

Guilford Borough Local Plan: Strategy and Sites Examination (June 2018)

Hearing Statement for Matter 9

(Spatial Strategy, Green Belt and Countryside Protection)

Representations by Pegasus Group on behalf of Danescroft Land Ltd & Danescroft (Send) LLP.

1. Question 9.6 - Does the plan take a sound approach towards the inseting of various villages from the Green Belt?

1.1. The inseting of Send and allocation of 'Site A42 – Clockbarn Nursery' as identified in **Appendix 1** is supported.

1.2. The Council has taken a sound approach to inseting the village of Send, consistent with the provisions of the National Planning Policy Framework (NPPF, March 2012) Paragraphs 83 and 86, whereby:

"...Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan."
(para.83)

[and]

"If it is necessary to prevent development in a village primarily because of the important contribution which the open character of the village makes to the openness of the Green Belt, the village should be include in the Green Belt. If, however the character of the village needs to be protected for other reasons, other means should be used, such as conservation area or normal development management policies, and the village should be excluded from the Green Belt". (para. 86)

1.3. These provisions of the NPPF (2012) are also carried forward within the Governments Draft NPPF (March 2018) at Paragraphs 135 and 139.

1.4. The inseting of the village of Send, as illustrated in **Appendix 2**, is based on a robust evidence base¹ and the conclusions within that Send should be inset from the Green Belt, including land at Clockbarn Nursery, are supported.

1.5. Accordingly, the Plan is considered to take a sound approach towards the inseting of the village of Send, as consistent with the procedural requirements of the NPPF and the findings of a robust evidence base, which in combination represent the 'exceptional circumstances' necessary to justify a revision to the Green Belt boundary at this location.

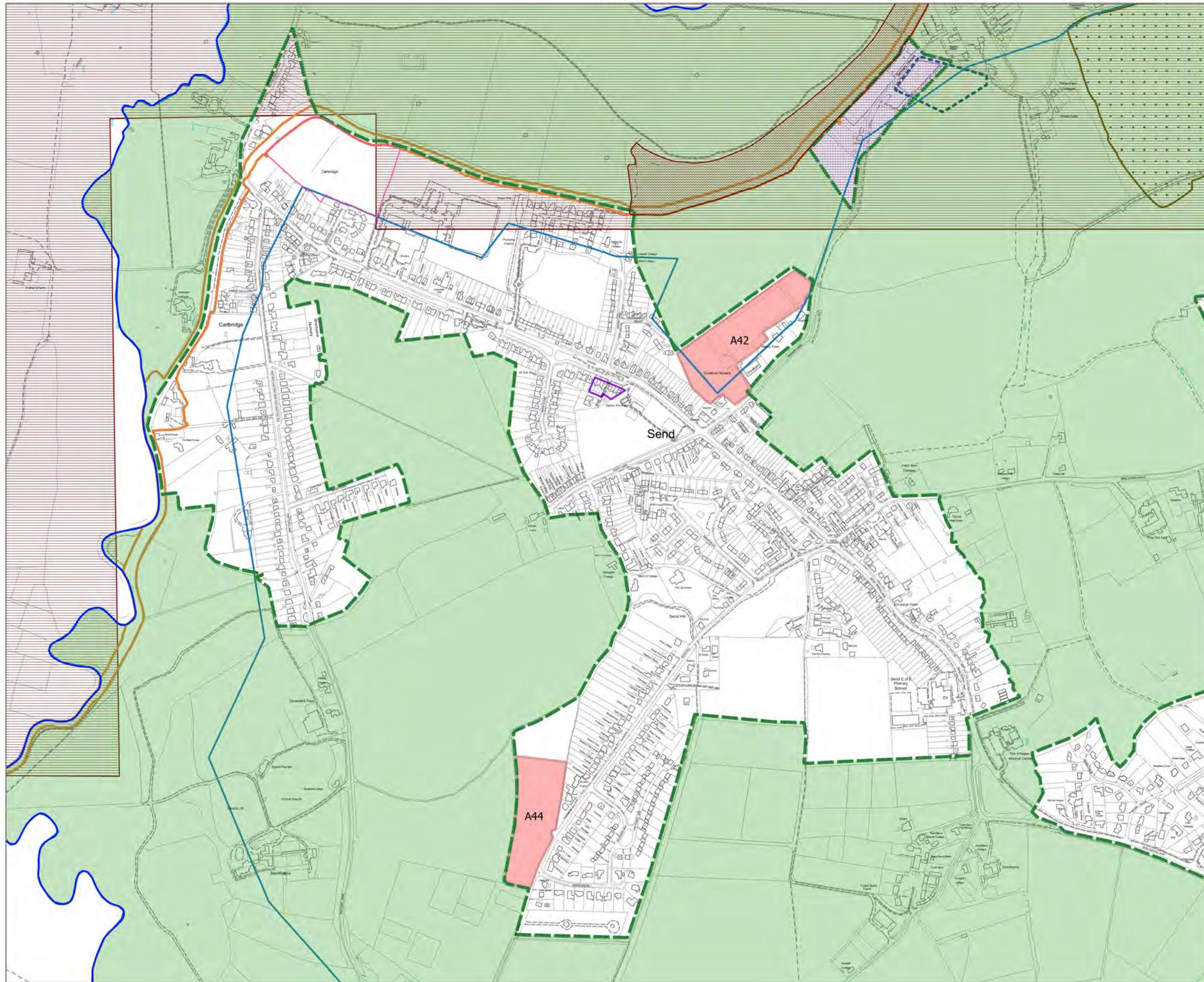
¹ Guildford Borough Green Belt and Countryside Study: Volume IV – Inseting of Villages and Defining New Green Belt Boundaries within Guildford Borough in accordance with the National Planning Policy Framework (NPPF) (April 2014)

