

Changes in national planning policies – the implications for Oxshott

The new Labour Government flagged in advance its commitment to building 1.5 million new homes and the changes it announced recently to the NPPF (National Planning and Policy Framework) show that it means business. The implications for areas such as Elmbridge are enormous.

Current position

Under previous planning policy Elmbridge BC (EBC) had a housing target of 675 new homes per annum but for many years had been unable to achieve that level. With the decision by the last Government to treat such targets as advisory not mandatory, the Local Plan that was submitted by EBC for Examination last year had an implicit target of about 430 new homes per annum. But this target needed to be revised downwards to closer to 300 following a recalculation of available land. The Local Plan currently sits with an Inspector who has previously described it undeliverable in its present form. Even it were to be adopted, the Local Plan would require immediate amendment in order for it to conform with the requirements of the new NPPF. In all probability, the Local Plan is almost certainly doomed and will require substantial reworking in the light of the proposed changes to the new NPPF.

Housing targets

The new NPPF has changed significantly the basis for calculating local housing targets. Instead of using out of date housing projections, the starting point for every local authority (LA) is a fixed percentage of its current housing stock. With a current housing stock of 59,913 and a fixed percentage of 0.8%, that produces a base target for EBC of about 480. Worryingly, this change in basis produces an outcome that is inconsistent with ONS housing projections for Elmbridge.

Previously the NPPF had required an adjustment to the base target to reflect local unaffordability. This is calculated as the ratio of average house prices in each LA to average local earnings derived from businesses in the borough. This adjustment was previously capped though to produce a maximum uplift of 60% on the base target. Disappointingly the calculation of unaffordability is fundamentally flawed. It treats all LA's as homogeneous and fails to reflect the individual factors that might drive up the ratio. In Elmbridge these include very significant levels of home and personal equity and the preponderance of residents who obtain substantial earnings from outside the borough. And to make matters worse, the previous cap has been abandoned.

Not surprisingly, Elmbridge has one of the highest unaffordability ratios in the country and use of the calculations to determine the unaffordability uplift (popularly referred to as the mutant algorithm) give EBC an uplift of about double the base target. When added to the base target of 480, this gives a revised target of about 1,440 new homes per annum.

Worse is to follow because, the new NPPF requires those LA's that have consistently failed to achieve their housing targets to include a buffer of 20%. When applied to EBC's revised target of 1,440, this produces a number on which the Local Plan should be based of about 1,730 new homes per annum - more than four times what EBC has historically been able to deliver.

This new target is regarded as mandatory with only very limited capability to plead for an exception. Only where there are genuine constraints on land delivery such as National Parks, protected habitats and flood risk areas will any lower numbers be considered. Importantly Green Belt is not included as a constraint.

EBC therefore has a challenge: how is it to comply with Government policy and produce a new Local Plan that delivers such an enormous increase in new housing? The two areas that will require focus are the existing Urban area and Green Belt.

Urban area

The new NPPF requires LA's to focus first on use of brownfield land. In its Local Plan, EBC claims already to have made maximum use of such land but it can be expected that the search for any unavailable brownfield land will have to intensify. Beyond that, the option is for hugely increased densification right across the borough.

In its 2019 consultation, EBC's Option 1 considered all new development across the borough at a level of 85 dwellings per hectare (dph). This is double the average level for the borough and compares with current average levels in Oxshott of only 10dph. But Option 1 only produced housing delivery of just over 600 new homes per annum. Clearly, urban densification by itself will not come close to meeting the new housing requirement of about 1,730 new homes per annum.

Discouragingly, the changes to the new NPPF propose the removal of the paragraph that enabled LA's to take local character in to account when assessing housing needs through the use of design codes. The removal of this paragraph sends a clear message: the focus for LA's must be on achieving an uplift in housing densities in urban areas with little real thought for the consequences.

For Oxshott, the implications are unpleasant. Every site that becomes available (almost irrespective of location) will be subject to a need to achieve much higher densities than in the past. There will be an inevitable push to build blocks of flats and create high density housing estates in areas that currently enjoy low density. Local character will therefore become a matter of much reduced relevance.

Green Belt

If LA's can not meet their housing target without using Green Belt land, the new NPPF requires them to review those boundaries and propose alterations to meet the housing need in full unless the review provides clear evidence that such alterations would fundamentally undermine the function of the Green Belt. This will make it much harder for LA's to avoid meeting their housing needs in full.

