

# Examination Statement

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**Examination Elmbridge Local Plan 2037:  
Response to the Schedule of Matters, Issues and Questions for  
Stage 2 of the Examination**

**Matter 2: The approach to housing need**

**Prepared by Savills on behalf of The Crown Estate**

# 1. Introduction

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- 1.1. This Examination Statement has been prepared to respond to the Inspector's Stage 2 *"The spatial strategy and the distribution of growth over the Plan period, including the approach to the Green Belt and site allocations"* schedule of matters, issues and questions. This Statement specifically responds to **Matter 2 the approach to housing need**. The Statement has been prepared by Savills on behalf of The Crown Estate ('TCE'), who have four potential strategic promotions at Claygate and Oxshott (also referred to as Site SA-41 / GB63 Loseberry Farm, Claygate, referred to by TCE as Land South of Hare Lane, Claygate; GB46 Land East of Blundel Lane & South of Waverley Road; GB19 Land East of Danes Way, Oxshott; and GB58 Horrington Farm, Claygate).
- 1.2. TCE is a national business with distinct attributes covering a diverse portfolio that stretches across England, Wales and Northern Ireland. TCE are one of the UK's largest landowners across land and the seabed across with 200,000 acres of land and 12km of coastline.
- 1.3. They seek to leverage this scale, their independent brand, investment and convening power to make a meaningful difference that creates lasting and shared prosperity for the nation, including making a positive environmental and social impact across their activity.
- 1.4. Across a £15.8bn portfolio, TCE plan to help create thriving communities and renew urban centres that will support economic growth and productivity. In addition, they are working to be a leader in supporting the UK's path to net zero and stewarding the nation's natural environment and biodiversity.
- 1.5. TCE is distinctly placed to invest and create positive and sustained impact. By Act of Parliament, TCE is an independent commercial business with accountability to Parliament, and therefore it has the freedom to invest in places in the longer term. As a result, TCE has generated £3bn in the last 10 years, all of which is returned to HM Treasury for the benefit of the nation.
- 1.6. TCE is undertaking an ambitious strategy to:
  - Be a leader in supporting the UK towards a net zero carbon and energy secure future;
  - Help create thriving communities and renew urban centres in London and across the UK; and
  - Take a leading role in stewarding the UK's natural environment and biodiversity.
- 1.7. Telereal Trillium (TT) is now branded 'TT Group'. TT Group is the freeholder of the majority of BTs property estate including Claygate Telephone Exchange. TTG has an investment portfolio of 15,000 properties with a combined floor area of c.85 million sq ft and a development pipeline of 14,500 homes.
- 1.8. TCE is committed to delivering high quality placemaking that meets the local need for more homes in Elmbridge. Their approach to land promotion, in line with their organisational strategy, is to deliver a legacy for place in the longer term. This includes delivering enhancements to local biodiversity, positive social impact and value, open spaces and environmental infrastructure to enable a sustainable community next to Claygate station.

- 1.9. Should Elmbridge Borough Council wish to consider additional sites to help meet its housing needs via Green Belt release, then TCE can provide support and offer its landholdings as a highly sustainable location to the west of Claygate station to consider further. It is important to the organisation that any work undertaken is done in partnership with the council and local community to prepare any landscape-led masterplan proposals at Claygate, which is consistent with TCE's strategy and purpose (included within **Appendix 2 to the TCE Matter 5 Statement**).
- 1.10. TCE have a significant land holding in Elmbridge borough, which extends into the adjoining authorities and comprises agricultural land and woodland areas. Whilst TCE are not promoting all of their land for development, the most suitable, available, deliverable and sustainable sites are being promoted as available for allocation for housing, incorporating green infrastructure, potential community uses and natural capital. These sites were also included within Options 3 and 5 of the Elmbridge Borough Council ('EBC') Regulation 18 (Reg 18) consultation and Land South of Hare Lane, Claygate is included within EBC's Option 5a sites (ref: OTH040 / GB63) (now collectively part of the land called "Land west of Claygate station").
- 1.11. The Examination Statements follow Representations submitted by Savills dated July 2022 (Reg 19) and September 2019 (Reg 18). TCE Response to the Reg 19 has been provided the following reference numbers: ID 1112921, 1112925, 1112929, 1112931, 1112933, 1112935, 1112941, 1112942 and 1112947. TCE have also positively engaged with the Planning Policy Officer's at EBC for a number of years. **It is clear that the highly sustainable Land west of Claygate station is the most sequentially preferable of their sites, as it is directly adjacent to Claygate Train Station. In addition, the TCE land to the west of Claygate station is now being promoted jointly with the adjacent Telephone Exchange, controlled by TT Group, which has been confirmed for decommissioning by 2031. TCE is now working together with TT Group to facilitate the redevelopment of the BT exchange at Claygate which is previously developed land along with additional land to be released from the Green Belt to facilitate that and make a comprehensive and highly sustainable new neighbourhood next to the railway station.**
- 1.12. Owing to its excellent sustainability credentials land to the west of Claygate railway station offers a unique opportunity to provide needed affordable and market new homes, community facilities and Green Infrastructure.
- 1.13. Given the transitional arrangements in the NPPF (December 2023), the Examination is proceeding under the NPPF (September 2023 version). References in the Statements to the NPPF / Framework are to the September 2023 version unless otherwise stated.