- 2. Question 9.8 – If the Plan had to accommodate a greater housing requirement, for example through a higher OAN, what would be the implications in terms of the spatial strategy?**
- 2.1. Danescroft Land Ltd & Danescroft (Send) LLP has consistently supported the higher housing requirement of 693 dwellings per annum as first proposed within the Guildford Strategy and Sites Local Plan (2016), as opposed to the currently proposed requirement of 654 dwellings per annum.
- 2.2. However, regardless of whether a higher housing requirement is deemed necessary, it is considered that further critical examination of the capacity of sites considered suitable for development would be able to account for a substantial increase in dwelling numbers. It is considered that 'Site A42 – Clockbarn Nursery' has the potential to make a greater contribution towards the Council's housing requirements than is currently envisaged.
- 2.3. A core planning principle of the NPPF (2012) is to "*encourage the effective use of previously developed (Brownfield) land*" (para. 17) and to "*optimise the potential of sites to accommodate development*" (para. 58). Moreover, the Draft NPPF (March 2018) seeks to "*make as much use as possible of suitable brownfield sites and underutilised land*" and "*optimise the density of development*" (para. 136) in order to demonstrate the 'exceptional circumstances' necessary to justify a revision to Green Belt boundaries.
- 2.4. Whilst the current allocation of 'Site A42' for 60 residential dwellings' is supported, further masterplanning and feasibility work has since confirmed that a density of 42 dwellings per hectare (dph) can be sympathetically achieved at this site alongside the delivery of the policy requirements detailed within the Submission Local Plan (December 2017), including a proportionate increase in the number of affordable homes to be provided and in particular ensuring the privacy and amenity of existing properties adjacent to the site are respected.
- 2.5. Accordingly, as illustrated by the indicative masterplan enclosed at **Appendix 3**, it is demonstrated that 'Site A42' at Send is capable of supporting up to **75 residential dwellings**.
- 2.6. Providing new residential development at this density would reflect the context of existing housing areas elsewhere in Send, would better reflect the optimum density for dwelling provision consistent with the provisions of the NPPF (2012) and Draft NPPF (2018) and would represent sustainable development by reducing the need for additional housing to be provided in less suitable locations elsewhere in the Borough.
- 2.7. Moreover, there are considerable economic benefits associated with optimising the density of development at this location to deliver 75 new dwellings as highlighted at **Appendix 4**.
- 2.8. It should be recognised that 'Site A42' represents one of only two sites in or adjoining the village of Send that can provide new housing to accommodate growth over the next Plan period. Accordingly, an increase in the housing allocation at this site from 60 to 75 residential dwellings reflects the potential of this site to make a greater contribution towards the Council's housing requirements based on a

