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# Topic Paper 2: Affordable Housing

## Elmbridge Local Plan

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**November 2023**



**Elmbridge**  
Borough Council

*... bridging the communities ...*



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# 1 Introduction

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- 1.1 This topic paper sets out the context to the approach to affordable housing provision in the draft Elmbridge Local Plan; in particular the approach set out in policies *SS3 Scale and location of good growth*, *HOU1 Housing delivery* and *HOU4 Affordable housing*. Policy HOU4 requires the provision of affordable homes on sites of more than 10 homes and financial contributions towards the delivery of affordable housing from sites providing fewer than 10 homes.
- 1.2 Affordable housing is a key issue in the borough, with high house prices, high demand and a shortage of affordable homes. The Council commissioned and produced various documents to inform our understanding of our housing market, and the most relevant are addressed in greater detail in this topic paper.
- 1.3 The current Council Plan, [Vision 2030](#), has several goals in relation to housing and affordable housing, including:
- We will help facilitate the delivery of affordable homes in line with our Housing & Homelessness Strategy.
  - We will eliminate the use of temporary accommodation outside of Elmbridge.
  - We will minimise rough sleeping across the borough.
- 1.4 For the Council, developing and implementing the new Housing & homelessness strategy to address the housing challenges our community faces is one of the priorities for the first 3 years of Vision 2030.
- 1.5 Following consideration of several options for the approach to the spatial strategy, the strategy in the draft Elmbridge Local Plan focuses on an urban development strategy. Further details on how the development strategy for the borough was developed can be found in Topic paper 1: How the Strategy was formed (TOP001). Within this context of the urban strategy, the policies on affordable housing in the draft Local Plan seek to maximise the delivery of affordable housing. Small sites are a major source of new homes in Elmbridge and the policies in the draft Local Plan have been developed to ensure that all sites continue to contribute to affordable housing provision. Without the ability to collect affordable housing contributions on small sites, the ability of the council to provide affordable homes will be highly restricted.
- 1.6 This topic paper sets out the national policy context, provides a local policy context summarising the current justification and presents the evidence for

the draft Local Plan policy approach and in particular continuing to require affordable housing contributions from small sites.

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## 2 Policy and Legislative Context

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### National Planning Policy Framework (NPPF) and Planning Practice Guidance

#### Affordable Housing Need

- 2.1 In the context of plan making, the NPPF states within paragraph 60 that *“it is important that... the needs of groups with specific housing requirements are addressed...”*
- 2.2 Paragraphs 61 and 62 then set out the requirement for local planning authorities (LPAs) to undertake a Local Housing Needs Assessment using the standard method to assess the size, type and tenure of housing needed for different groups in the community and reflect the needs of communities in planning policies.
- 2.3 In the case of affordable housing need, paragraph 63 establishes that where a need for affordable housing is identified, planning policies should specify the type of affordable housing required, and expect it to be met on-site unless:
- a) Off-site provision or an appropriate financial contribution in lieu can be robustly justified; and
  - b) The agreed approach contributes to the objective of creating mixed and balanced communities.

#### Threshold for Affordable Housing Contributions and Small Sites

- 2.4 Paragraph 64 of the NPPF sets out that the provision of affordable housing should be sought only on major residential developments. Major development is defined in the Glossary (Annex 2) of the NPPF as development where 10 or more homes will be provided, or the site has an area of 0.5 ha or more.
- 2.5 Paragraph 64 states that *“provision of affordable housing should not be sought for residential developments that are not major developments”* and *“to support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount”*.
- 2.6 The original NPPF (published in 2012) did not address the issue of affordable housing contributions on minor sites. However, a Written

Ministerial Statement (WMS) was issued by the Secretary of State for Communities and Local Government in November 2014 which introduced an exemption from contributions for sites of 10 units or fewer and national Planning Practice Guidance (PPG) was published to reflect this.

- 2.7 In July 2015, the issuing of the WMS and PPG was successfully challenged through judicial review in the High Court; this judgement quashed the relevant parts of the PPG and the decision to introduce the policy in the ministerial statement. In May 2016 the Court of Appeal reversed that decision, holding that the Secretary of State was entitled to rely on the WMS. The PPG was amended accordingly. The exemption from the requirement to provide affordable housing on residential developments of less than 10 units was subsequently introduced in the revised NPPF published in July 2018 (updated in February 2019 and July 2021).
- 2.8 The Planning Practice Guidance on contributions, last updated in September 2019, states that *“Planning obligations for affordable housing should only be sought for residential developments that are major developments”, and that the “[Community Infrastructure] levy is the most appropriate mechanism for capturing developer contributions from small developments”* (Paragraph: 023 Reference ID: 23b-023-20190901).

