

# Topic paper: Housing type, tenure and mix June 2017

To accompany Guildford borough Proposed Submission Local Plan: strategy and sites



## **Further information and alternative formats**

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# Contents

1. Purpose of this topic paper
2. Policy context
  - National context
  - Local context
  - Neighbourhood Plans
3. Evidence base
4. Appraisal
  - Consultation feedback
  - Appraisal
  - Housing mix
  - Housing for older people and specialist housing
  - Student accommodation
  - Travellers accommodation
  - Houses in multiple occupation
  - Self-build and custom housebuilding
  - Affordable homes
  - Rural exception homes
5. Local Plan policy approach
6. Next steps

# Topic paper: Housing Type, Tenure and Mix

## 1. Purpose of this topic paper

1.1 This topic paper is one in a series, which sets out how we have developed key strategy within the Guildford borough proposed submission Local Plan: strategy and sites document. Each topic paper will look at the relevant national and local guidance that informs the emerging draft Local Plan. This topic paper also explains how the strategy has developed and the information, evidence and feedback that has informed the choices made in formulating the policies within the proposed submission Local Plan: strategy and sites.

1.2 The intention of the topic papers is to provide background information; they do not contain any policies, proposals or site allocations. They are background documents. As the draft Local Plan evolves and moves forward we will update these topic papers as appropriate to reflect the most up to date position. All topic papers will be finalised to accompany the submission of the draft Local Plan to the Secretary of State for examination.

1.3 The key issues covered by this topic paper are:

### **Homes for all**

- Housing mix
- Housing for older people and specialist housing
- Student accommodation
- Travellers accommodation
- Houses in multiple occupation
- Self-build and custom housebuilding

### **Affordable homes**

- Need
- Viability
- Future supply
- Site size threshold for contributions and percentage sought
- Recent changes national planning law and policy

### **Rural exception homes**

## 2. Policy Context

### National context

- 2.1 Our policies must be positively prepared, justified, effective and consistent with national policy and legislation. The [National Planning Policy Framework](#) (NPPF) sets out the overarching planning policy framework, supported by [National Planning Practice Guidance](#) (NPPG).
- 2.2 The National Planning Policy Framework sets out the Government's planning policies for England; paragraphs 47 to 55, 159 and 182 in particular set out the Government's requirements for housing. Paragraph 4.70 below provides the Government's planning policy definition of affordable housing. The sections most relevant to this paper are summarised in the following bullet points.
- To deliver a wide choice of high quality homes and widen opportunities for home ownership we should plan for a mix of housing based on demographic and market trends and the needs of different groups in the community (including families with children, older people, people with disabilities, service families and people wishing to build their own homes). We should identify the size, type, tenure and range of housing required in particular locations reflecting local demand.
  - Set policies for meeting the affordable housing needed on site unless off-site provision or a financial contribution is robustly justified.
  - Plan housing development to reflect local needs, including considering whether allowing some market housing on rural exception schemes would facilitate significant additional affordable housing for local needs.
  - Prepare a Strategic Housing Market Assessment (SHMA) to assess our full housing needs, working with neighbouring authorities where we share a housing market area. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period. This should address the need for all types of housing, including affordable housing and the needs of different groups in the community, and identify the scale of housing supply necessary to meet housing demand.
  - Set out an approach to housing density to reflect local circumstances.
  - Submit a plan for examination which we consider is “sound”, namely that it is
    - positively prepared – the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development;

- justified – the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;
- effective – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- consistent with national policy – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

2.3 The [Localism Act 2011](#) places a legal duty to cooperate on all councils. The duty extends to prescribed bodies and neighbouring councils on strategic and cross boundary issues, which includes housing need. The recently enacted [Housing and Planning Act 2016](#) also has implications for our planning policies.

2.4 The National Planning Practice Guidance (NPPG) gives advice on [housing and economic development needs assessments](#), [housing and economic land availability assessments](#), and [rural housing](#).

