

# **Elmbridge Local Plan Examination**

## **Response to Inspector's Stage 2 Matters - Matter 4**

### **The Housing Requirement**

Mactaggart & Mickel Strategic Land

Representor Number 41089281

25 March 2024

**LICHFIELDS**

# **Lichfields is the pre-eminent planning and development consultancy in the UK**

We've been helping create great places  
for over 60 years.

**[lichfields.uk](https://lichfields.uk)**

© 2024 Nathaniel Lichfield & Partners Limited (trading as "Lichfields"), All Rights Reserved, is registered in England, no. 2778116.  
Registered office at The Minster Building, 21 Mincing Lane, London EC3R 7AG.  
Formatted for double sided printing.  
Plans based upon Ordnance Survey mapping with the permission of His Majesty's Stationery Office.  
© Crown Copyright reserved. Licence number 10007707  
65216/01/JF/BS  
30360761v1

## 1.0 **Matter 4 The Housing Requirement**

### **Issue 7: Whether the Local Plan has been positively prepared and whether the approach is justified, effective and consistent with national policy in relation to the housing requirement**

#### **Questions**

**3.1 The housing requirement for Elmbridge has been calculated at 9705 homes. Policy SS3 sets out that the Plan will deliver at least 6785 net additional homes over the Plan period. This equates to some 453 dpa and will leave an unmet need of some 2920 dwellings over the Plan period. This is a significant shortfall. Is the Plan justified in not meeting the full LHN?**

- 1.1 No. The Plan is not justified in not meeting the full LNH. Policy SS3 fails to support the Frameworks objective of significantly boosting the supply of homes and supporting sustainable development.
- 1.2 The Council's justification for not meeting the objectively assessed housing need in the Borough, as required by the NPPF, relates to the protection of the green belt.
- 1.3 Paragraph 7.10 of Topic Paper (TOP001) one states that "the Council has assessed the option of amending the boundary of the Green Belt to assist in meeting the borough's local housing need in full. However, having considered the relevant policy tests, the Council does not consider that exceptional circumstances have been fully evidenced and justified to do so."
- 1.4 Overall, the Council conclude that "the Green Belt provides a strong reason for restricting the overall scale, type and distribution of development in the plan area." On this basis, the Council have taken forward a brownfield first approach and allocated a number of small sites to deliver housing, with no release of Green Belt.
- 1.5 We do not agree with the Council's approach and consider that the Council have not demonstrated strong enough reasons to justify not meeting the objectively assessed need for housing. In our view, there is insufficient evidence provided to justify why there are not exceptional circumstances for releasing Green Belt for release to support the delivery of housing.
- 1.6 The Council considered that exceptional circumstances applied previously. The Exceptional Circumstances Case Report (2016) identified five factors that were considered capable of amounting to 'exceptional circumstances' that would justify any amendments to the Green Belt boundary:
- 1 Housing Need;
  - 2 House prices and affordability issues;
  - 3 Affordable housing need;

- 4 Starter homes, self-build and custom housebuilding; and
- 5 Imbalance in housing mix.

1.7 Paragraph 7.1.1 states that the purpose of the paper is to set out the factors that the Council will recommend to the Planning Inspector which it considered are capable of amounting to exceptional circumstances, that would justify amending the green Belt boundary, as part of the preparation and examination of the new Local Plan.

1.8 The Local Plan Strategic Options 2016 (Regulation 18) consultation was informed by this evidence and identified its initial preferred approach to meeting its development need, including identification of three strategic areas within the Green Belt where the designation could be removed as they were weakly performing.

1.9 This approach was based on a Land Availability Assessment that identified the potential to deliver approximately 3,700 new homes in the urban areas by 2035, against the objectively assessed housing need of 9,480 homes for the borough (Para 2.21 ref. CON007). This left the Council with “the challenge of exploring how much of the remaining need (5,780 new homes)” can be met (Para 3.2 ref. CON007).

