

ACT NOW TO AVOID A NEW HOUSING TARGET THAT THREATENS ELMBRIDGE

The only way to protect Elmbridge is for Councillors to act now - reject the Government's inappropriate top-down **Standard Method*** of assessing housing need, instruct council officials to collect robust evidence to demonstrate that 'exceptional circumstances' apply, and prepare a Local Plan that is appropriate for Elmbridge.

WHAT IS THE THREAT?

The most significant issue facing Elmbridge in 2021 is the production of a new Local Plan setting housing targets and policies. There is a severe risk that Elmbridge will use the Government's "Standard Method" to assess its housing need. This would set a minimum need of 633 households per annum for the next fifteen years totalling 9,495 – compared to the average over the last five years of 297 per annum and 2.4 times higher than the most recent independent assessment of the rise in new households (254) in Elmbridge over the same period.

Elmbridge's origins lie in historic villages connected by a rural road network. Since its creation in 1974 artificial settlement boundaries have been created and housing development permitted across natural settlements.

Since urban land is limited and little brownfield land exists, reliance would be placed on an unpredictable supply of small suburban sites. Limited land combined with unrealistic targets would lead to undeliverable housing numbers and a cycle of penalties (ie the requirement to deliver further homes) resulting in a further loss of local character and amenity.

633 | 9,495

Households per annum

15 Year Total

- MAJOR HOUSING INTENSIFICATION
- USE OF OPEN GREEN SPACES
- USE OF GREEN BELT
- MORE HIGH-RISE DEVELOPMENTS
- CRUDE SUBURBAN INFILL SCHEMES
- PRESSURE ON BASIC INFRASTRUCTURE
- PRESSURE ON GREEN INFRASTRUCTURE
- MAJOR LOSS OF CHARACTER

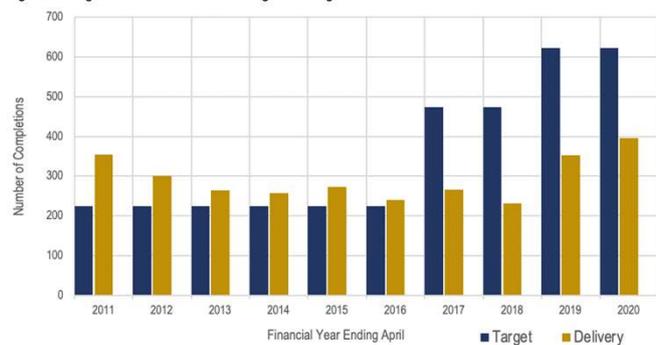
WHAT IS THE NEW HOUSING TARGET?

This is the history of actual new homes delivered and imposed minimum annual housing need.

Note the major changes in recent years from 225 to 633. This the direct result of the application of the Government's Standard Method.

The effect has been dramatic and will create a crisis to which no sensible solution exists.

Fig 1: Elmbridge Homes Delivered vs Housing Need Target



*** THE GOVERNMENT'S STANDARD METHOD ESTABLISHES MINIMUM NEED USING THREE KEY FACTORS**

<p>1. A base estimate of annual household growth using outdated 2014 Government figures</p>	<p>2. An affordability adjustment gives an uplift on the base number. It aspires to reduce house prices and make up for past under delivery of market and affordable housing.</p>	<p>3. A cap to limit the uplift to 40% in the first five years of a plan BUT with potential penalties for under delivery over the plan period.</p>
<p>452</p>	<p>786 452 x AFFORDABILITY RATIO (174%) (average house prices / average income)</p>	<p>633 452 x 140% (Capped Limit)</p>

WHAT SHOULD BE DONE?

The Government's Standard Method is simply not relevant to Elmbridge. The process for rejecting it is laid down in the National Planning Policy Framework (NPPF). Elmbridge must demonstrate local **exceptional circumstances**. The Council, as others already have, would then start from scratch and calculate its own housing need which it could robustly and objectively defend as sustainably sound before the Planning Inspectorate.

WHAT ARE THE EXCEPTIONAL CIRCUMSTANCES FOR ELMBRIDGE?

The recent introduction of the Standard Method has been to increase targets so significantly beyond actual delivery capability that it condemns Elmbridge to permanent under-performance. This would result in Government penalties and ever higher unattainable calculated needs. Yet exceptional circumstances exist to show that the Standard Method for calculation of need is not appropriate to Elmbridge:-

1. **2014 based household growth statistics should not be applied to Elmbridge**

These are self evidently historic and increasingly unreliable given Elmbridge's demographic profile. The latest 2018 ONS projections show an unusually large variance with the 2014 based figures Government insists are used. 254 new households compared to 452. The scale and effect of this disparity on Elmbridge over the next 15 years would be dramatic. Guildford BC, an adjacent borough, was allowed to use the most up to date projections (2016 base) available to them in their Local Plan before the Standard Method was adopted. Elmbridge must do the same.

2. **The affordability adjustment has no relationship to the Elmbridge housing market**

- Elmbridge has a disproportionate number of very high value houses whose frequency of sale substantially skews median house prices.
 - Local workplace earnings fail to recognise that over 50% of the working population in Elmbridge commute, mainly to London, and have earnings very much higher than the assumptions in the affordability adjustment.
 - Local workplace earnings are based on a single earner and ignore the high preponderance of dual income households in Elmbridge.
 - Prosperity and access to equity has detached house and land prices from incomes. This is amplified by the established trend of immigration from SW London and a growing proportion of over 65's with no inclination to move.
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3. **Statutory Duty to Cooperate with other boroughs has not been carried out robustly**

In particular no proper attempt has been made to engage with Guildford BC. Land released by Guildford for 2,100 homes at Wisley will draw heavily on Elmbridge infrastructure. Guildford's general housing oversupply has not been secured for Elmbridge's unmet housing need in contravention of the NPPF. Elmbridge has been exceptionally disadvantaged.

4. **Development of settlements will be unsustainable**

Elmbridge's character will be destroyed by imposing blanket development on land crudely categorised as urban but which ignores individual settlement types and demographics. This runs contrary to new draft National Design Codes that require more sophisticated settlement categorisations. The result of an annual housing target of 633 would be to create unsustainable development contrary to the NPPF.

5. **Affordable housing need will not be met**

The genuine need for affordable housing will not be met by a higher housing target as assumed by the Standard Method. The exceptional matters that drive the housing market in Elmbridge would result in yet further increases in land prices. A higher housing target would rely on small sites on which the collection of developer contributions would remain even more difficult with developers claiming even greater lack of viability due to high land prices. An exceptional bespoke solution to affordable housing is needed for Elmbridge.

Councillors must ACT now. These reasons provide highly persuasive evidence that adoption of the nationwide blanket Standard Method would be wrong. In aggregate, they constitute a powerful case for exceptional circumstances and a lower minimum housing need based on up to date and locally specific data.