#### Level of Affordable Housing Contribution and Tenure Requirements

- 2.9 Paragraph 65 of the NPPF, establishes the expectation that *“where major development involving the provision of housing is proposed, planning policies and decisions should expect at least 10% of the total number of homes to be available for affordable home ownership, unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups. Exemptions to this 10% requirement should also be made where the site or proposed development:*
- a) provides solely for Build to Rent homes;*
  - b) provides specialist accommodation for a group of people with specific needs (such as purpose-built accommodation for the elderly or students);*
  - c) is proposed to be developed by people who wish to build or commission their own homes; or*
  - d) is exclusively for affordable housing, an entry-level exception site or a rural exception site.”*

## Viability

- 2.10 In the context of setting a level of affordable housing contribution, the NPPF is clear that policies should not negatively impact development viability - *“plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Such policies should not undermine the deliverability of the plan”* (Paragraph 34).
- 2.11 PPG on viability expands on this, stating the following:  
*“...policy requirements should be informed by evidence of infrastructure and affordable housing need, and a proportionate assessment of viability that takes into account all relevant policies, and local and national standards, including the cost implications of the Community Infrastructure Levy (CIL) and section 106. Policy requirements should be clear so that they can be accurately accounted for in the price paid for land. To provide this certainty, affordable housing requirements should be expressed as a single figure rather than a range. Different requirements may be set for different types or location of site or types of development.”* (Paragraph: 001 Reference ID: 10-001-20190509)
- 2.12 *“... policy requirements, particularly for affordable housing, should be set at a level that takes account of affordable housing and infrastructure needs and allows for the planned types of sites and development to be deliverable, without the need for further viability assessment at the decision making stage”* (Paragraph: 002 Reference ID: 10-002-20190509).
- 2.13 Paragraph 58 of the NPPF notes that *“where up-to-date policies have set out the contributions expected from development, planning applications that comply with them should be assumed to be viable. It is up to the applicant to demonstrate whether particular circumstances justify the need for a viability assessment at the application stage”*.

## First Homes

- 2.14 Government introduced First Homes as a form of affordable housing through a Written Ministerial Statement which came into effect on 28 June 2021. The Government’s Guidance on First Homes defines them as follows:  
*“First Homes are a specific kind of discounted market sale housing and should be considered to meet the definition of ‘affordable housing’ for planning purposes. Specifically, First Homes are discounted market sale units which:*

- a) must be discounted by a minimum of 30% against the market value;
- b) are sold to a person or persons meeting the First Homes eligibility criteria (see below);
- c) on their first sale, will have a restriction registered on the title at HM Land Registry to ensure this discount (as a percentage of current market value) and certain other restrictions are passed on at each subsequent title transfer; and,
- d) after the discount has been applied, the first sale must be at a price no higher than £250,000 (or £420,000 in Greater London).

*First Homes are the government’s preferred discounted market tenure and should account for at least 25% of all affordable housing units delivered by developers through planning obligations.”*

- 2.15 PPG provides further detail on First Homes and their implementation. Paragraph 23 (reference ID: 70-023-20210524) sets out that *“the 25% expected First Homes contribution for any affordable product can make up or contribute to the 10% overall number of homes expected to be an affordable home ownership product on major developments as set out in the NPPF.”*
- 2.16 In addition, paragraph 4 (reference ID: 70-004-20210524) sets out that it is possible for an LPA to require higher minimum discounts of either 40% or 50% if they can demonstrate a need for this.

### **Elmbridge Core Strategy (July 2011)**

- 2.17 Policy CS21: Affordable Housing in the [Local Plan: Core Strategy \(July 2011\)](#) requires a contribution toward the provision of affordable housing on all development where there is a net increase in residential units. The level of contributions/affordable housing provision varies according to the gross number of dwellings proposed, these are set out below:
  - A financial contribution equivalent to the cost of 20% of the gross number of dwellings on sites of 1-4 dwellings.
  - 20% of the gross number of dwellings on sites of 5 dwellings.
  - 30% of the gross number of dwellings on sites of 6 – 14 dwellings.
  - 40% of the gross number of dwellings on sites of 15 dwellings or more.
- 2.9 The above approach was considered by the planning inspector at examination in 2011 to be an improvement on the former Replacement Local Plan 2000 policy, which had a threshold of 15 units, as it would maximise the delivery of affordable housing. The Inspector stated that,

*The argument that it will be impractical to deliver affordable housing on smaller sites in the borough is not supported by substantive evidence and in any event the policy is sufficiently flexible to address site-specific issues. For the above reasons I endorse Post Submission Amendment 61 in the interests of a soundly based policy framework for provision of affordable housing.'*

- 2.18 In accordance with the NPPF, Policy CS21 makes clear that the application of the above thresholds and percentages are subject to financial viability. The policy is supported by the Developer Contributions SPD 2012 which was subsequently updated and retitled in 2020 and 2021 as the [Development Contributions SPD](#). This SPD provides specific details of the negotiation process if non-viability can be robustly demonstrated and explains the Inspector's comment above with regard to flexibility.
- 2.19 The council has continued to implement Core Strategy Policy CS21 in relation to small sites financial contributions and produced an updated [Statement on Affordable Housing Provision on Small Sites in October 2021](#) justifying the approach. This document is included in Appendix 1.