1.10 The issues for the borough that the Council previously considered to amount to exceptional circumstances referenced in the Strategic Options consultation (ref. CON007) included:

- Having one of the worst levels of affordability in the country coupled with an under supply of affordable homes;
- The need to deliver a better mix of new housing away from current delivery focussed on houses of four or more bedrooms; and
- The land that is being kept open for the purposes of Green Belt is no longer meeting those purposes.

1.11 It is our view that the factors previously identified as forming exceptional circumstances remain unchanged. The evidence demonstrates that these issues still exist for the borough as follows:

- The Elmbridge Annual Monitoring Report 2022/2023 confirms that only 5% of the Affordable Housing Need was met (using the affordable housing need figure of 269). In 2021/2022, only 28% of the Affordable Housing Need was met. This therefore demonstrates a chronic under delivery in affordable housing. The report confirms that there is an acute need for affordable housing (primarily social rented tenure). The housing need for affordable housing shows a requirement for larger homes.
- The Elmbridge Annual Monitoring Report 2022/2023 also confirms that current data indicates that the borough has approximately 3.81 years of housing land supply when calculated against the Local Housing Need Figure
- The LAA assessment (2022) identifies a shortfall of housing and confirms the borough’s housing need cannot be met in the urban area over a 15 year period. The shortfall is between -22% and -30% depending on if a non-implementation (of planning permissions) ratio is applied.
- The Establishing Local Housing Needs (2022) report confirms that ‘it is unlikely that the affordable housing needs of the borough will be met regardless of the housing

target' and 'housing delivery is currently via the reliance of small sites where developers often cite viability issues'.

- Topic Paper 1 confirms that Council accept that Elmbridge one of the highest average house prices in the South East and that affordability levels are amongst the highest in Surrey. In-migration pressures especially from London will continue with the result that house prices will likely continue to rise and so will, the Council believes, unaffordability levels.
- In-migration pressures especially from London will continue with the result that house prices will likely continue to rise and so will, the Council believes, unaffordability levels.

1.12 On the basis of the above, it unclear how the Council can now conclude that exceptional circumstances have not been fully evidenced and therefore not sought to address the full local housing need.

1.13 Overall, the Plan is not justified in not meeting the full local housing need as this does not comply with the NPPF is therefore unsound. The conclusions supporting the approach in the draft Plan are not considered to be sound as they are not supported by the Council's evidence. The Plan is not justified in not meeting the full housing need and is therefore not in accordance with NPPF Para 11b and 60.

**3.2 Does the approach demonstrate that the Plan has been positively prepared in accordance with paragraph 35 of the Framework and will it be effective?**

1.14 No, the approach does not demonstrate that the Plan has been positively prepared or that it will be effective.

1.15 The draft Plan has not been positively prepared in accordance with para. 35(a) as it does not provide a spatial strategy which, as a minimum, seeks to meet the borough's objectively assessed housing need.

1.16 Rather than setting out how it has positively prepared its Local Plan as required by the Framework, paras 6.40 to 6.51 of TOP001 read like a Counsel of despair. From a position of accepting that one of the Council's key challenges is the delivery of affordable homes as set out in the Council's Local Plan as recently as 2021/22, and acknowledgement that Elmbridge has one of the highest average house prices in the South East and that affordability levels are amongst the highest in Surrey, it goes on to argue the case for effectively ignoring the situation which it justifies by:

- a) disputing that delivery of more homes will improve affordability and that it would require collective action across the region to make a difference (para 6.42 and 6.43);
- b) by extension arguing that to allocate the remaining 2,918 homes in the Green Belt will not have any material effect on average house prices or unaffordability (para 6.44);
- c) paras 6.45 to 6.51 argue against the Government's First Homes policy and seek to stand that up as an argument against trying to allocate suitable sites to deliver affordable homes.

1.17 The Topic Paper argues a case for the Council to set aside any need to try to improve the position for so many of its residents. The argument at para 6.44 side-steps the advantages

of allocating that scale of growth on greenfield sites within the Green Belt which go to the very heart of the issue – they could provide meaningful contributions to the supply of affordable homes at quantities far beyond any that could be provided from the collection of small sites currently proposed to be allocated. Not only that but they can provide for the range of homes needed by the community as set out in the SHMA, again in contrast to the relatively narrow range of housing types that could be delivered on the proposed allocations.