Green Belt land continues to be defined as serving five purposes:

1. To check unrestricted sprawl of large built-up areas
2. To prevent neighbouring towns merging into one another
3. To assist in safeguarding the countryside from encroachment
4. To preserve the setting and special character of historic towns
5. To assist urban regeneration by recycling derelict land

The new NPPF introduces the concept of Grey Belt land which (subject to some limited qualification) is defined as land in the Green Belt land that comprises previously developed land or land that makes a limited contribution to the Green Belt purposes. Such land will:

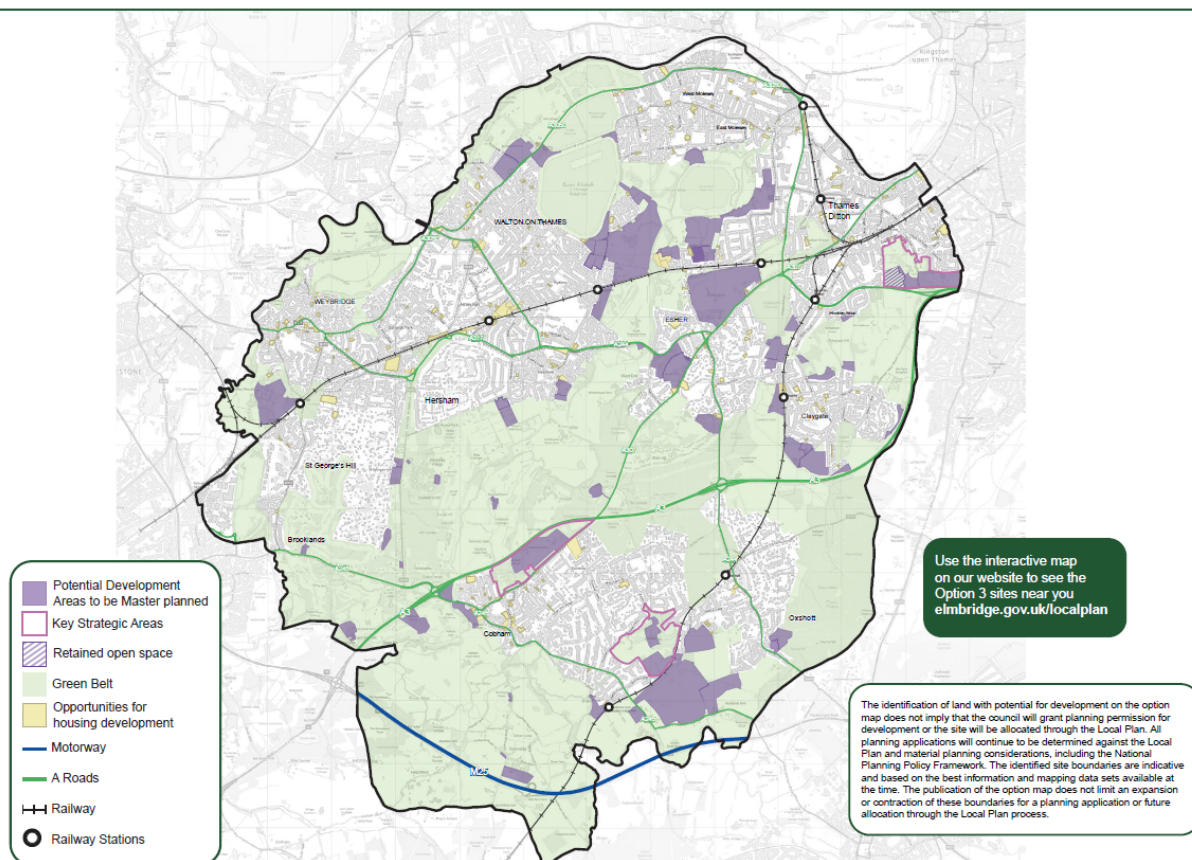
- a) Not strongly perform against any Green Belt purpose; and
- b) Have one of the following features:
 - i. Contain substantial built development
 - ii. Make little if any contribution to preventing neighbouring towns from merging in to one another
 - iii. Be dominated by urban land uses
 - iv. Contribute little to preserving the setting and character of historic towns

What this means is that LA's will need to make a fundamental reassessment of their Green Belt land to determine what part can be classified as Grey Belt land. In so doing, the interpretation of the expression limited contribution is clearly going to be enormously important.

For developers and land owners, this will enable Grey Belt sites to be brought forward for release subject to (i) a site being sustainable, (ii) not undermining the function of the Green Belt across the area as a whole and (iii) meeting the new NPPF requirement to include at least 50% affordable housing with necessary infrastructure improvements, subject to limited use of viability assessments.

