

Elmbridge Local Plan 2037 Examination of the Local Plan

Matter 4: The housing requirement

Statement on behalf of Taylor Wimpey

March 2024

Turley

Contents

1.	Introduction	3
2.	Response to Matter 4: The Housing Requirement	4

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Client
Taylor Wimpey

Our reference
TAYR3017

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1. Introduction

- 1.1 This Statement is submitted on behalf of Taylor Wimpey to Stage 2 of the Elmbridge Local Plan Examination and in response to 'Matter 4: The Housing Requirement' as set out in the Inspector's 'Schedule of Matters, Issues and Questions for Stage 2 of the Examination' (document ID-005).
- 1.2 This Statement should be read in conjunction with the other Statements submitted on behalf of Taylor Wimpey, and their representations to consultation on the draft Local Plan.
- 1.3 Taylor Wimpey has an interest in, and has actively promoted the land west of Woodstock Lane North, Long Ditton to the emerging Local Plan. The representations submitted to the Regulation 19 draft of the Local Plan included a Vision document which demonstrated how the site could be developed and a Technical Note regarding the site access arrangements and its accessibility.
- 1.4 The land promoted by Taylor Wimpey west of Woodstock Lane North, Long Ditton is currently within the Green Belt. However, at the previous consultation stage¹, this land was identified (via Options 3 and 5 (including 5a)) as a one of three 'Key Strategic Areas', including an area of retained open space and a 'Potential Development Area to be Master planned'.
- 1.5 This Statement has been prepared on the basis that the Local Plan is to be examined against the NPPF published in 2021. Unless specifically referred to, any references to the NPPF are to that version.

¹ The 'Options Consultation' undertaken in 2019

2. Response to 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

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?

- 2.1 No, the Plan is not justified in not meeting, as a minimum, the full Local Housing Need (although as we note in this Statement and elsewhere, that is a 'capped' figure).
- 2.2 The first point we note is that the requirement for 9,705 dwellings appears to be calculated over the plan period to 2037. For these purposes, and with reference to our Statement for Matter 3, we assume that the Council intends for the Plan-period to commence in 2022.
- 2.3 If, as question 2.2 (Matter 3) sets out, the Council is requested to extend the plan period to 2039, that represents an additional two years and an additional requirement (assuming the Local Housing Need figure of 647 dwellings is correct, and without having regard to the 'uncapped' LHN) of 1,294 dwellings.
- 2.4 Of course, if the Plan-period were extended beyond 2039 (as we suggest in our Statement for Matter 3) to 2040, that would result in an additional requirement of 1,941 dwellings.
- 2.5 If the Inspector concludes that the Plan-period should commence in 2021 (as is possible given question 2.1 (Matter 3)), the figures set out above would be increased by a further 647 dwellings.
- 2.6 Furthermore, if it were found that the circumstances in Elmbridge Borough justified an increased housing requirement (see our commentary elsewhere in the Statements submitted on behalf of Taylor Wimpey) due to matters such as affordable housing, then the housing requirement would need to be increased accordingly whilst also responding to any amendments to the Plan-period.
- 2.7 Notwithstanding those comments regarding the Plan-period, we note that there are other considerations, as set out in our Statement to Matter 2, which we repeat below for ease of reference.
- 2.8 The uncapped housing need figure for Elmbridge Borough would equate to 930 dwellings per annum (increased from the 845 uncapped Local Housing Need figure identified in document HOU001). As we note below, there are extreme issues associated with housing affordability in this authority.

