

Elmbridge Borough Council

Examination of the Local Plan

Stage 2 - Response to Inspector's MIQs

**Hearing Statement by Peter Edwards
On Behalf of Claudel Venture Holdings Ltd**

March 2024

Matter 2 – The approach to housing need

In relation to question 1.1 we consider that the Council has not justified its approach to deliver less Housing than calculated using the standard methodology.

As can be seen from the joint letter produced by respondents to the plan dated 25th March 2024 (hereafter 'The Joint Letter') all of the adjoining authorities that are constrained by Green Belt have concluded that exceptional circumstances existed to justify residential and employment allocations within the Green Belt and allocated sites accordingly.

We do not consider that the Council has justified adopting an alternative approach; especially when a number of the identified site allocations are unlikely to come forward, meaning that the council will deliver significantly less than the anticipated 70% of LNH, an already unsustainable approach. In addition, we have major concerns that such under-provision of housing will have a significant impact upon the delivery of affordable housing (both issues are addressed below).

The Council should be seeking to meet all of its LHN requirement, as a minimum and should refine its approach accordingly.

Question 1.2 - meeting the needs of neighbouring authorities. 'The Joint Letter' (referred to above) clearly indicates that a number of the adjacent authorities have also failed to meet their individual LHNs. Elmbridge has confirmed that it is not in a position to assist these authorities and the Statements of Common Ground produced by those Councils has equally confirmed that they are unable to accommodate Elmbridge's shortfall.

The cumulative impact of under-provision across the Market Housing Area is considered to be significant; especially in circumstances where Guildford's estimated over-provision is now unlikely to be achieved.

This reinforces the need to meet the LHN in full, as a minimum.

Question 1.3 – the Concerns of adjoining authorities has been addressed in our response to question 1.2

In light of the above, in relation to the approach to housing need we consider the Council's approach is not justified, effective or consistent with national policy and that exceptional circumstances clearly exist to warrant consideration of Green Belt allocations.

Matter 3- vision, spatial strategy and distribution of growth.

Question 2.1 – 2.3, As outlined in The Joint Letter, we consider that the plan period should be extended to 2040 so that it covers the 15-year period from adoption.

In relation to housing, the standard methodology should be rolled forward and the housing trajectory amended to reflect the revised plan period.

Question 2.4. We agree with the approach to "good growth" in so far as it directs development to the most sustainable locations within the borough; especially where this might reduce reliance on the car and support a model shift in the way people live and work.

We would advocate, concentrating development immediately adjacent to existing transport hubs and within and immediately around existing centres, which tend to also support the level of infrastructure needed to accommodate development.

With regard to the council sustainability appraisal, we maintain that the spatial strategy is clear constrained by the council's decision not to consider Green Belt sites. This limits the potential to deliver 'Good Growth' which is key to the Council's approach.

In relation to question 2.9 the proposed spatial strategy will not secure a sustainable pattern to development in so far as it discounts the potential for development in some of the Council's Good Growth locations , for example adjacent to stations and in particular Hershams Station. In addition, it is likely that the proposed densification of the urban sites will deliver a high proportion of flatted units, including in areas currently dominated by homes with gardens.

In relation to 2.11 the Council is proposing to deliver a 20% BNG, which exceeds the national target. Increases in BNG will be difficult to achieve as density of relatively small urban sites increases. More of the site area will be required for parking, access and usable amenity space, which will impact on the site's existing biodiversity and reduce the area to provide any on-site gain. The cost of potentially having to provide the gain off site will have a consequential impact on viability. Equally if innovative solutions are adopted to optimise areas of biodiversity on site, by say locating parking underground, the cost of construction will be significantly increased and thereby impact on the ability to deliver a scheme that is policy compliant in terms of affordability.

The Council's reliance on smaller sites is likely to severely limit the delivery of affordable homes, in circumstances where there is an acute need.

Matter 4 : The housing requirement

Questions 3.1- 3.2

The NPPF States at paragraph 60 that, LPA's should aim to meet as much of the area's identified need as possible. Paragraph 61 goes onto confirm that strategic policies should be informed by a local housing needs assessment, conducted using the standard methodology and this will determine the "minimum number of homes needed".

The Council has confirmed in Policy SS3 that it will make provision for "at least" 6,785 net additional homes, of which "at least" 30% will be affordable.

This represents a shortfall in delivery of 2,920 dwellings over the plan period, on the assumption that the identified residential allocations will come forward. We will set

out when considering Matter 9, that the level of under-delivery will be significantly greater and will have an unacceptable impact upon the delivery of affordable housing.