reassessment of the site's optimum capacity as demonstrated through a robust design-led process to effectively deliver a sustainable development, both for the site and in respect of allocating growth across the Borough as a whole.

Appendix 1: Site Allocation A42 – Clockbarn Nursery, Send

Send



Legend

-  Site of Nature Conservation Interest
-  Open Space
-  Green Belt
-  Green Belt boundary
-  Local Shopping centre / Primary Shopping Area
-  Conservation Area
-  Corridor of the River Wey
-  Strategic Employment Site (Office and Research & Development)
-  Site of Special Scientific Interest
-  Area of High Archaeological Potential
-  Safeguarded land for minerals
-  Site Allocation
-  Guildford Borough Boundary

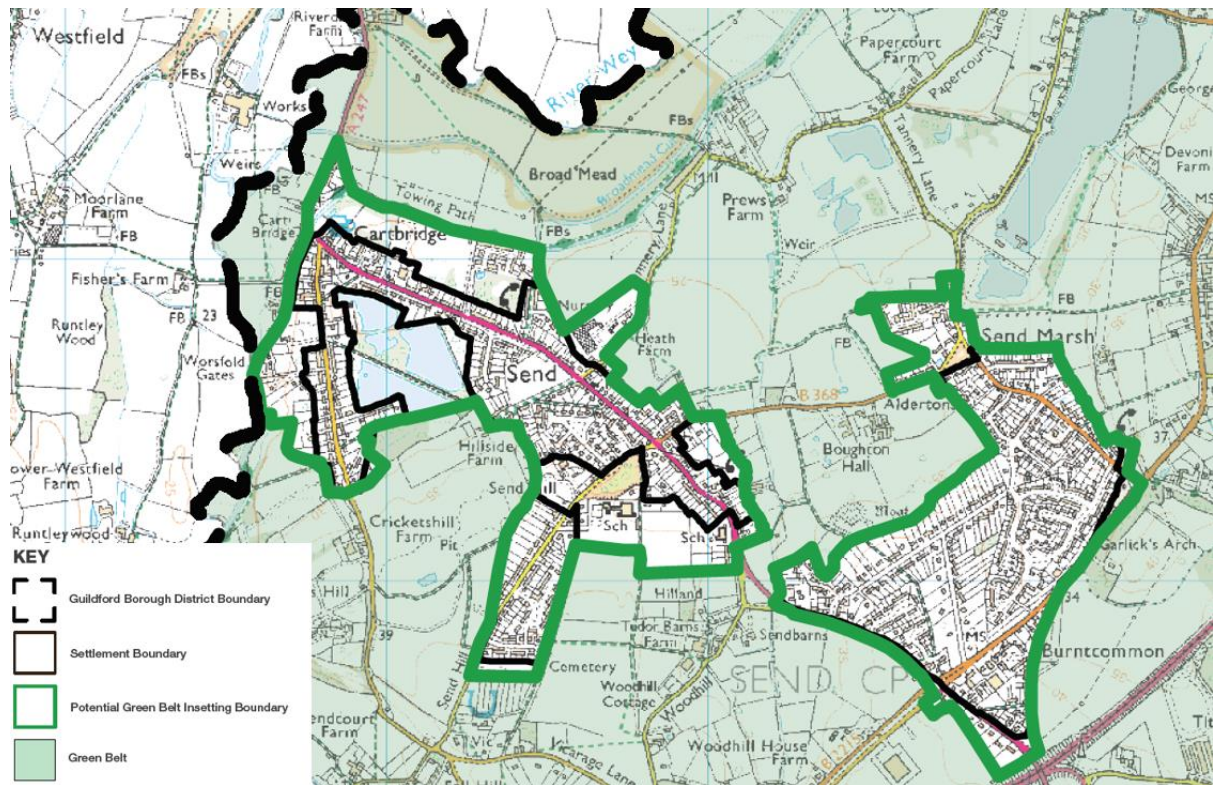


Scale at A3:
1:6,976

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Appendix 2: Proposed Insetting of Send from the Green Belt (Extract from Green Belt Assessment Volume IV (April 2014))



Appendix 3: Indicative Masterplan for 75 Residential Dwellings at Site A42



KEY

-  SITE LOCATION
-  RESIDENTIAL AREA
-  BUILT FORM FRONTAGE
-  MAIN STREET ACCESS
-  PRIMARY ACCESS
-  POTENTIAL PEDESTRIAN/CYCLE CONNECTION AND EMERGENCY ACCESS
-  PUBLIC OPEN SPACE
-  VISUAL CONNECTION/SURVEILLANCE
-  POTENTIAL PEDESTRIAN/CYCLE CONNECTION
-  PROPOSED INDICATIVE PATH LINK TO WHARF LANE (BEYOND SITE BOUNDARY)

Accommodation Schedule					
<small>(Relates to Concept Masterplan)</small>					
Open Market					
Unit Type	No. Beds	Storeys	No. of Units	Sqft./unit	Total Sqft
FOG	1	1 of 2	4	550	2,200
ELCOT	2	2	20	711	14,220
DATCHET	3	2	10	956	9,560
BARKHAM	3	2	6	1250	7,500