### **Draft Local Plan Policies and site allocations**

- 2.20 The draft Local Plan strategic policy SS3 Scale and location of good growth, under 1a) states that "The Plan will make provision for the delivery of the following development between 2021 and 2037... at least 6,785 net additional dwellings, with at least 30% to be affordable".
- 2.21 Draft Local Plan policy HOU1 Housing delivery sets out how the Council aims to achieve deliver of 452 homes per annum, stating:

*Opportunities for housing growth in Elmbridge will be optimised to deliver a minimum of 452 homes per annum over the plan period. To achieve this the council will:*

- 1. Adopt a requirement in line with the Elmbridge Housing Trajectory.*
- 2. Deliver a minimum of 30% affordable homes across the plan period.*
- 3. Deliver homes through site allocations as detailed in Chapter 9 and as shown on the Policies Map.*
- 4. Maximise opportunities to increase the supply of additional homes on unallocated suitable and available land.*
- 5. Ensure the efficient use of land by requiring all new residential and mixed-use development to demonstrate that it represents the optimal use of land*

*and density, positively responding to the location and the appearance of the surrounding area. This may include the sub-division and/or redevelopment of large single homes into apartments or redevelopment of those sites to form smaller homes. The council will support infill\* housing developments that engage innovative approaches and are compliant with other relevant policies of this Plan.*

*6. Ensure that new homes are well designed, address different housing needs and provide a variety of housing choices, taking account of the requirements of other policies in this Plan.*

*7. Work with partners to support the regeneration and renewal of communities and their wider areas.*

*8. Resisting any developments that involve a net loss of housing, unless it can be demonstrated that the benefits of the development outweigh the harm.*

*\*inclusive of development proposals involving the complete or partial redevelopment of backland and/or residential garden land.*

2.22 The draft Local Plan affordable housing policy HOU4 proposes to reduce the level of affordable housing provision required for developments of 15 or more dwellings from 40% to 30%. It proposes to carry forward the existing small site financial contributions requirement but unlike Core Strategy Policy CS21, which requires units to be provided for schemes of 5 - 9 dwellings, Policy HOU4 will only require financial contributions of 20% affordable housing of the gross number of dwellings for all schemes of under 10 units.

2.23 The required levels of affordable housing provision/contribution are set out below:

*1. The council will require proposals to provide affordable homes on all residential developments comprising self-contained units, including but not limited to where housing for older people, age-restricted market housing, retirement living/sheltered housing or extra care is provided, as follows:*

*a) On brownfield sites of 10 or more new units, on-site provision of 30% affordable housing of the gross number of dwellings;*

*b) On greenfield sites of 10 or more new units, on-site provision of 40% affordable housing of the gross number of dwellings; and*

*c) On sites of 9 or less units, a financial contribution equivalent to the provision of 20% affordable housing of the gross number of dwellings.*

- 2.24 The caveat that financial contributions are subject to viability that is included in the existing Core Strategy policy is not included in policy HOU4, as the viability of the policy has already been assessed in the [Viability Assessment 2022](#) (OTH025). This assessment demonstrates that the required contributions towards the provision of affordable housing set out above, including the financial contribution from sites with fewer than 10 units, are viable alongside the Community Infrastructure Levy (CIL) rates and other plan requirements, such as Biodiversity Net Gain (BNG) for example. Unless there are circumstances that have arisen post adoption of the Plan, there should be no need for further viability assessment at the decision-making stage.
- 2.25 Policy HOU04 includes provision for a requirement for 40% on-site provision of affordable housing on greenfield sites. Whilst there are no specific allocations in the site allocations in the draft Local Plan that would be subject to this requirement, the requirement is included in the policy should any future planning applications come forward on greenfield sites.
- 2.26 There are 199 proposed site allocations in the draft Local Plan. Of these sites 98 are small sites (1-9 units). There are 101 proposed site allocations that would be subject to the on-site provision of affordable housing in proposed policy HOU4, resulting in a total of 1057 affordable housing units. This equates to 246 units in years 1-5, 242 units in years 6-10 and 569 units in years 11-15.
- 2.27 The financial contribution expected from small sites would be subject to contribution methodology. The approach involves approximating land value that needs to be replaced elsewhere and allowing for the cost of acquiring and servicing that land e.g. providing access and utilities. The affordable housing percentage is then applied to this figure, i.e. 20%. Due to the inputs required it is difficult to work out for each of the small sites proposed for allocation what the contribution would be. A summary of the methodology for calculating a financial contribution is set out below:

Step 1 – Open Market Value (OMV) of the relevant or comparative development

Step 2 – Multiply the OMV (Step1) by the residual land value percentage (39.2%)

Step 3 – Add 15% of the result of Step 2 to reflect site acquisition and servicing costs.