Policy SS3, the words 'at least' indicate that the Council will seek deliver more homes over the plan period and deliver more affordable homes, if possible. In circumstances where the Council has acknowledged that the urban areas cannot deliver more than 70% of LHN any additional housing is likely to come forward through prior approvals for the change of use of commercial buildings, as the level of windfall sites is unlikely to exceed historic levels if the Council assessment of the capacity of existing urban areas is correct. The prospect of securing additional affordable dwellings is therefore extremely limited.

We consider, therefore, that the Council has not justified why it is not meeting the LHN in full. In circumstances where the strategy, as a minimum, fails to meet the area's objectively assessed needs, and where the shortfall cannot be met by Neighbouring authorities, the plan cannot be considered to be positively prepared.

As set out in The Joint Letter, the minimum housing need the Council should be planning for is 650 dwellings per annum (9,705 dwellings over the plan period). It is to be noted that this is a capped figure and that the uncut LHNA would be 930 dwellings per annum (13, 950 dwellings over the 15- year plan period).

Question 3.3 as identified by the Inspector, based on delivering only 6,785 dwellings over the plan period, 2,035 of these would need to be in the form of affordable housing units if the Council is to deliver its target of "at least" 30% of homes being affordable.

The Joint Letter confirms that over the 10-year period 2013/14 to 2022/23, the Council has delivered only 655 affordable homes (65.5 dwellings per annum on average) which represents only 19% of the council's affordable housing need for that period. Furthermore, this was in circumstances where the Council's affordable housing Policy CS21 sought 40% affordable units on developments of 15 dwellings or more.

To deliver 2,035 affordable homes over the plan period would require the council to deliver 136 dwellings per annum, which is 100% more than historic delivery rates.

It is to be noted also that the 2,035 dwelling figure is merely a derivative of the Council policy which only seeks to meet 70% of its LHN and does not in any way reflect the actual affordable housing need over the plan period which is significantly greater.

It goes without saying that the 2,035 affordable dwellings falls considerably short of the 4,035 units (269 units per annum) identified in the Local Housing Needs Assessment; which itself contrasts with the 2016 SHMA, which confirmed a net annual need for affordable housing of 332 dwellings per annum for the period 2015 to 2025. The historic rate of delivery is a mere 65 dwellings per annum.

The affordable housing need situation has been addressed in the submissions made on behalf of PA Housing at the Regulation 19 Consultation Stage and dated 29 July 2022.

Needless to say, PA Housing, the provider of , of affordable homes within the borough, has concluded that affordable needs are significantly greater than calculated by the Council and could be as great as 484 dwellings per annum.

It is to be noted also that a significant proportion of the Council's 6,875 dwellings are proposed to come forward on Small Sites. Even if the Council is justified in seeking affordable contributions from sites delivering fewer than 10 dwellings, it's policy objective of securing 30% of new homes as affordable is unlikely to be achieved.

The reality of urban densification is that existing land use values and the development costs associated with building up and out, to achieve increased density will reduce the area available for outdoor amenity space (increasing BNG costs) and parking. The consequence of this is to potentially require parking to be provided underground. These increased costs will undoubtedly affect the viability of developments which will reduce affordable housing delivery.

We do not seek to interrogate the affordable housing need figure or the historic backlog of 1,434 units as set out in (HOU005) further but combined with the representations of others we conclude that the Council will not secure 30% of net additional dwellings as affordable and that the level of under-provision will continue to grow. As a result, the Council will fail to deliver one of its key principles- *increasing the number of new and genuinely affordable homes in the borough*.

Finally, we would point out that the Council's under-delivery will be exacerbated further in the event that a significant number of the proposed residential site allocations do not come forward. This will be addressed when considering Matter 9.

Matter 5 – Housing Delivery

We note the inspector has asked the Council to update its housing trajectory figures and we can only realistically comment in this regard once the revised figures have been received.

With regard to the density of new development, this should be optimised taking into account the other policies of the Plan. Reference to a specific density figure within the policy should be deleted.

The Council needs to be specific in Policy HOU1 on how it will apply its affordable Housing requirement, as written it indicates that an affordable contribution of 30% will be required on all developments, including those of less than 10 units, which would be contrary to national guidance.

Green Belt

Paragraph 35 of the NPPF states that Plans should provide a strategy which, as a minimum, seeks to meet the area's objectively assessed needs, with the footnote

confirming Where this relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 61 of this Framework.

Paragraph 61 goes on to state that *“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment. Within this overall requirement, strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations”*.

As part of the evidence base for preparing the Local Plan the Council commissioned a number of Green Belt Reviews, which were undertaken by Arup. The Reviews commenced with an assessment of how the different areas of Green Belt performed, with subsequent assessments concentrating on only those parts of the Green Belt that performed poorly. The areas of Green Belt reviewed at the initial stage were strategic in nature and covered large areas.

