.

The Allocation of Affordable Housing

32. For the reasons set out at IR389-IR391 the Secretary of State agrees with the Inspector's conclusion at IR392 that the proposed method of allocating affordable housing within the appeal scheme is consistent both with the aims and objectives of the development, and with Policy H3 of the SEP.

Comment [JH1]: Although the Inspector refers to WBLP policy DN11 at IR392, DN11 was a Surrey Structure Plan policy so is now not part of the DP.

Other matters

33. The Secretary of State has had regard to the Inspector's comments about the evidence put forward to the inquiry about the considerable economic and social problems in the Cranleigh area, and he agrees with the Inspector that the Eco-Village would be of very great assistance in helping to overcome them (IR393). However, he also agrees with the Inspector that this is not an overriding factor given that the SEP has only just been approved (IR393). The Secretary of State agrees with the Inspector that the habitat surveys carried out by the Appellants seem to have been very thorough and observes that they satisfied the requirements of English Nature and the Council (IR394).

Conditions

34. The Secretary of State agrees with the Inspector's reasoning at IR395-IR407 about the proposed planning conditions. He is satisfied that the proposed conditions in Annex 3 to the IR comply with the provisions of national policy in Circular 11/95, but does not consider that these overcome his substantive concerns with the proposal.

Obligation

35. The Secretary of State has considered the provisions of the executed planning obligation referred to by the Inspector at IR348-IR350, IR395 and IR408-IR414, which has been submitted by the Appellant in the form of a Unilateral Undertaking. The Secretary of State has also had regard to national policy as set out in Circular 05/2005. For the reasons set out at IR409-IR411, the Secretary of State agrees with the Inspector that there are a number of important points within the Undertaking which remain unresolved (IR408). Whilst the Secretary of State also agrees that the defects identified by the Inspector are almost certainly capable of resolution (IR414), in view of his overall conclusions on the appeal scheme, he does not consider it necessary to pursue these matters further.

Overall Conclusions

36. The Secretary of State has taken account of the very high overall level of sustainability and low carbon lifestyle which the development would achieve. He has concluded that the appeal scheme would not cause material harm to the character or appearance of the countryside and that it would comply with WBLP policies C2, D1 and D4 in this respect. He has had regard to the severe shortage of affordable homes in Waverley, and has attributed substantial weight to the 911 affordable homes offered by the appeal scheme.

37. The Secretary of State has concluded that the development would generate a considerable amount of additional road traffic and he considers that this would have a severe and unacceptable impact on an overstretched local road network, and that the scheme would be unsustainable in transport terms. The scheme would therefore conflict with WBLP policies D1(d), IC4(v), M1 and M13. With regard to the proposed siting of major housing and industrial development in a rural area, the Secretary of State has concluded that the scheme would conflict with national policy in PPS3 and PPS7, SEP policy SP3 and WBLP policy C2.

Furthermore, he is of the view that a decision to allow the proposals to proceed at this stage, prior to the formulation of the LDF, would effectively pre-empt the proper consideration of alternatives as part of the development planning process.

38. Overall, the Secretary of State concludes that the benefits offered by the proposed development do not outweigh its shortcomings and overcome the conflicts with the development plan and national policy which he has identified above. Given this, the Secretary of State concludes that the material considerations set out above are not of sufficient weight to determine the appeal other than in accordance with the development plan, and he therefore concludes that the appeal should be dismissed.

Formal Decision

39. Accordingly, for the reasons given above, the Secretary of State agrees with the Inspector's recommendation. He hereby dismisses your clients' appeal and refuses planning permission for

- Part outline application for a new settlement of 2,601 new dwellings comprising 2,405 independent dwellings, 150 sheltered/warden accommodation and 46 student accommodation. Erection of buildings to provide the following (the maximum amount of floor space is given in brackets) A1 shops (1,035sqm); A3 restaurants/cafes (230sqm); A4 public house (115sqm); B1a and B1b business use including offices and research and development (9,440sqm); B1c and B2 light and general industrial use (6,099sqm); B8 storage and distribution (7,624sqm); C1 hotel (7,015sqm); D1 non-residential institutions including health centre, two schools, place of worship, museum and community centre (9,906sqm); D2 assembly and leisure use including sports centre (2,185sqm); monument; combined heat and power plant; together with associated works following demolition of 8,029sqm of existing buildings and removal of runways. Part full application for change of use of 36,692sqm of existing buildings as specified, retention of aviation use solely for helicopter flights including air ambulance service, use of land for outdoor sports and recreational facilities, at Dunsfold Park, Cranleigh, GU6 8TB in accordance with application number WA/2008/0788, dated 4 April 2008, as amended.

Right to challenge the decision

40. A separate note is attached setting out the circumstances in which the validity of the Secretary of State's decision may be challenged by making an application to the High Court within six weeks from the date of this letter.

41. A copy of this letter has been sent to Waverley Borough Council and all parties who appeared at the inquiry.

Yours faithfully

Christine Symes

Authorised by Secretary of State to sign in that behalf

Representations received following the close of the inquiry.

7 April	Miss L S Dadak
20 April	Richard Woof, Stop Dunsfold Park New Town Ltd (SDPNT)
2 May	Ms Victoria Bassington
4 May	Nigel Gibbons
4 May	Adrian, Karen, Matthew and James Clarke
5 May	Ed Heap
5 May	Mrs V Spackman
6 May	R M Bryant
12 May	Mrs Alexandra Cookson
12 May	Nicholas Cookson
13 May	TRM Sewell
18 May	J M Dawkins
18 May	Richard and Sally Gravenstede
19 May	Anne Milton MP
20 May	Nigel A Wheble
21 May	Miss L S Dadak
21 May	J W Jeffrey MBE
22 May	J W Jeffrey MBE
24 May	Peter and Monica Bartley
6 June	R A C Mead
8 June	Nigel B Tyler
11 June	Anne Milton MP
23 June	The Earl of Liverpool
6 July	Mr J A McAllister, Dunsfold Park Ltd
6 July	Derek Gardiner, SDPNT
8 July	Derek Gardiner, SDPNT
12 July	Celia Saunders
14 July	Davies Arnold Cooper
22 July	Professor Christopher Marks, SDPNT
14 August	Gerald Eve