## 2. Response to MIQs – Matter 2: The Approach to Housing Need

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### **Issue 4: Is the approach to calculating the level of housing need over the Plan period justified, effective and consistent with national policy?**

**Question 1.1:** In establishing the amount of housing to be planned for, paragraph 61 of the Framework advises that strategic policies should be informed by a local housing needs (LHN) assessment, conducted using the standard method unless exceptional circumstances justify an alternative approach. The Council has followed this guidance and calculated the LHN to be a figure of 647 dpa or 9705 dwellings over the Plan period. Are there any exceptional circumstances which would justify an alternative approach?

- 2.1. No, EBC has not sought to adopt or justify an alternative approach to the calculation of housing needs – it has followed the Standard Method as set out in national policy and guidance.
- 2.2. For context, the ‘uncapped’ LHN is 925 dpa. This is because the affordability ratio in EBC is one of the highest in the county, at 20.04 (average house price to income ratio), and thus both capped and uncapped housing need figures are high.
- 2.3. In addition, ONS data<sup>1</sup> notes that for 2022/23 net additions per 1,000 dwellings in Elmbridge was just 4.02 (-69% on the year before), compared to a national average of 9.63 (EBC is 267<sup>th</sup> out of 309 LPAs, only above LB Richmond and Spelthorne locally). In short, housing delivery in Elmbridge needs a significant boost.
- 2.4. EBC’s Annual Monitoring Reports (AMRs) illustrate that EBC has not been able to demonstrate a 5-Year Housing Land Supply (5YHLS) for at least the last 5 years. The 5YHLS as at 1<sup>st</sup> April 2023 was just 3.81 years<sup>2</sup>.

**Question 1.2:** Paragraph 61 of the Framework goes on to state that in addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for. Has the Council done this?

- 2.5. No, for context, across Surrey, there is a pressing need to plan positively for housing, as evidenced by high, and worsening levels of housing affordability. Many Local Plans have been adopted, based on assessments of housing needs that pre-dated current national policy and guidance, with housing requirements set at a lower level.

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<sup>1</sup> <https://www.gov.uk/government/statistics/housing-supply-net-additional-dwellings-england-2022-to-2023>

<sup>2</sup> Table 29 (page 34), EBC Authority Monitoring Report 2022/23, December 2023

Question 1.3: A number of the Statements of Common Ground (SoCG) with neighbouring authorities have raised concerns regarding the intensity of housing need within Elmbridge and its wider housing market area, and the implications of the spatial strategy adopted which may exacerbate unmet need across the area and place additional pressures on other areas. Is this a legitimate concern and are these concerns supported by evidence?

- 2.6. Yes, and yes. The proposed strategy will only deliver around two thirds (c. 70% - see TCE's **Matter 4 Statement**) of the identified housing need (the capped Standard Method LHN). This will result in additional housing pressures both within the Borough, and across the wider area.
- 2.7. As covered during the Stage 1 Hearings, it is clear that EBC have engaged with neighbouring LPAs to identify if any are able to meet any unmet needs from Elmbridge, but there does not appear to be any LPA able to do so. However, with this known, it is incumbent on EBC to meet its own identified needs.
- 2.8. Given the inability of any other LPA to assist in meeting Elmbridge's housing needs, it is considered that exceptional circumstances do exist, and that the Green Belt should be reviewed, to determine if there is an evidence-based rationale to release land from the Green Belt (see further discussion in TCE's **Matter 5 Statement**). The evidence base to the eEBLP supports such an approach (see the commentary on the SA in TCE's **Matter 3 Statement**).
- 2.9. The NPPF (including para 11(a) and 8(b), and the test of soundness in para. 35) requires LPAs to meet identified housing needs "*as a minimum*" (para. 35 'positively prepared'). It is clear from the preparation stages of the eEBLP that options to meet housing needs other than the spatial strategy proposed, were considered, tested, and consulted upon (i.e. Reg. 18 Options 3 and 5). It is thus clear that there are options whereby the eEBLP could meet all identified housing needs, however EBC have chosen to propose an alternative strategy, without sufficient justification.

c. 512 Words

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