The subsequent reviews looked in more detail at the poorly performing sites and considered smaller areas, but primarily in response to parties who were, at that time promoting land for development. The final review considered previously developed sites in the Green Belt, but again only in the poorly performing areas.

The Arup studies were afforded weight when the Council brought forward various options for its spatial strategy which included development confined to the urban areas and alternatives which included Green Belt release. Each of which was then assessed against a range of criteria to determine the Council’s preferred Strategy, which was to direct development to the urban areas in circumstances where it concluded ‘exceptional circumstances’ did not exist to warrant Green Belt release.

Unfortunately, the initial stage failed to take into account a key objective of the council, notably achieving ‘Good growth’ which seeks to ensure development is :

- Is proportionate and sustainable, focusing on the places where people both live and work.
- Supports overall improvements to the health and wellbeing of our residents.
- Is supported by the necessary infrastructure investment – including green and blue infrastructure.
- Delivers high quality design in our buildings and public realm.
- Increases resilience and flexibility in the local economy.
- Builds resilience to the impacts of climate change and flooding.
- Is planned and delivered at a local level while recognising that this will inevitably extend at times across administrative boundaries.

These principles were then carried through into Policy HOU2, which seeks the optimisation of sites for residential development by ensuring development makes efficient use of land and optimises sites within urban areas and especially sites

within or on the edge of town, district and local centres and sites adjacent to train stations.

We consider that Green Belt sites in such sustainable locations should have been prioritised, to determine whether they could be released from the Green Belt without causing unacceptable harm to openness or undermine the purposes for designating the land as green Belt in the first place.

In reality, these sites were only considered if they fell within poorly performing Green Belt locations.

A similar approach was adopted in relation to previously developed sites in the Green Belt, where only those sites in the Poorly performing locations were assessed, which does not reflect national guidance as set out in Paragraph 154 (g) of the NPPF.

It is to be noted that when considering Option 5a in 2021, the Council reviewed a number of Green Belt sites that were being promoted by various parties for development and prepared GB proformas for each. These assessments addressed the various absolute and policy constraints, existing land uses, potential uses, suitability, availability, achievability, deliverability and potential benefits. It is to be noted that the Arup findings were provided due weight in identifying whether any individual site should be considered for release. A number of sites were considered suitable for release.

By contrast, following the Council's decision to meet its housing needs within the existing urban areas and not release Green Belt sites, the Council reviewed the Green Belt Site Proformas in June 2022, and this time placed less weight on the Arup findings, and in a number of instances concluded that Arup had undervalued the site's Green Belt performance. As a result, in June 2022 the Council agreed to pursue Option 4a- Optimisation as its preferred Spatial Strategy and deliver only 6,787 new homes over the plan period, 70% of its local housing need.

We disagree with the Council's justification for pursuing its preferred strategy and maintain that greater consideration should have been given to the potential of Green Belt sites adjacent to the edge of existing urban areas and railway stations. In prioritising these locations, the Council should have fully assessed how the Green Belt boundaries in these locations could have been enhanced if the sites had been released for development. In particular the Council should have explored opportunities to open up these locations to public access for outdoor sport and recreation and how Green Belt boundaries could have been strengthened, landscapes improved, and biodiversity improved (in accordance with paragraph 145 of the NPPF).

We consider that the Council's approach not to release Green Belt sites; especially those that it previously considered as having potential for release is unjustified and demonstrates that the due consideration has not been given to all of the alternatives available. It is also an inconsistent approach when compared with that of neighbouring authorities, which have released Green Belt sites in order to meet as

much of their housing need as possible. In conclusion the Council's approach to Green Belt release is unjustified.

The Plan should be amended to include Green Belt releases that allow the council to deliver its objectively assessed need of 9,750 dwellings as a minimum.

Matter 6 Affordable Housing

We have touched upon many of the questions set out by the Inspector above and concluded that the policy approach to affordable housing will fail to deliver anywhere near the identified need for affordable homes.

In particular, the application of the Council's policy to seek 30% of new homes as affordable is unclear and needs to be revised.

In circumstances where we are advocating the release of Green Belt sites in order meet the Council's LHN and in particular affordable housing we would suggest that the policy should be revised to seek 40% affordable homes on green field sites.

Matter 7 – Other Housing Matters

We have already commented on housing density and agree whilst developers should seek to optimise the potential of sites, subject to other policies of the plan, it is not appropriate to specify a minimum density per hectare in the policy.

Matter 8 – Employment Needs

We have not previously made representation on the Council's employment strategy. We do however think the strategy should be reviewed in the light of recent changes to Permitted Development Rights, which might erode the level of existing provision further.

Matter 9 – Site Allocations

We will address the Plan's site allocations separately once the Council has provided its latest response to the Inspector's questions.

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