



Rt Hon Angela Rayner MP
Deputy Prime Minister and Secretary of
State for Housing, Communities & Local
Government
House of Commons
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Sent by e-mail
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Dear Deputy Prime Minister

Playing our part in building the homes we need

Thank you for your letter of 30th July explaining the reforms that you are seeking to the planning system, and the role you want the Council to play in delivering new homes. We will be responding to the detail of your proposals but thought it important to respond to some of the key themes set out in your letter.

We welcome the collaborative approach that you are seeking between central and local government and trust that you will give careful consideration to the concerns and suggestions that this Council has in respect of your proposed planning reforms.

Local Plans & Strategic Planning

We support the Government's goal of achieving full local plan coverage as quickly as possible and are already in the initial stages of updating our Plan. We have engaged support from the Planning Advisory Service (PAS) and identified an ambitious timetable requiring significant resources over the next 3 years. Financial support from Government will be important to achieve this and we suggest that this could be modelled on the Planning Delivery Grant which rewarded progress on Local Plans.

Over and above this support, we urgently need clarity and guidance on the new plan-making system. It is unlikely that we can meet the deadline to submit our new Local Plan for examination under the current system but we will want to progress it as quickly as possible under the new system.

We give a cautious welcome to your proposals to encourage cross-boundary strategic planning. This is needed to make robust and balanced decisions about the most sustainable locations for growth supported by critical infrastructure. The appropriate geography and governance arrangements will require careful consideration and we would like to accept the offer to work with you to develop and test these arrangements.



Affordable housing & housing targets

The Council is acutely aware of the strain that the high cost of housing in Waverley puts on those looking for a home and on local businesses and public services seeking to attract employees. We welcome the Government's ambition to deliver the biggest boost in affordable and social housing for a generation and look forward to further detail on how this will be achieved. In the meantime, we strongly support the removal of prescriptive requirements relating to products such as First Homes, which will help us to secure the right mix of affordable homes for ownership and rent to meet local needs.

The Council readily accepts its role in addressing local housing need through ambitious but credible Local Plan housing requirements, ensuring we provide the right type of high-quality homes in the right places where they can be supported by necessary infrastructure. Housing completions in Waverley in the past 5 years are the highest ever recorded and the Council will continue to work positively to plan for the growth that our community needs. We have invested heavily in our development management service and performance has significantly improved over the past 18 months together with the quality of decision making.

However, the proposed standard method gives a completely unrealistic assessment of local housing need that will hinder our efforts to prepare a new Local Plan. It adds an astronomical 203% affordability uplift, arriving at a need for 1379 dwellings per annum (94% above the current standard method). We have attached a note from our demographic and economic consultants that highlights just how unrealistic this is. It would require over 27,000 homes to be built in the next 20 years (3.4 times more than in the last 20 years). To support this, net migration would need to be at unprecedented levels, increasing the population by around 50% over the next 20 years. This would result in the labour force growing by around 35,000 people, while the most credible (Experian) forecast is of only around 6,500 new jobs being created in the Borough (meaning an unsustainable increase in out-commuting).

The standard method therefore does not provide a credible basis for preparing our new Local Plan. Our representations will suggest how it might be improved, including taking up the recommendation of the Levelling Up, Housing and Communities Select Committee regarding the use of residence-based earnings in areas with significant commuting, to ensure the housing targets more accurately reflect local circumstances (median residence-based incomes in Waverley are 40% higher than the workplace-based incomes used in the standard method).

The level of growth required to meet the standard method assessment of need is simply unachievable in a Borough that is heavily constrained by national and international designations (including the Surrey Hills National Landscape and three Special Protection Areas).