- 2.9 Our concerns arise from a number of considerations for example:
- The fact that the Council’s proposed approach will significantly under deliver new homes against that figure (even on any ‘best case’ assumptions about delivery);
 - That the concern arising from that shortfall are brought into even sharper focus once matters such as availability, deliverability and capacity are taken into consideration;
 - The concern that the level of housing growth being pursued by the Council by considerations such as the need for affordable housing.
- 2.10 The draft Local Plan acknowledges that the borough of Elmbridge is ‘*one of the most expensive areas in the country to live*’, later describing this as ‘*a significant issue*’ and ‘*a key priority for the council*’².
- 2.11 The situation has only worsened since the draft Plan was produced, in June 2022. The Office for National Statistics (ONS) was then reporting that median house prices in Elmbridge equated to circa 17.8 years the earnings of local workers, which was indeed amongst the highest in England ranking ninth out of 309 local authorities³ (or third when excluding London boroughs). The ONS did though release new affordability ratios in March 2023, confirming that house prices in the borough over the year to the prior September equated to some 20.0 years’ earnings⁴. This was the fourth highest in the country and made Elmbridge only the fifth authority – and the first outside London – to have *ever* recorded such a severe imbalance between median house prices and earnings.
- 2.12 The borough particularly stands out for its relative lack of mid-market options. A quarter of all that bought properties in the borough during the last reported year to September 2022 paid no more than £462,000, but over twice as many were required to pay at least £700,000⁵. The gap between these two figures – respectively the lower quartile and median, typically taken as the entry-level and midpoint of the market – was, at some £238,000, the sixth largest in the country and the outright largest when excluding London boroughs. This highlights the scale of the step up from entry-level housing that is already relatively expensive in Elmbridge.
- 2.13 The draft Plan clearly acknowledges the consequences of this worsening issue, admitting that ‘*too many young people and families are moving out of the borough to have a realistic prospect of owning or renting their own home*’⁶. The subsequent release of data from the 2021 Census starkly illustrates the extent to which this is occurring, confirming that the number of younger residents aged 25 to 39 declined by

² Elmbridge Borough Council (June 2022) Regulation 19 Draft Elmbridge Local Plan 2037, paragraphs 2.7 and 6.24

³ ONS (March 2022) Housing affordability in England and Wales: 2021, Table 5c

⁴ ONS (March 2023) Housing affordability in England and Wales: 2022, Table 5c

⁵ *Ibid*, Tables 5a and 6a

⁶ Elmbridge Borough Council (June 2022) Regulation 19 Draft Elmbridge Local Plan 2037, paragraph 2.7

some 8% during the decade since the 2011 Census. This came despite the overall population growing by some 6% over the same period.

2.14 The draft Plan also describes how *'older residents are struggling to affordably downsize'*⁷. The 2021 Census again reaffirms the scale of this issue, confirming that a third (33%) of all households in the borough led by an individual at least 65 years old were living in homes containing at least four bedrooms. This is a higher figure than was recorded in all but two other authorities in England.

2.15 The draft Plan also highlights that *'the cost of housing and reliance on people travelling into the borough is...making it difficult for local businesses and valued services to attract and retain employees'*, including *'essential key workers such as teachers and health care providers'*⁸. It proceeds to emphasise that such a reliance on in-commuting *'places added pressure on the road network impacting on congestion and air quality, the causes of climate change'*⁹.

2.16 Document TOP002 explains:

- *"the borough had the **8th highest average (mean) house prices** across Surrey, London and England in 2019/20."*
- *"In 2019/20, **people would need 18 times their annual workplace-based earning to afford a mortgage on an average priced property** in Elmbridge and in 2021/22, **the exact affordability ratio was 17.78.**"*
- *"In terms of accessing the property market in Elmbridge, lower quartiles of both house prices and earnings in the borough were considered in the statement and results in an affordability ratio of 17 in 2019/20. This evidence makes clear that **opportunities for finding an affordable home in Elmbridge is limited.**"*
- *"the affordability of the private rental sector also confirms that the **rent is beyond most individuals and households' earnings** even with the lower quartiles being tested."*
- The Local Housing Needs Assessment (LHMA) 2020 and its addendum 2021 (HOU004 and HOU005) explains *"that **399 households per annum could not afford to pay market entry threshold cost and therefore, need affordable housing.** After taking account of the supply of affordable housing from relets, the net level of affordable need is estimated at **269 units per annum.**"*
- **771** affordable homes (gross) have been delivered in the Borough over 11 years since 2011/12 (at an average of around **70** per annum)

