

Planning Policy Committee – 25th November 2021

Questions submitted under Standing Order 30

1. Question from Councillor O'Driscoll

I recently visited Coulsdon Lodge and local residents in Oakgrove outlined their concerns about the developer's destructive actions within the Coulsdon Lodge site and how they can appeal the Council's refusal of planning permission while residents cannot easily appeal the Inspector's decision should he make the wrong decision.

Mindful that the Inspector is yet to make a formal decision as this question was submitted, how can this Council support residents in situations similar to that faced by Oakgrove residents to ensure that if an inappropriate development is allowed by the Inspector there is a way to help them challenge an Inspector's decision?

Response from Councillor Sayer:

That's a good question and I think a lot of residents might ask it. The only way an Inspector's decision can be challenged is by a judicial review which involves fairly narrow grounds centring on whether the Inspector has made an error in law or been irrational, or if there has been a procedural error. And it has to be funded by residents, not by the Council. So, it's a high bar. It's just the way the system works and it would need central Government to alter it.

Regarding the first part of your question, I know Cliff Thurlow has been asked to review the circumstances of the Coulsdon Lodge site to see if there are grounds for the planning enforcement team to investigate.

2. Question from Councillor Cooper

The following is a calculation estimating the amount of CIL money likely to come to TDC over the next few years, based on CIL on residential houses being charged at £167.20 per square metre. (Noted that this goes up each year by RPI.)

For every 1000 homes built:

- some will be flats (predominantly two bed),
- a large percentage will be 3 or 4 bed houses,
- some will be larger houses (such as in Oxted).

Affordable housing does not attract CIL and currently 34% of housing is required to be affordable, but only on larger sites, unless of course you live in Oxted (gasholder where none was provided). Therefore, perhaps 30% of housing will be affordable as sites under 14 units will not provide any at all. Thus, some 30% of housing may not contribute to CIL, however, 70% will (ie 700 of the 1000 in total).

If we assume:

- An average two bed flat is 70 square metres and makes up 35% of the builds;
- The average three bed semi is 102 square metres and makes up 35% of the builds;
- The average four bed is 130 square metres and makes up 25% of the builds;
- A large house might be 200 square metres and makes up say 5% of the builds.

Thus, using the above:

| | |
|--------------|------------------------------------------------------------------------------------|
| Flats | $700 \times 35\% \times 70 \text{ sqM} \times \text{£}167.20 = \text{£}2,867,480$ |
| Houses 3 bed | $700 \times 35\% \times 102 \text{ sqM} \times \text{£}167.20 = \text{£}4,178,328$ |
| Houses 4 bed | $700 \times 25\% \times 130 \text{ sqM} \times 167.20 = \text{£}3,803,800$ |
| Large houses | $700 \times 5\% \times 200 \text{ sqM} \times \text{£}167.20 = \text{£}1,170,040$ |

TOTALS £12,019,648 For every 1,000 homes built.

The Inspector has advised that the TDC Housing need is in excess of 450 homes per year, thus, given the above, TDC should be expecting £5,408,842 in CIL funding per year. Of this some 20% may go to Parish Councils. (25% to those with a Neighbourhood Plan but significantly less to those without one.)

Given the above calculation is based on very conservative figures, this would leave some £4,327,073 per year to allocate to CIL projects.

Therefore, in planning our future annual budgets, are we assuming something in excess of £4 million per year of CIL income?

Response from Councillor Sayer:

I was quite pleased to see this question because it's good to get some idea of figures. I think the answer is no, the Council can't assume in excess of £4m of annual CIL income because the basis of the calculations is different to the ones you've got.

CIL has to be based on a projection of dwellings that are going to be built, which is called the housing requirement.

The figure of 450 used in the calculation is not the housing requirement, it's the objectively assessed housing need – known as the OAN – and it's the unconstrained starting point figure and from that you have to factor in any constraints, e.g. Green Belt, infrastructure and Areas of Outstanding Natural Beauty to reach a housing requirement. The OAN is much greater than the current building rate which I think is around 250 homes per year, or the figure included in the submitted Local Plan, which is 303 homes per year. Both of these are significantly lower than the 450.

Any CIL estimate must also deduct the following:

- *The number of affordable housing units, as these do not attract CIL. I think you mentioned them but I am not sure that's included in the final calculation. Also, other social housing relief which can be different to affordable housing as it includes retirement housing with quite large communal areas – and that, I'm told, accounts for 25% of the total CIL, so reduces the estimate by a quarter.*
- *Next point, CIL is a net figure, so a deduction has to be made for any existing buildings either converted or demolished which have a lawful use.*
- *Then, there is self-build relief, which takes it down again.*
- *Parish Council allowances you've mentioned can be up to 25% for those with a Neighbourhood Plan, but 20% otherwise.*
- *Then, I am also told there is a bad debt provision deduction and a 5% administration deduction which is charged by the Council.*

So, at the end of all those adjustments, it's quite a different picture.