2.5 The Housing and economic development needs assessments guidance states that we should identify the need for certain types of housing and the needs of different groups including (in summary):

- **Self-build and custom housebuilding** From 1 April 2016, local planning authorities are required to keep a register to assess demand from individuals and associations of individuals who are seeking to acquire serviced plots of land in their area to build homes for those individuals to occupy. The [Self-build and Custom Housebuilding \(Register\) Regulations 2016](#) set out the requirements. See [guidance on self-build and custom housebuilding registers](#). In order to obtain a robust assessment of demand for this type of housing in their area, local planning authorities should supplement the data from the registers with secondary data sources such as: building plot search websites, 'Need-a-Plot' information available from the Self Build Portal; and enquiries for building plots from local estate agents.
- **Family housing** Plan makers can identify current numbers of families, including those with children, by using the local household projections.
- **Housing for older people** The need to provide housing for older people is critical given the projected increase in the number of households aged 65 and over accounts for over half of the new households. Plan makers will need to consider the size, location and quality of dwellings needed in the future for older people in order to allow them to live independently and safely in their own home for as long as possible, or to move to more suitable accommodation if they so wish. Supporting independent living can help to reduce the costs to health and social services, and providing more options for older people to move could also free up houses that are under occupied. The future need for specialist accommodation for older people should be assessed, including the level of need for residential institutions (Use Class C2). Many older people may not want or need specialist accommodation or care and may wish to stay or move to general housing that is already suitable or homes which can be adapted to meet a change in their needs. Local authorities should therefore identify

particular types of general housing as part of their assessment.

- **Households with specific needs** There is no one source of information about disabled people who require adaptations in the home. The Census has information on the number of people with long-term limiting illness and information is available on the numbers of Disability Living Allowance/Attendance Allowance benefit claimants. This can provide a good indication of the number of disabled people, but not all of the people included within these counts will require adaptations in the home. Applications for Disabled Facilities Grant will provide an indication of levels of expressed need, although this could underestimate total need. If necessary, plan makers can engage with partners to better understand their housing requirements.
- **Student housing** Local planning authorities should plan for sufficient student accommodation whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus. Student housing provided by private landlords is often a lower-cost form of housing. Encouraging more dedicated student accommodation may provide low cost housing that takes pressure off the private rented sector and increases the overall housing stock. Plan makers are encouraged to consider options which would support both the needs of the student population as well as local residents before imposing caps or restrictions on students living outside of university-provided accommodation. Plan makers should engage with universities and other higher educational establishments to better understand their student accommodation requirements.
- **Travellers sites** The Department for Communities and Local Government policy document 2012 [Planning policy for traveller sites](#) sets out the national requirements for assessing the accommodation needs of travellers.

2.6 Within the guidance on [Housing and economic land availability assessment methodology](#), we are told:

- Older people have a wide range of different housing needs, ranging from suitable and appropriately located market housing through to residential institutions (Use Class C2). Local planning authorities should count housing provided for older people, including residential institutions in Use Class C2, against their housing requirement. The approach taken, which may include site allocations, should be clearly set out in the Local Plan.
- In decision-taking, evidence that development proposals for accessible and manageable homes specifically for older people will free up under-occupied local housing for other population groups is likely to demonstrate a market need that supports the approval of such homes.
- All student accommodation, whether it consists of communal halls of residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market. Notwithstanding, local authorities should take steps to avoid double-counting.

## Local context

- 2.7 Housing is a key issue of significant importance for our borough, with high house prices, high demand and a shortage of both market and affordable housing. We have commissioned or produced various documents to inform our understanding of our housing market and the most relevant documents will be addressed in greater detail in the sections below.
- 2.8 An overarching local approach to housing is set out in the Guildford borough [Corporate Plan 2015](#) to 2020. Under the themes of Our Borough and Our Society our priorities include:
- Providing for a range of housing to meet need
  - Affordable housing to help local people and key workers.
  - To allocate sites in the Local Plan for sustainable housing and employment and promote policies to shape, but also limit growth to acceptable locations, giving brownfield sites priority.
  - Ensuring that a proportion of housing proposed in the Local Plan will include both “smart” and accessible homes, according to existing and anticipated need. This includes homes that can be easily adapted for people with disabilities and also purpose-built homes for people with learning difficulties, both of which will promote independent living.

## Neighbourhood Plans

- 2.9 Neighbourhood Planning enables Neighbourhood Forums and Parish Councils to develop a vision and planning policies for their designated neighbourhood area. Those ‘Neighbourhood Plans’ which are successfully adopted will form part of the statutory development plan for the area that they cover. Where a Neighbourhood Plan is adopted or emerging before an up-to-date Local Plan is in place, the local planning authority should take it into account when preparing the Local Plan policies.
- 2.10 There is currently one adopted Neighbourhood Plan (Burpham) and one emerging Neighbourhood Plan (Effingham) within the borough. Seven other Parish Councils are also currently producing Neighbourhood Plans. Once formally adopted these documents are part of the Development Plan and carry weight in the planning process.
- 2.11 [Burpham Neighbourhood Plan](#) April 2016 policies B-FD-1 and B-FD 2 are particularly relevant to this topic paper, and state in summary:
- Policy: B-FD 1: General Development Standards states that proposals for new development, extensions and alterations to existing buildings and structures will be

expected to: make efficient use of land while respecting the density, street patterns, plot sizes, building lines, character, landscape, and biodiversity of the surrounding area.