⁷ *Ibid*, paragraph 2.7

⁸ *Ibid*, paragraph 2.7

⁹ *Ibid*, paragraph 6.26

- 2.17 Document HOU005¹⁰ highlights *“it should be noted that there are currently 1,835 households on Elmbridge’s housing register who will in the main be requiring some form of affordable home.”*
- 2.18 Consequently, the level of affordable housing needs as identified in the Council’s own evidence is in stark contrast with the levels which have been delivered in previous years.
- 2.19 In that regard, we also note that the draft Local Plan is based on a brownfield led approach. In our view, it is highly likely that the principle of many of the supported sites would be acceptable regardless of this Local Plan being prepared. The Plan therefore does little than continue the current trends, and fails to significantly boost the supply of housing.
- 2.20 In our submission, the matters set out above, paint a very clear picture. This is an incredibly unaffordable place to live, where the levels of affordable housing delivered between 2011/12 and 2021/22 are drastically below the level of affordable housing need identified in the Council’s evidence, where that evidence demonstrates that even in the private rental sector rent is beyond most individuals and households’ earnings. Not only does the Local Plan fail to boost significantly the supply of housing (as per the NPPF), it fundamentally fails to provide a basis upon which these issues can be addressed.
- 2.21 Increasing the housing requirement (and supply) in the Borough is fundamental to helping to address the availability of housing and increase the availability of affordable housing in particular.
- 2.22 At the very least, the Local Plan should seek to meet (as a minimum), the Local Housing Need requirements. As the Statements on behalf of Taylor Wimpey demonstrate, there are a number of considerations which justify increasing the level of housing being planned for.
- 2.23 As per paragraph 11 of the NPPF, for plan-making, the presumption in favour of sustainable development means:
- “a) all plans should promote a sustainable pattern of development that seeks to: meet the development needs of their area; align growth and infrastructure; improve the environment; mitigate climate change (including by making effective use of land in urban areas) and adapt to its effects;*
- b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas6, unless:*
- i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area7; or*

¹⁰ Paragraph 5.106

- ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole”*

- 2.24 The Plan unquestionably fails to meet the needs of the area. The level of growth is substantially below the (minimum) Local Housing Need figure, and does not represent a positive response to the circumstances in the Borough. In order avoid, as a minimum, providing for the objectively assessed needs for housing, the criteria of 11(b) (i) or (ii) would need to be satisfied. In criterion i policies in the NPPF would need to provide a strong reason for restricting the overall scale, type or distribution of development in the plan area.
- 2.25 It is accepted that footnote 7 of the NPPF does refer to the Green Belt. However, the simple presence of Green Belt is no sufficient to restrict growth. Provided exceptional circumstances can be demonstrated, the NPPF does not imply that new homes should be restricted. This Council has published evidence (which is appended to the Statements on behalf of Taylor Wimpey) which does demonstrate those exceptional circumstances. Notwithstanding the Council’s published evidence, the housing considerations set out in this Statement (and our Statement to Matter 2) highlight the overwhelming housing issues present in this Borough. To accord with criterion ii, any adverse impacts would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole. In our submission, the circumstances here are such that this criterion would be missed by some margin.

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?

- 2.26 No.
- 2.27 A Plan will positively prepared, where it provides a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development.
- 2.28 This is not a plan which, as a minimum, seeks to meet the area’s objectively assessed need. In fact, this is a Plan which fails to achieve that objective by a substantial degree. Measured against just the Local Housing Need there is a substantial shortfall. However, that calculation is only part of the equation as this Plan also fails to address critical obstacles to accessing housing, including affordable housing, in this Borough. The Council’s evidence itself highlights the manner in which these greater levels of development can be accommodated.
- 2.29 Consequently, the Plan has not been positively prepared.
- 2.30 To be ‘effective’, the it must be deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground.
- 2.31 As we set out in our Statements on other Matters, this is not a Plan which is based on evidence as to the deliverability of sites, and the Council has not presented evidence such as a detailed trajectory which can be scrutinised.

- 2.32 The Plan is not effective.
- 2.33 For those two reasons alone, irrespective of any other considerations, this Plan is unsound.
- 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?**
- 2.34 This calculation appears to be based on 30% of 6,785 dwellings (and therefore assumes that 30% of all the housing delivered will be affordable. Indeed, that appears to be the intention of Part 1a of Policy SS3.
- 2.35 However, in our submission that is an unrealistic assumption, not supported by evidence. Firstly, the Plan is based on an approach which relies on a number of small sites, likely to deliver no affordable housing 'on-site' by virtue of Policy HOU4(1)(c). Secondly, the calculation does not take into account matters such as viability, which is likely to be of greater significance in relation to this Local Plan given the heavy reliance on previously developed land.
- 2.36 The shortfall of affordable housing is therefore likely to be greater than envisaged in question 3.3.
- 2.37 The shortfall of affordable housing is likely to be even greater when the Plan period is extended beyond 2037 for example.
- 2.38 The Inspector's question asks 'how does the Plan propose to address this shortfall'? The short answer is that the Plan cannot address the shortfall. In our view, the most reasonable solution is to conclude that additional sources of housing supply, on the land currently within the Green Belt, would be necessary in order to address the shortfall.
- 2.39 We consider that this shortfall does not accord with the Framework. This is a Plan which fails to meet the objectively assessed needs of the area, fails to address or respond to the particular housing circumstances in the Borough and fails to meet the needs of all groups in the community.

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