CURRIDGE	4	2	6	1631	9,786
BRAMLEY	5	2	4	1776	7,104
			Total OM	50	50,370 sqft
Affordable					
Unit Type	No. Beds	Storeys	No. of Units	Sqft./unit	Total Sqft
1 BED FLAT/HOUSE	1	2	8	522	4,176
2 BED HOUSE	2	2	12	753	9,036
3 BED HOUSE	3	2	5	1001	5,005
			Total Aff	25	18,217 sqft
			Total of Dev	75	68,587 sqft
Total Net Developable Area					1.80 hectares
					4.45 acres
Coverage					15,420 sqft/acre
Average Density					41.7 dph

CLOCKBARN NURSERY, SEND - CONCEPT MASERPLAN

Appendix 4: Economic Benefits



CLOCKBARN NURSERIES, TANNERY LANE, SEND, GUILDFORD

ECONOMIC BENEFITS STATEMENT

ON BEHALF OF DANESCROFT LAND LTD

Date: May 2018

Pegasus Reference: AP/LON.0500

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PLANNING | **DESIGN** | **ENVIRONMENT** | **ECONOMICS**

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1. INTRODUCTION

Scope and Purpose

1.1 This document outlines the potential economic benefits that could be generated by building 75 dwellings at the Clockbarn Nurseries site off Tannery Lane, Send, in the north of Guildford Borough. It quantifies the following benefits that would be created by the scheme:

- Employment supported during the construction phase.
- Contribution of the construction phase to economic output.
- Economically active people attracted to live at the new development.
- Household expenditure associated with residents of the new dwellings.
- Contribution to Council Tax.
- New Homes Bonus income.

The note also summarises the wider benefits of housing, based on research undertaken by organisations such as Centre for Cities and the Chartered Institute of Housing.