The Council has all the figures, year on year, since CIL started and income averages around 1 million per year. Now if we build more it might go up slightly, but it's not going to rocket.

In any case, as I'm sure you know, we have to be careful when predicting CIL income because a lot can happen during the course of a planning application to alter the CIL liability. I mean things can be found on site and arguments can be made to bring it down.

Jeremy Fisher would be very happy to explain the CIL figures to any Councillors at any time, so please do get in touch with him if you want to know more.

Supplementary Question from Councillor Cooper

I'm surprised the average annual CIL income is as low as £1million. How accurate is that?

Response from Councillor Sayer:

That's taken from the income we've received in the year so far. So, you are looking forward to what we'll build ... a lot of that depends on how things go in future regarding the Local Plan. 303 homes per year is the housing requirement within the Plan, which is a little more than what we have been building ... [but] annual CIL income will only be £1.2 million, even with that increase.

3. Question from Councillor Cooper

At the recent presentation on Junction 6 improvements, it was stated that extra lanes both going into and out of the roundabout along with an extra gyratory lane, would cost in the region of £5 million. Clearly, my CIL calculation [*in question 2 above*] is over estimating the amount we would actually receive, but if we were to meet the 450 [*objectively assessed housing need*] homes per annum, we'll get the £4 million CIL income, so why aren't we doing something?

Many councillors have indicated great concern about Junction 6 being above capacity. Therefore, will this Council use the likely CIL income generated by house building to fund the necessary improvements to Junction 6, for the benefit of all TDC residents?

Response from Councillor Sayer:

Well that's a big question I guess this Committee is going to have to answer in the future. I cannot imagine us having the £4m, or I hope we don't because it will mean we've met an incredibly high housing need which, given the constraints in this District, I think it would be wrong to do and in fact the Inspector has also said he doesn't think that figure should be met. He's put the figure out there for the OAN ... on the 2016 projections (and we've had 2018 projections since then which have brought the figure down) its 450 to 495, but he said we shouldn't meet it, or he doesn't expect us to meet it given the constraints there are in this District.

So whatever the figure is, CIL is supposed to be used to help mitigate the impact of development on communities and to pay for much needed infrastructure improvements. We have a CIL Working Group that's carefully worked out priorities for the use of our CIL. Things like flooding and education, and funding national highway improvements is not in that list of agreed priorities, so you know we're going to have to look at that again if that's what we want to use it for.

If we use it to pay for Junction 6 improvements, as far as I can see that means no CIL funding for school expansions, health centres, local road improvements, sports facilities or any other infrastructure you can think of that will directly benefit our communities. So you're putting it into a national road that benefits some Tandridge residents who use it, but also a lot of other people who don't live in the District.

We did sign off £1.6m of CIL spending recently, which I'm told leaves only £1.4m available right now - and we know there's going to be a request for a single school extension which, I think, is Chaldon, Peter and Paul, coming in quite soon, that's going to be £1.2m. The other items on the Infrastructure Delivery Plan far outweigh the expected CIL income, so many of those projects on the list are already not going to get funds allocated to them because we haven't got enough.

So the reports from the traffic consultants, DHA, and the Council's original Housing Infrastructure Fund bid, which didn't go through, both indicate that many millions will be required to fully expand the capacity at Junction 6. So committing the Council to Junction 6 improvements is more than capable, I would say, of consuming every penny of CIL contribution for the foreseeable future.

That would mean no other improvements could be made anywhere in Tandridge if all the CIL contributions go towards paying for what is a national highways route and national infrastructure which happens to be located in Tandridge.

Last thing I'd say is as well as the CIL option, funding for improvements to Junction 6 could come from the Government's Strategic Housing Infrastructure Fund which the Council is still waiting to hear about. There's also a possibility of funding coming out of the National Route Strategies which the Council is currently participating in, together with Surrey County Council Highways. Later in this meeting, the Committee will review the Council's response to the National Highways route strategies consultation in which the Council is proposing to raise the issue of Junction 6. I don't know if that answers your question, but you know it's a difficult balance.

Supplementary Question from Councillor Cooper

I agree it's a difficult balance. However, we're not talking about the highway itself, we're talking about access to it by residents of this District. It's not just about the motorway. People need to travel ... this is infrastructure. We ought to be investing in highways infrastructure if we're going to build more houses. What do you think?

Response from Councillor Sayer:

The £5 million quoted by DHA is for an interim mitigation scheme that could accommodate a proportion of Local Plan growth. That junction has been operating at over capacity for a number of years, so that proportion won't be huge. It would require five years' worth of CIL income when we couldn't fund anything else. We could be dealing with a bottomless pit ... the HIF bid was for £52 million. We'd have no funding for local infrastructure.