- 1.18 Although the SHMA (2016) (HOU15) is now eight years old it makes numerous references to the link between the provision of new housing (and by implication, planning for that housing to come forward), and affordable provision (see for example para 10.10 of the SHMA). The SHMA is prescient in recognising the pressures on authorities of dealing with homelessness. This has become a greater challenge in recent years with several authorities in the south-east of England now citing it as a critical issue which has contributed to their financial crises.
- 1.19 The SHMA also recognises the importance of affordable housing provision in supporting the economy of the HMA through housing those who provide local services and other forms of lower paid employment which play an important role in the local economy and indeed to maintaining the attractiveness of the area as a place to live (HOU15, para 10.14).
- 1.20 The Council appears to acknowledge this possibility at para 5.66 of HOU001 and refers to the development of larger sites being one of the biggest opportunities that it has to meet the affordable housing need and furthermore that on such larger sites the Council of more likely to see the delivery of affordable housing on-site and at higher percentages than on small sites.
- 1.21 We would like to understand whether the first sentence of para 5.65 (HOU001) reflects the Council's position on the matter or whether it was recording the views of representors to the draft Plan? If this is reflective of the Council's position, please can it point to the evidence that justifies the statement? On its face it appears to be a rejection of the guidance at paragraph 60 of the Framework and a clear refusal to even try and meet the communities housing needs.
- 1.22 At para 5.68 the Council recognises as it does in many places in the evidence base, that the general level of need for affordable homes in Elmbridge is comparable with that in neighbouring Authorities. Several of those neighbouring Authorities (Guildford, Runnymede, Mole Valley) responded positively to this need by preparing local plans that included an element of Green Belt release to provide the range of sites (both size and whether greenfield/brownfield) to enable a greater contribution towards their needs, however Elmbridge has stopped short of that step for which we can see no good reason in the evidence base.
- 1.23 To return to the confused picture about the Council's standpoint on this question, para 5.68 ends by stating that "the need for affordable housing and the limited opportunities to deliver them within the urban areas is a driver of higher housing number". This point is left hanging and of course the draft Plan has been prepared on the basis of the standard method in name only – in practical terms it only seeks to meet around 70% of its acknowledged need, in the face of what its own evidence tells it is needed.

- 1.24 The Council's reasoning behind its spatial strategy is set out in Topic Paper 1 (TOP001). The only references to para 60 of the Framework are those that set out Government policy relevant to the task of preparing the Plan. Nowhere is it set out how the guidance at para 60 has been applied and how the Plan aims to meet it. Section 7 of TOP001 addresses the preferred spatial strategy but simply sets that out in terms of para 11 of the Framework with a focus on making the case for a strategy that excludes the release of any Green Belt sites.
- 1.25 We don't accept the case made for the finding that exceptional circumstances are not made-out and deal with that elsewhere in our submitted representations and response to question 3.1 above, however irrespective of that and in the context of para 60 of the Framework we cannot see where the Council sets out how the Plan meets this important part of the guidance. The strategy appears to conflate the principle of sustainable development with what it terms a "brownfield first" approach (TOP001, para 7.15). This is in itself not accurate as the submitted Plan is actually a brownfield-only approach. However, we cannot find where in the Council's evidence it demonstrates why its preferred approach is more sustainable than one that incorporates a blend of greenfield and brownfield sites. What is clear is that the Council appears to downplay if not ignore those objectives that its approach cannot meet in favour of the claimed benefits of protecting all of its Green Belt from development.
- 1.26 This can be seen in section 7 of TOP001 at paras 7.16 and 7.17 where it is stated at the third bullet point of 7.16 that "increasing the number of new homes and genuinely affordable homes in the borough" is one of the key principles behind the scale and location of growth, while in summarising the findings of the SA at para 7.17 on the preferred option of meeting 70% of the borough's housing need it acknowledges that this will result in "a significant negative impact for the homes SA objective as this option will not meet the housing need or mix required...".
- 1.27 We cannot find any evidence of how the preferred strategy will in fact achieve the third bullet point of para 7.16 of TOP001 and the Council's own SA concludes that this very point is a significant negative impact.