Main Findings

1.2 The main economic benefits from the scheme can be summarised as:

- **Direct construction-related employment:** The proposed development would support approximately 51 roles on-site over an approximate 18-month build programme.
- **Construction impact in the supply chain:** A further 144 jobs would be supported each year through indirect and induced effects during the construction phase, with around 108 of these being in the local area.
- **Contribution of construction phase to economic output:** The development on can generate £14.4 million of gross value added (GVA) during the construction period, of which over £10.8 million would be in the local area.
- **Growing labour force:** It is estimated that the development will bring 102 economically active and employed residents to live in the area once the site is fully built and occupied. This is likely to be a mixture of people from outside the area, as well as existing residents who move from other parts of the local area.
- **Household spend:** The development will generate around £2.5m in annual household expenditure. Around one third of this will be on non-food retail, recreation, leisure and cultural expenditure.

- **Increased Council Tax income:** The construction of the new homes could generate around £138,000 per annum in additional Council Tax revenue.
- **New Homes Bonus revenue:** The proposed development also has the potential to generate in the region of £382,000 in New Homes Bonus revenue for Guildford Borough Council.

1.3 Section two provides full details on the benefits created during the scheme's construction phase, with section three going on to present the economic impact of the dwellings once they are occupied. The Appendix presents the main benefits as an infographic.

2. CONSTRUCTION PHASE BENEFITS

Supporting Construction Employment

- 2.1 Economic benefits will arise through the provision of temporary jobs during the construction phase at the site, which is estimated to be around 18 months. Construction costs are estimated at approximately £11.4million over the build programme. The construction cost has been estimated using the BCIS online tool and is exclusive of external works, contingencies, supporting infrastructure, fees, VAT, finance charges etc.
- 2.2 To estimate construction employment supported during the building phase, the total construction cost has been divided by the average turnover per construction employee in the South East of England region of £149,300¹. This means that over the life of the build phase, **51 construction jobs** could be supported.
- 2.3 It is important to recognise that while Guildford Borough will likely be the main beneficiary of the construction jobs created, some of the benefits will go to people outside the area. This is commonly referred to as the 'leakage effect'. The 2014 edition of the HCA Additionality Guide² provides guidance on estimating this. Assuming a medium level of leakage at 25% (whereby a reasonably high proportion of the benefits will be retained within the target area), around **38 construction jobs** could be supported annually in Guildford Borough during the build programme.
- 2.4 It is widely recognised that housebuilding has knock-on effects for other sectors which leads to increased demand for building materials and equipment at the construction phase, as well as domestic furniture and carpets etc. following completion. This generates and sustains employment in other sectors. The CBI report, Unfreezing the Housing Market³, found that for every £1 spent on housing construction, there is £2.84 of economic activity through direct, indirect and induced multiplier effects – i.e. for every £1 spent, a further £1.84 of activity is supported in the wider economy. Assuming a similar multiplier for the jobs, as well as the 51 on-site positions supported, the development could support a total of **108 additional jobs per annum**, with around 70⁴ of these being in the local area.

¹ Calculated using data for the South East's construction sector from the 2017 edition of Business Population Estimates produced by the Office for National Statistics.

² Homes & Communities Agency, 2014. Additionality Guide, Fourth Edition.

³ CBI, Unfreezing the Housing Market. November 2011.

⁴ Calculated by multiplying the 38 local construction jobs in Guildford Borough by the 1.84 figure outlined in paragraph 2.3.

- 2.5 In total, the construction phase could support an estimated **144 jobs** per year over the build period.

Contribution to Economic Output

- 2.6 We can also assess the economic contribution of the construction phase by measuring the development's contribution to GVA or 'gross value added'. This provides a measure of wealth creation, as measured by the increase in the value of goods and services generated within an area. Using data for 2015 produced by the Office for National Statistics (ONS), it is possible to calculate GVA per employee by sector at a regional level. In the South East, construction's GVA per employee is around £77,900 per annum. Total annual GVA per employee for all sectors in the region is estimated at £59,200, indicating a relatively high level of productivity within the construction sector.
- 2.7 Applying these GVA figures to the employment estimates outlined above (£77,900 to the 51 construction jobs and £59,200 to the 70 indirect/induced roles), the proposed development could generate an additional **£14.4 million of GVA** during the 18-month construction period, of which over £10.8 million could be in the local area.