Step 4 – Apply the affordable housing policy percentage (i.e. Step 3 x 20%)

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## 3 Affordable Housing Need in Elmbridge

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- 3.1 There is a shortage of affordable homes in Elmbridge and this is presented in chapter 5 of the [Statement on affordable housing provision on small sites](#) (updated October 2021), which sets out the house prices and affordability issues facing the borough. It demonstrates that the borough had the 8<sup>th</sup> highest average (mean) house prices across Surrey, London and England in 2019/20.
- 3.2 The statement also considers affordability ratios, which is the ratio of house prices to gross annual workplace-based earnings. 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.
- 3.3 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.
- 3.4 Evidence on 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.
- 3.5 Specific evidence on affordable housing need in Elmbridge is set out in the [Local Housing Needs Assessment \(LHMA\) 2020 and its addendum 2021](#). (HOU004 and HOU005). This has been prepared in accordance with the requirements and methodology in national Planning Practice Guidance.
- 3.6 It estimates 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. This is derived from both newly arising need (newly formed households and existing households falling into need) and a backlog of need which, itself, equates to 72 dwellings per annum.
- 3.7 To put the level of affordable housing need into context, over the last 11 monitoring years (2011/12 – 2021/2022) 3,651 additional homes (both market and affordable) have been added to the housing stock (331 per annum on average). Therefore, to meet the affordable housing need of 269 dwellings per annum (2,959 dwellings over an eleven-year period), 81% of all new residential development that has occurred since 2011/12 would have

needed to be affordable. The actual gross number of affordable homes delivered since 2011/12 is 771 (Table 1), representing 26% of the 2,959 affordable homes needed over the last 11 years.

Table 1: Gross number of affordable homes delivered in Elmbridge per annum since 2011/12.

Year of delivery	Gross number of Affordable Homes delivered in Elmbridge
2011/12	70
2012/13	36
2013/14	67
2014/15	104
2015/16	78
2016/17	4
2017/18	73
2018/19	57
2019/20	126
2020/21	45
2021/22	111
<b>Total</b>	<b>771</b>

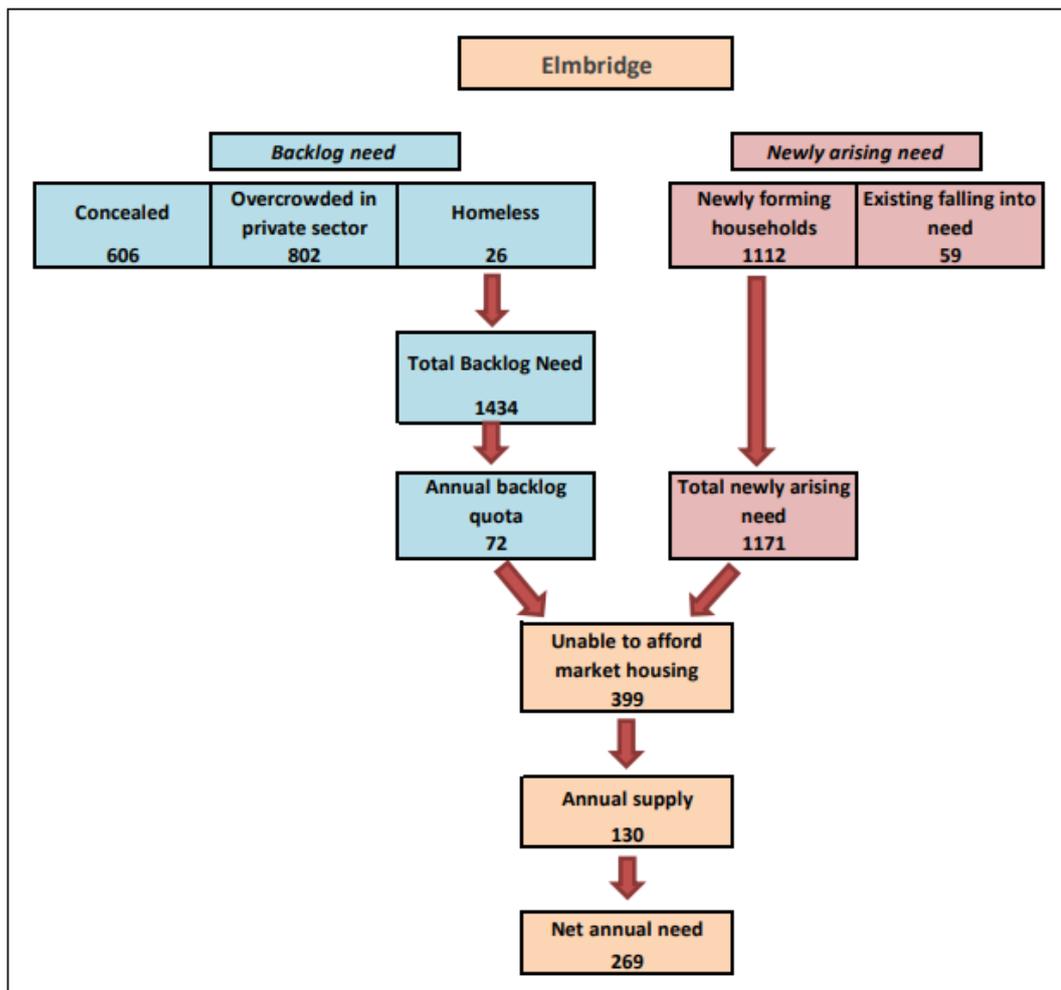
- 3.8 A clarification of the social rent requirement was published on 4 November 2021. This confirmed that 71% of affordable housing need is for rented affordable tenures and 29% is for intermediate tenures which could include elements of home ownership. Both the LHMA 2020 and the Addendum 2021 explain the breakdown and concludes the requirement for social rent is 17%.
- 3.9 The shortage of affordable housing in the borough is highlighted in various documents that have been published by the council in the last 20 years including [Housing Need Assessments](#), [Housing Strategies](#) and annual [Authorities Monitoring Reports](#),