**3.3 Part 1a of policy SS3 advises the Plan will make provision for the delivery of at least 30% affordable homes. This would equate to some 2035 affordable dwellings over the Plan period. The Local Housing Needs Assessment (HOU005) sets out a net annual requirement for affordable housing of 269 units, which equates to 4035 units over the Plan period. How does the Plan propose to address this shortfall? Does this approach accord with the Framework?**

- 1.28 The Local Plan's housing requirement fails to support the NPPF's objective of significantly boosting the supply of homes and supporting sustainable development.
- 1.29 As set out below as well as in response to Matter 5, we do not see any evidence to support the Plan's claim that it will deliver 30% of homes as affordable. Furthermore, and in reference to this specific question, we cannot see any evidence to demonstrate that the Plan will address this shortfall of 2,000 affordable homes. As noted below, the evidence in fact confirms that the preferred strategy will have negative implications in terms of meeting the affordable housing need.

- 1.30 Paragraph 7.17 of Topic Paper 1 (TOP001) confirms that the Council's preferred approach will result in a significant negative impact for the homes SA objective as this option will not meet the housing need or the mix required. The Council does not propose any strategies to make-up the shortfall. Paragraph 6.15 of Topic Paper 2 Affordable Housing (TOP002) acknowledges that "it will not be possible to meet the Borough's affordable housing need in full" and goes on to state that "a strategy that seeks to protect the existing boundaries of the Borough's Green Belt and character of its urban areas is a true reflection of the communities' aspirations for the Borough." This approach places undue emphasis on what is described as the communities' aspirations. No detail is given as to what makes up these aspirations, but we do not consider that this justifies preparation of a spatial strategy that plans such a large under-delivery against the evidence of need.
- 1.31 Paragraph 6.17 of TOP002 seeks to argue that the Plan would need to allocate land for 13,600 homes in order to meet the identified need for affordable homes of 269 dpa. The logic behind that position is not clear as it does not account for the higher percentage of affordable housing that can be secured on greenfield (green belt) sites. The proposed policy for greenfield sites requires 50% affordable housing provision as contrasted with 30% on brownfield sites of 10 or more units and a financial contribution equivalent to provision of 20% on sites of 9 units or less. In practice, there are viability considerations which mean that such brownfield sites are extremely unlikely to yield anywhere close to those levels of affordable housing. Viability is stronger on greenfield sites and depending on their scale, they are generally better placed to deliver affordable housing at policy-compliant levels.
- 1.32 A spatial strategy that is entirely based on brownfield sites with 49% of the supply coming forward on small sites (Para 2.26 ref. TOP002), will not meet the needs of a number of different elements of the Borough's population. The predominance of small sites within the proposed allocations with their often acute viability issues, means that there is little or no prospect of achieving the overall delivery of 30% of the proposed district-wide housing requirement as affordable dwellings as set out in part 1a) of policy SS3.
- 1.33 Overall, the evidence confirms that the draft Local Plan will result in a significant negative impact for affordable housing. We do not consider this approach to be accordance with Paragraphs 60 to 62 of the Framework.

Word count: 2,785





**Birmingham**

0121 713 1530

birmingham@lichfields.uk

**Edinburgh**

0131 285 0670

edinburgh@lichfields.uk

**Manchester**

0161 837 6130

manchester@lichfields.uk

**Bristol**

0117 403 1980

bristol@lichfields.uk

**Leeds**

0113 397 1397

leeds@lichfields.uk

**Newcastle**

0191 261 5685

newcastle@lichfields.uk

**Cardiff**

029 2043 5880

cardiff@lichfields.uk

**London**

020 7837 4477

london@lichfields.uk

**Thames Valley**

0118 334 1920

thamesvalley@lichfields.uk

@LichfieldsUK

**lichfields.uk**