3. BENEFITS ASSOCIATED WITH THE NEW HOUSING

Increased Supply of Labour

- 3.1 It is estimated that the proposed scheme would provide homes for around 102 economically active residents⁵. Data from the Annual Population Survey, published by the ONS, show that around 98% of the economically active population in Guildford Borough are in employment⁶. Assuming this figure remains broadly the same, applying it to the population living at the proposed development at Tannery Lane would result in around 100 employed residents living there once the site is fully built and occupied. This is likely to be a mixture of people from outside the area, as well as existing residents who move from other parts of the local area.
- 3.2 Attracting economically active people to the area is an important consideration when looking at future labour supply. Guildford Borough has seen a significant increase in the number of people aged 65+ over the last decade – experiencing a rise of 20.5% (4,100) between 2006 and 2016.
- 3.3 The trend of an ageing population is expected to continue in the district. Between 2016 and 2039, the number of residents aged over 65 is projected to increase by 46.6% (11,300 people). This growth is significantly greater than that expected of the young and working age population. It is therefore important that the district is able to see new homes built that are attractive to people of working age. This younger population can help boost labour market supply as older members of the workforce reach retirement age and become economically inactive.

Increased Household Expenditure

- 3.4 Additional household expenditure will be supported by the new dwellings. While not all of this spend will be in the local area, it is reasonable to assume that a substantial proportion will be retained within Guildford Borough. Figures produced by the ONS⁷ at a regional level can be used to provide an estimate of what this spend could be worth on an annual basis. For the South East, the region in which the site is located, average household spend is estimated by the ONS to be £612 per week. This covers spend on commodities/services such as food & drink, clothing, transport and recreation.

⁵ Census 2011: average number of economically active residents per household in Bracknell Forest is 1.42.

⁶ Annual Population Survey, April 2016-March 2017.

⁷ *Family Spending in the UK: Financial Year Ending March 2016*: Office for National Statistics, February 2017.

3.5 Applying the £612 average weekly spend figure to the households created by the proposed development, an **annual household expenditure of over £2.4 million** can be expected once it is complete and fully occupied. Table 3.1 shows how this estimated spend breaks down by commodity and service.

Table 3.1: Estimated annual household expenditure supported by the 50 dwellings

Commodity/Service	Estimated annual household expenditure
Food and non-alcoholic drinks	£245,700
Alcoholic drinks, tobacco	£49,900
Clothing and footwear	£101,800
Housing (net), fuel and power	£299,900
Household goods and services	£178,200
Health	£39,800
Transport	£373,200
Communication	£69,000
Recreation and culture	£336,200
Education	£30,800
Restaurants and hotels	£202,800
Miscellaneous goods and services	£191,900
Other expenditure items	£345,900
Total estimated annual household expenditure	£2,465,100

Based on household spend estimates for the South East, produced by ONS

Note – spend estimates have been rounded to the nearest hundred

Contribution to Council Tax Income

3.6 Based on the new dwellings fall within Band D⁸, once fully occupied the site is estimated to generate around **£137,738 on an annual basis in additional Council Tax payments**. This revenue can be used to improve public services in the area, helping to further support the growth and development of Guildford Borough.

New Homes Bonus

3.7 The proposed development has the potential to generate around **£381,840** in New Homes Bonus revenue for Guildford Borough Council. These estimates do not include any additional payments for affordable houses built and are based on the new operating model for New Homes Bonus, which was announced in December 2017.

3.8 Under the New Homes Bonus scheme, the Government previously matched the Council Tax raised on each new home built in an area for a period of six years. The December 2017 changes saw a new national baseline of 0.4% introduced. Where growth is below

⁸ 2017/18 Council Tax for Band D in Guildford Borough is £1,836.51

the baseline level of 0.4%, new homes are not rewarded with the Bonus and the national average Band D council tax rate of £1,529.56 is paid thereafter. The number of years in which payments are made has also been reduced – from six years to five years in 2017/18 and for four years from 2018/19.