## 4 Evidence Base

### Local Housing Needs Assessment

- 4.1 The Council appointed Cobweb Consulting to undertake and prepare a [Local Housing Needs Assessment](#) (LHNA) March 2020 (HOU005) and an [Addendum](#) dated November 2021 (HOU004).
- 4.2 The LHNA found that an estimated 399 households per annum could not afford to pay the market entry threshold cost and therefore needed affordable housing. After taking account of the supply of affordable housing from relets (130 dwellings per annum), the net level of affordable need was found to be 269 units per annum.

Figure E.1 Affordable housing needs calculation



- 4.3 The LHNA concludes that 71% of affordable housing need is for rented affordable tenures and the remaining 29% is for intermediate tenures which

could include elements of home ownership. In total, 15% of need is for one-bedroom units, 34% for two-bedrooms; 11% for three bedrooms; and 40% for four or more bedrooms.

### **Viability Assessment**

- 4.4 Elmsbridge Borough Council appointed Dixon Searle Partnership Ltd. (DSP) to undertake and prepare a [Local Plan & Community Infrastructure Levy Scoping Viability Assessment](#) of the emerging Elmsbridge Draft Local Plan 2037.
- 4.5 The assessment approach involves a method known as 'residual valuation'. This deducts estimated costs (using assumptions that reflect the usual costs of development e.g., build costs, fees, finance, marketing and sale costs and developer's profit) from the expected end value on sale of a scheme (often known as the gross development value or 'GDV'). The approach produces a surplus, hence a 'residual' or (in some cases where viability is challenging) deficit that points to the amount that could be paid for the development land (site or premises to be developed).
- 4.6 Owing to its high cost of provision, the affordable housing requirement is a key policy area that typically has a very significant influence on development viability. Review of the policy approach to affordable housing is therefore a key aspect of all local plan viability assessments.
- 4.7 The Council's viability assessment concludes that tested cumulatively in accordance with well-established good practice and consistent with the relevant guidance (principal source, the PPG) it is considered that the nature of development proposed through the Plan and its policies will be able to continue to come forward viably in support of a deliverable approach, viewed overall.
- 4.8 Regarding the level of affordable housing contribution proposed in draft policy HOU4, the viability assessment concludes that these will not undermine development viability in the borough and acknowledges that the approach reflects a viability testing informed reduction of current (adopted Core Strategy based) targets, given the updated viability view and effect of other increased requirements.

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## 5 Affordable Housing Contributions Secured and Delivery Analysis

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### Planning Permissions

- 5.1 The Council started to apply the current Core Strategy policy CS21 to all relevant planning applications registered for determination from 1 August 2011. Since then and until September 2023, 814 applications were granted permission. Of these, 676 development schemes (83%) related to sites of fewer than 10 units.
- 5.2 Additionally, 2,948 new dwellings were approved (gained planning permission/ prior approval) on sites of fewer than 10 gross units from August 2011 to April 2021. During this period 47% of approved units were on small sites providing 1 - 9 gross units. In terms of the number of homes, small sites enabled the delivery of 2,948 dwellings out of an approved 6,249 homes. 94.8% of permissions for new dwellings were on small sites representing 1,559 applications of the 1,646 applications.<sup>1</sup> Of these 1,646 applications, 1,446 (87%) development schemes were on sites of less than 0.5ha.
- 5.3 The [Statement on affordable housing provision on small sites](#) (updated October 2021) discusses the impact of the WMS on the delivery of affordable housing when the council was unable to seek contributions towards the provision of affordable housing on sites less than 10 units. To summarise, this affected 61 sites with schemes of 1 to 9 units. In total, the council was unable to collect £3.75m in financial contributions.