Furthermore, the attached demographic and economic analysis concludes that there is no evidence of a scale of demand for anything like the standard method level of delivery in Waverley. Housing sites are likely to remain undeveloped until developers chose to bring them forward and evidence suggests that there will continue to be upward pressure on house prices. Data from the 2021 Census suggest that additional housing delivery has simply seen a significant rise in the number of vacant homes (England approx. 1.5M). Nationally, the increase in vacant homes is equivalent to 30% of all

new dwellings provided over the 2011-21 period. A strategy to encourage these homes back into use could be an important contributor to meeting housing need and put less strain on key infrastructure.

We are aware that the Council can seek to justify a lower number in the Local Plan based on local constraints on land and delivery. However, this will take time and considerable resources, in the meantime leaving Waverley with an assessment of local housing need that is removed from reality and cannot be accommodated sustainably. Far from giving the greater certainty you are seeking, the inflated standard method housing need will guarantee that the Council is unable to demonstrate a 5-year housing land supply until a new Local Plan is in place, and that the process of preparing this will be a hard-fought and battle to justify a more realistic housing requirement. In the meantime, the proposed standard method and NPPF risk opening the flood gates on piecemeal and speculative development, alienating local communities and diverting our scarce resources from planning positively for sustainable growth.

We are also concerned that your proposals focus exclusively on the role of planning. In addition to increasing the supply of land, there are many other factors that need to be addressed to tackle the housing crisis. These include skills, labour and material shortages across the construction industry. Whilst local planning authorities grant planning permission, they are not able to control the rate of housing completions. It is essential that housebuilders deliver consented homes within a reasonable and agreed timeline. Without a formal mechanism to enforce this, delivery targets will be failed again and again despite a predicted deluge of planning permissions being secured, many on appeal, for greenfield development. As a start we need to see regulations to implement the proposed LURA commencement and completion notices alongside progress reports to provide a strong framework for managing delivery. This will help to provide a more balanced relationship between planning authorities and developers with joint accountability for delivery, but also provides a more realistic approach to manage current and future land supply.

Grey Belt and Green Belt

The Green Belt continues to play a key role in safeguarding the countryside in Waverley from encroachment, preserving the setting of our historic towns and villages and encouraging the development of brownfield sites.

As part of the Government's proposals, we recognise that it will be necessary to review the boundaries of the Green Belt for the new Local Plan. "Grey belt" land will be scarce because most of our Green Belt is also covered by the Surrey Hills National Landscape and other national designations. Even with a review of "higher performing" areas of Green Belt, it is inconceivable that this will allow us to meet the standard method housing number without fundamentally and seriously undermining the function of the Green Belt across the plan area. It is vital that the Government provides immediate and comprehensive technical guidance on undertaking Green Belt reviews, to ensure certainty and consistency in the absence of strategic planning. A strategic approach would be preferable as the most sustainable opportunities for Green Belt release are likely to be adjacent to major conurbations rather than in rural towns and villages.

Growth supporting infrastructure

The Council is keen to work in partnership with the Government, housebuilders, and other stakeholders to ensure that the significant deficits in essential infrastructure are addressed. This must be a priority with alignment between housing delivery and the way infrastructure is planned and funded particularly power and water. Currently residents experience frequent interruptions in water supply as well as sewage flooding and deteriorating water quality in our rivers. Our rural road network is crumbling, health and care services are at breaking point, and lack of secondary school places is a growing issue in our largest town of Farnham. We are also aware of development that is stalled due to lack of available power. We cannot expect existing residents to welcome new development at scale without a clear national improvement plan to tackle these issues.

Conclusion

We trust that this overview of the Council's position is helpful and will be delighted to provide further information or to discuss these issues further if this would be of assistance. There are aspects of your proposals that we support. However, to achieve a plan led approach that delivers for our communities and our environment, we need a revised standard method that does not result in an unrealistic and unachievable assessment of local housing need. We also need a balanced regulatory framework that facilitates the timely delivery of new housing, together with the guidance and resources from Government to help us progress our Local Plan under the new system and to deliver high-quality affordable homes with the necessary supporting infrastructure.

With kind regards



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