In its 2019 consultation, EBC's Option 3 considered a combination of optimisation of the urban area together with large Green Belt release amounting to 11% of the total Green Belt area within Elmbridge. This would achieve about 1,100 new homes per annum which is about two thirds of EBC's calculated requirement under the new NPPF. A map of Option 3 is as follows

Option 3



This shows three potential sites in Oxshott:

- Between Waverley Road and Danes Hill
- Behind Treetops
- Between Blundel Lane and Woodlands Park

There is also (unshown) Clouds Hill Farm between Charlwood Drive and the A244.

This provides a good indication of the scale of Green Belt release that might be needed by the new NPPF.

Other matters

The new NPPF makes amendments to the concept of the tilted balance. Previously this meant that where an LA has plan policies that are not up to date (including an insufficient supply of land), permission for developments should be granted unless the adverse impacts would significantly and demonstrably outweigh the benefits. This produced scope for argument and the new NPPF proposes to make an insufficient supply of land the key determinant. Unfortunately, this will render EBC more susceptible to aggressive planning applications.

One positive feature is the introduction of benchmarked land values to be used in viability assessments for Green Belt land. These will help mitigate the pleas by developers that developments are insufficiently viable to support affordable housing and will therefore restrict the windfall profits to be earned by landowners and developers from the granting of planning permission on what has traditionally been low value land. There is even scope for the use of compulsory purchase orders.

There is also an enhanced commitment to the improvement of infrastructure to support development. This includes what is termed a vision-led approach to transport planning together with the delivery of improved health, education, and social infrastructure. Whether these are no more than fine words will be seen in due course.

What this all means for Oxshott

Clearly this is all subjective and the new NPPF has not received approval. But, if what is proposed actually comes to pass, there are a number of highly unattractive possible outcomes including the following:

1. The Local Plan will be withdrawn and work will start immediately on a new Local Plan at the heart of which will be conformity with a new housing target that (including a 20% buffer) could be up to about 1,700 new homes per annum.
2. In the meantime, until the new Local Plan is adopted, EBC will be vulnerable to opportunistic development proposals that seek to take advantage of the tilted balance exception.
3. A new Local Plan will require significantly greater densification in urban areas and Oxshott can expect a significant increase in proposals for blocks of flats in previously low density areas with not much more than lip service given to the preservation of local character.
4. There will be a Green Belt review with the intention of bringing forward substantial areas of Green Belt land on a basis potentially similar to Option 3. This could lead to an increase in Oxshott of perhaps up to 3,000 new homes.
5. All this will take time to achieve given the need for a new Local Plan, the approval of planning applications and the time needed to complete developments. But in perhaps 10 years' time, Oxshott could be transformed from its present village character in to a small town with a population of around 20,000 people.
6. Without major investment in transport infrastructure, local traffic congestion will be similar to that seen in a typical London borough. Similarly, there will be relentless pressure on schools and medical facilities.

This is inevitably a dystopian future and the reality is that the new Government will find it extremely difficult to translate ambitious policy in to action. Whatever the Government might want can only be delivered if landowners and developers bring forward land for development and builders have the capacity to deliver. There are various reasons why delivery of a plan based on such high levels of new homes might be unachievable:

1. Although cosmetically laudable, the requirement for very high levels of affordable housing will produce lower economic incentives and the required level of land release might not happen at the pace required.
2. There is an inevitability of considerable challenge to the release of such large tracts of Green Belt and it will take time for each application to grind through the courts.
3. It is a requirement that Green Belt releases must be sustainable. Without substantial investment in local infrastructure, meeting this test will be extremely difficult.
4. Lastly, the housebuilding industry already has capacity constraints in terms of available labour and the supply chains necessary for the delivery of large increases in building material are simply not in place.

Set against that though is the clear commitment of the Government to get LA's to take action straight away. For those that have traditionally relied on delays in producing plans, the new Secretary of State has issued an ominous warning of her intent: *"I will not hesitate to use my powers of intervention should it be necessary to drive progress – including taking over an authority's plan making directly."*

Although the new NPPF has the clear potential for the desecration of Oxshott and the Government is seemingly committed to decisive action, it is unlikely in practice that there will be immediate transformative change. But the direction is really clear and the obstacles to major change have been loosened. Those who innocently imagine that the pleasant character of Oxshott with its surrounding Green Belt will remain unchanged are destined for an unpleasant surprise. The pace of local high density development is bound to increase substantially and the quality of local life risks being correspondingly diminished.

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