### Planning Appeals

- 5.4 The [Statement on affordable housing provision on small sites](#) also sets out that since August 2011, there have been 69 planning decisions where affordable housing contributions on small sites were considered by the Planning Inspectorate. Planning Inspectors agreed with the council's continued application of Policy CS21 in 53 appeals (77%), whereas in 16 appeals (23%), the Planning Inspectorate gave more weight to the Government's WMS, PPG and NPPF.
- 5.5 Since the March 2021, a further 26 appeal decisions have been made that relate to affordable housing. No decision has given more weight to the WMS, NPPF and PPG and dismissed the appeal on these grounds. The following

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<sup>1</sup> See table 5 in the [Statement on Affordable Housing provision on small sites \(update\)](#)

extract, from a Planning Inspector's report in January 2023, highlights the general view that Policy CS21 holds more weight.

*As the Council has demonstrated in detail that in the Borough there is currently a very serious market housing affordability problem, a significant unmet AH need, I accept that small sites such as in this case, make a significant contribution to housing delivery. As such these considerations outweigh the relevant parts of the Framework, PPG and the WMS in this appeal and the proposed development would comply with CS Policy CS21. The UU would deliver a financial contribution of £123,411.83 towards off-site AH. The Council has provided a plethora of appeal decisions in support of this requirement which I have had regard and consider them to be material considerations on this matter.*

*Appeal Ref: APP/K3605/W/22/3302102  
Southlands, 40 Queens Road, Weybridge, Surrey, KT13 0AR*

- 5.6 In the most recent appeal decision regarding Policy CS21 in September 2023, the Inspector concluded that:

*This policy approach is not fully consistent with Paragraph 64 of the National Planning Policy Framework (the Framework), which states that provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas. Elmbridge Borough is not a designated rural area. However, the evidence before me demonstrates there to be significant need in the Borough for affordable housing and a necessary reliance on small sites to meet this need. Also, the Council has undertaken a viability assessment to show that affordable housing contributions would not place an unreasonable and disproportionate burden on sites with fewer than 10 units.*

*There are therefore exceptional circumstances in terms of affordability and housing need in Elmbridge Borough that justify the approach taken by Policy CS21 of the Core Strategy. Given this, despite conflict with the Framework, I am satisfied that the need for an affordable housing contribution would meet the three tests set out in paragraph 57 of the Framework.*

*Appeal Ref: APP/K3605/W/23/3315205  
1 Holtwood Road, Oxshott, Leatherhead, KT22 0QL*

## Spending the Monies

- 5.7 Financial contributions collected through section 106 are held in the council's Affordable Housing Enabling Fund which currently accounts for £21,555,415 being received since April 2011. The monies received through planning obligations for the council's Housing Enabling Fund collected is published annually in the [Authorities Monitoring Report](#).
- 5.8 The [Development Contributions SPD](#) and the [Statement of Affordable Housing provision on small sites](#) contains evidence on how the enabling fund has been spent, including the schemes implemented and number of units delivered as a result.
- 5.9 Affordable housing contributions from small sites have enabled the council to support the delivery of new units, ensure the effective provision of existing stock and reduce under occupation.
- 5.10 This money can be added to other funding streams for example the Department for Levelling Up and Housing (DLUHC) 'Local Authority Housing Fund'. This combination of funding will enable the council to provide 20 affordable units including two 3- 4-bedroom homes<sup>2</sup>. Without financial contributions from small sites this amount of affordable housing would not be possible to deliver in the borough.
- 5.11 The table included in Appendix 1 illustrates the recent completions and the pipeline of delivery of affordable housing in the borough from a variety of sources over the next 2 years. The delivery of some of these homes is made possible by the monies collected on small schemes in the borough.

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<sup>2</sup> <http://mygov.elmbridge.gov.uk/documents/s46389/Local%20Authority%20Housing%20Fund%20-%20opportunities%20and%20participation.pdf>