- 3.9 For the development and Tannery Lane, the New Homes Bonus calculations have been made based on the homes in the scheme being fully built by the end of the 2019/2020 financial year. That is, by the end of March 2020.

Wider Housing Economic Benefits

- 3.10 In addition to the benefits presented above, there are a number of wider economic benefits associated with housing, some of which are listed below:

- Research on the role of housing in the economy by Regeneris Consulting and Oxford Economics⁹ states that housing is an enabler of economic growth and performance. It can also improve place competitiveness – which leads to a better quality of life for residents.
- Centre for Cities¹⁰ published a report in 2008 on moving forward in housing and economic development. Its findings indicate that housing is important to the well-being and prosperity of places in three ways. Firstly, the growing importance of skills to places' economic performance means that getting the right housing offer is essential to attracting and retaining a skills base that will encourage inward investment. Secondly, co-ordinating regeneration and economic development interventions maximises the potential for achieving greater economic inclusion. Finally, housing investment itself is a powerful driver of local economic activity, through aspects such as: jobs provided directly and indirectly from the construction phase; house sales and turnover; and housing repairs and maintenance.
- In 2010, Savills carried out some research into the impact of housing on the UK economy¹¹. It concluded that housing development can: boost jobs; reduce benefit expenditure; create significant tax revenues; reduce borrowing; and impact positively on the growth of GDP.
- The Chartered Institute of Housing published a report in 2013 looking at why housing is crucial to the UK economy¹². It identifies housing as playing a crucial role in the

⁹ The Role of Housing in the Economy: Regeneris Consulting; Oxford Economics, July, 2010.

¹⁰ Housing and Economic Development: Moving Forward Together: Housing Corporation; Centre for Cities, November 2008.

¹¹ The Case for Housing – Impact of House Building on the UK Economy: Savills, Spring/Summer 2010.

¹² Why Housing is Crucial to the UK's Economy: Chartered Institute of Housing, August 2013.

country's economic and social success. The report states that with the chronic shortage of homes in the UK, increasing housing supply is imperative. This is particularly relevant at the current time, with the Autumn 2017 Budget highlighting the government's aim of seeing 300,000 new homes built per annum by the mid-2020s.

- Recent research carried out by the London School of Economics in January 2018¹³, analysed how the growth of the London labour market has influenced migratory flows in the greater south east, with some important findings. These included how London workers are increasingly moving beyond the 'outer metropolitan area' or OMA to live in locations further afield. Guildford and the home counties are part of this OMA and the report cited planning and building constraints as a key reason many workers were not finding permanent places to live in the OMA.
- The LSE research also found that the OMA area was often a transitory location for workers who moved out of the area after a temporary stay to where more housing is more readily available. It is important for the sustainability of the wider south east therefore, that sufficient housing is provided *within* the 'OMA', in areas such as Guildford, such that fewer workers are forced to travel through the borough to get to and from their workplaces in the capital.

¹³ Wider South East Migration Review: London School of Economics, January 2018

APPENDIX – ECONOMIC BENEFITS INFOGRAPHIC

ECONOMIC BENEFITS

Clockbarn Nurseries, Tannery Lane, Send, Guildford

LON.0500

CONSTRUCTION & OPERATIONAL BENEFITS



New homes built:

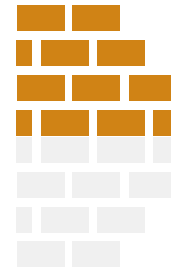
75 including
30

Affordable housing
(as per emerging 40%
affordable housing policy)

Construction-related Jobs:



51



Construction supply chain jobs:

144
108

In the local area

Economic output generated or
GVA (gross value added):

£14.4 million
£10.8 million

In the local area



Increased labour force:



102

Economically
active residents

Household spend:

£2.5million

Annual
household
expenditure



Increased Council Tax income:

£136,000

Approximate additional
Council Tax revenue
(based on band D)



New Homes Bonus revenue:

Up to

£382,000

In New Homes Bonus