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## 6 Consultation responses

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- 6.1 The following provides a summary of the consultation responses received in all of the Local Plan consultations undertaken between 2016 to 2022.
- 6.2 The first regulation 18 consultation, the [Strategic Options](#) opened in December 2016 and closed in February 2017. In terms of affordable housing, a specific question was asked: *“Given the need for affordable housing in Elmbridge and the nature of development sites coming forward do you agree with our approach to continue to apply Policy CS21 of the Core Strategy e.g. consider on a case by case basis whether local circumstances are sufficient to warrant the requirement of affordable housing contributions on all sites where there is a net increase in housing and where it is viable?”*
- 6.3 A range of comments were provided but 74% of respondents agreed that we should consider on a case-by-case basis whether local circumstances are sufficient to warrant the requirement of affordable housing contributions on all sites where there is a net increase in housing and where it is viable.
- 6.4 The second regulation 18 consultation, [A New Local Plan: The Options Consultation](#), opened on the 19 August 2019 and closed on the 30 September 2019. This consultation did not include a specific question on affordable housing but presented further options. Even without a specific question, there were many comments provided throughout the consultation about the lack of affordable housing in the borough.
- 6.5 A further regulation 18 consultation, [Creating our vision, objectives and direction for development management policies](#), took place in January 2020 and ran until March 2020. When asked about key issues in the borough, the issue of affordability of homes was raised with respondents highlighting the high property prices within the borough and the need to focus on delivering affordable housing to offset this. The need to attract younger residents to the borough and the need for more affordable housing for the less affluent elderly population were also mentioned as issues.

### **Regulation 19: Draft Elmbridge Local Plan 2037**

- 6.6 The regulation 19 consultation included a specific question to find out whether respondents considered the draft Local Plan policy HOU4 - Affordable Housing was legally compliant and sound and if not, what modifications were needed to make it sound.
- 6.7 There were 16 responses to the consultation questionnaire, including 6 that agreed the policy was legally compliant and sound. One respondent

welcomed the reductions in minimum requirements for affordable housing on brownfield land and stated that they were pleased the council acknowledged the challenge in delivering the current 40% requirement on sites of 15 dwellings or more.

6.8 In terms of those respondents that did not believe the policy was legally compliant or sound, the following comments were received:

6.9 Respondents agreed with the policy aim but stated that the Local Plan's urban only strategy will not allow for the delivery of affordable housing in the borough. A residents group stated that although they agreed with the need for affordable housing, the means of achieving affordable housing is unclear in the policy.

6.10 Some respondents were against the use of financial contributions on minor developments for the following reasons:

- C2 provision would become unviable.
- Does not comply with paragraph 64 of NPPF.
- Would impact on small and medium sized builders.
- Would not deliver affordable housing.
- Not allowing negotiations regarding viability assessments is restrictive.

6.11 Many planning consultants stated that relying on small sites will not deliver the affordable housing required. Evidence in the LHMA states that 3 and 4 bed affordable units are needed but these will be difficult to achieve on small sites in the urban areas.

6.12 A registered housing provider, PA Housing, provided a detailed response which stated the following key points:

- The strategy does not prioritise affordable housing
- The need for affordable housing is underestimated by the LHMA.
- Policy fails to acknowledge the need for 3 and 4 bed properties and hence these will not be delivered.
- LHNA does not take into account those forced to make their own housing requirements in the private rental sector.
- Conclusions in the 'Establishing local housing need paper' are questioned.
- Need to allocate larger sites.

6.13 The main modification suggested was to increase the overall provision of housing in the Local Plan and consequently the level of affordable housing.

## Council response

- 6.14 The Council acknowledges that Elmbridge is an expensive borough in which to live, with a high affordability ratio and an acute need for affordable homes. Through the preparation of the draft Local Plan, the Council has explored opportunities for increasing the provision of affordable housing over the plan period through increasing the delivery of market housing. However, the Council reached the decision that the exceptional circumstances required to amend the boundaries of the Borough's Green Belt through the preparation of the new Local Plan, were not fully evidenced and justified. A decision that took full account of the benefit of delivering a greater number of market homes to enable to the Council to deliver a greater proportion of its identified affordable housing need of 269 dwelling per annum (dpa), set out in the Local Housing Need Assessment (2020) (LHNA). Concluding that the benefit of doing so did not outweigh the harm in releasing and developing on the Green Belt.
- 6.15 The Council acknowledges that it will not be possible to meet the Borough's affordable housing need in full through the approach set out in the proposed spatial strategy. However, in light of the considerations set out above, it is the Council's position that the spatial strategy proposed in the Draft Elmbridge Local Plan 2037 is sound and 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.
- 6.16 Moreover, national policy and guidance do not require identified affordable housing need to be met in full (NPPF paragraph 62 and PPG Housing & Economic Needs Assessment paragraph 024). The Council also has additional models/methods of delivering affordable housing in the Borough outside of obligations/contributions through the planning process that will contribute towards addressing the Borough's need for affordable homes. For example, EBC's Housing department, working with partners, deliver 100% affordable housing schemes.
- 6.17 A simple quantitative analysis demonstrates that the approach proposed in the DELP of seeking 30% affordable housing on relevant schemes could deliver up to 135 affordable dpa if the Council's proposed housing target of 452 homes per annum (circa 6,800 dwellings over the plan period) were adopted. 135 affordable dpa is around 50% of the total 269 dpa need for affordable homes identified in the Council's LHNA. In order to deliver the full 269 dpa the Council would therefore need to broadly double the quantum of development in the DELP to 13,600 homes. A quantum of development that significantly exceeds that needed to meet the Borough identified housing need using the standard method (circa 9,500 homes) in full.

6.18 The Council's Sustainability Appraisal (SA) sets out how the Council considered and appraised an alternative strategy that would deliver a similarly large quantum of homes - 16,300 homes over the plan period through the release of green belt sites and optimisation of development in existing urban areas (see option 3 of Regulation 18 Options Consultation, 2018). Whilst this option would meet development needs, including the need for affordable housing in full, it would fundamentally alter the character of the Borough's towns and villages through coalescence, urban sprawl and encroachment of new development into the countryside due to the release of Green Belt land necessary to achieve the quantum of development. In addition, this option was found to have the most significant negative impacts of all the options considered by the Council, largely due to the impact of distributing development widely across the Borough.

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## 7 Conclusion

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- 7.1 This topic paper has highlighted the evidence that demonstrates the need for affordable homes in the Borough and the importance of the contribution of small sites in the delivery of affordable homes in the Borough's context.
- 7.2 Draft policy HOU4 seeks to address this identified need. The Council's Local Plan viability assessment concludes that the contributions required by policy HOU4 will not have a negative impact on development viability.
- 7.3 Without the ability to collect affordable housing contributions on small sites, the council will significantly limit its capacity to support the delivery of affordable housing in the borough whether through on-site provision or using financial contributions that support the delivery of affordable housing by other means e.g., the Affordable Housing Enabling Fund. Policy HOU4 will ensure that the success of existing policy CS21 in delivering affordable housing in the Borough will continue.

## Appendix 1 Affordable housing delivery schedule (as at 30 Sept 2023)

Scheme	Landlord	No. Affordable	Comment
<b>Forecasted year of delivery – 2022/23</b>			
Barnet House	EBC	4	Completed in May 2022 and first lettings took place in June. Delivery complete.
Pods, Harry Fletcher House	EBC	8	Completed Mar 23. Delivery Complete
Queens Road, Hersham	PA Housing	8	Completion and lettings first quarter of 22/23. Delivery Complete.
<b>Transform Housing – Move on</b>	Transform	<b>2</b>	Funding has been given under the Rough Sleepers Accommodation programme for 2 additional Housing First units. Property acquisition complete.
Local Authority Housing Fund	EBC	2	Units bought for Ukrainian and Afghan households, an additional 18 to purchase before December 23.
Temporary Accommodation Acquisition	EBC	<b>2</b>	2 units purchased to help meet our temporary accommodation requirement
Stompond Lane	PA Housing	<b>10</b>	Delivery complete Jan 22.
Walton Court	A2 Dominion	<b>69</b>	Delivery of all units complete in July 22.
<b>Q4 Delivery (YTD)</b>		<b>24 (81)</b>	
<b>Actual delivery 2022/23 (target)</b>		<b>105 (118)</b>	More Lane and Webster Close are slightly delayed, reducing the expected delivery this year
<b>Forecasted year of delivery – 2023/24</b>			
Ansell Hall, Walton	PA Housing	<b>10</b>	Handover due end Sept 23.
St Catherines, Thames St, Weybridge	PA Housing	<b>28</b>	Delivery delayed until Q4 23
Land adj Molesey FC, West Molesey	PA Housing	<b>26</b>	Delivery expected May 24
61-63 More Lane, Esher	PA Housing	<b>17</b>	Delivery expected Jan 24.
Rosemary House, Portsmouth Rd, Esher	Southern Housing Group	<b>11</b>	Development continues but completion has been pushed back to Mar 24
Local Authority Housing Fund	EBC	<b>23</b>	Units bought for Ukrainian and Afghan households, 12 units now purchased with an additional 9 under offer.

Temporary Accommodation Acquisition	EBC	<b>3</b>	Units purchased to help meet our temporary accommodation requirement.
<b>Grand total (forecast) for 2023/24</b>		<b>25 (118)</b>	
<b>Forecasted year of delivery – 2024/25</b>			
<b>Thames View House</b>	PA Housing	<b>97</b>	Demolition completed in Nov 22, delivery expected Dec 24
<b>Webster Close, Oxshott</b>	PA Housing	<b>23</b>	Works underway on site. Delivery expected in Q4 24/25
<b>Nursery, Manor Road, Walton</b>	PA Housing	<b>17</b>	Start on site expected Dec 24
<b>Grand total(forecast) for 24/25</b>		<b>137</b>	
<b>Sites with no confirmed delivery date</b>			
<b>Pool Road, West Molesey</b>	PA Housing	<b>87</b>	PA expect start on site by end of 23
<b>Hersham Road, Hersham</b>	PA Housing	<b>18</b>	Start on site now expected Feb 24
<b>Foxwarren, Claygate</b>	PA Housing	<b>1</b>	Not yet started on site
<b>Grand Total (forecast) 2024/25</b>		<b>106</b>	