- Policy: B-FD 2: Dwelling Mix states that proposals for new residential development will be supported which provide a full range of dwelling sizes that reflect the demographic composition of the Neighbourhood Plan area, the needs identified in the most up-to-date assessment of housing need by the local planning authority and the character of that part of Burpham as set out in Appendix 2 (part of this policy). New developments will include social housing in accordance with the policies of Guildford Borough Council.

2.12 The proposed submission Local Plan: strategy and sites policies H1 and H2 address these issues and do not conflict with the adopted Burpham Neighbourhood Plan.

2.13 The weight given to an emerging plan will depend on, among other things, the extent to which there are unresolved objections to the plan (NPPF paragraph 216). Therefore, an emerging neighbourhood plan will pick up weight once evidence of consultation is published and the level of unresolved objection is known. At time of writing, the Effingham Neighbourhood Plan has been through two statutory consultations. The plan is progressing towards examination and is accorded limited weight at this stage.

2.14 Details are available at <http://www.guildford.gov.uk/neighbourhoodplanninginformation>

## 3.0 Evidence base

3.1 The National Planning Policy Framework (paragraph 158) requires us to develop policies based on up to date and proportionate evidence. Our evidence base comprises documents that have helped inform past and current stages of our Local Plan policy development and emerging evidence that will help inform future development of policies for the Local Plan.

3.2 Evidence base and background papers relevant to this housing topic paper are:

- [West Surrey Strategic Housing Market Assessment](#) (SHMA) (2015) and [Addendum Report 2017](#)
- Guildford Borough [Land Availability Assessment](#) (February 2016) and [2017 Addendum](#) (June 2017)
- Rural Housing Needs surveys (various dates for different parishes)
- [Guildford Local Plan Viability and Affordable Housing Study 2014](#)
- [Tenancy Strategy 2013](#)
- [Guildford borough Housing Strategy 2015-20 and Housing Strategy Progress Report 2017](#)
- [Traveller Accommodation Assessment 2017](#)

- [Census 2011](#)

3.3 Further information and copies of the evidence base documents are available on the Councils website at: [www.guildford.gov.uk/newlocalplan/evidencebase](http://www.guildford.gov.uk/newlocalplan/evidencebase).

## 4.0 Appraisal

4.1 The following section brings together relevant legislation and key evidence base findings where appropriate. It highlights the main issues relevant to formulating a Local Plan policy approach for housing type, tenure and mix in our borough.

4.2 Public consultation feedback is discussed first, followed by sections appraising issues on homes for all, affordable housing and rural exception sites.

### Consultation feedback

4.3 As part of developing the Local Plan we have already consulted at the following main stages:

- Issues and options (October 2013) – which identified a range of issues and potential options for how we should plan for Guildford borough
- Draft Local Plan (July 2014) – which outlined our preferred approach for planning for Guildford borough
- Proposed Submission Local Plan (June 2016) – which included the policies and sites that we had intended to submit for examination

4.4 Following the Regulation 19 consultation in 2016, it has since become apparent that changes, some of which were more than minor, would be necessary. These changes require additional consultation in the form of a targeted Regulation 19 consultation in June/July 2017. Taken together, the two Regulation 19 consultations will constitute our consultation on the Proposed Submission Local Plan which we are intending to submit in December 2017.

4.5 Responses to these previous consultation stages have been taken into account in the preparation of the Local Plan. We have responded to the comments received to the draft Local Plan 2014 consultation in the [Consultation Statement](#) that was published alongside the Regulation 19 Local Plan (2016). This also details where we have made changes to the plan in response to comments received on the first (2016) Regulation 19 consultation. Our responses to comments received to both iterations of the Regulation 19 Local Plans will be published alongside our Submission version of the Local Plan.

## Appraisal

4.6 The National Planning Policy Framework asks us to plan for a mix of homes to meet the needs of different groups within our community; this includes families, older people, people with disabilities, service families and people wishing to build their own homes. To help create inclusive mixed communities we need to plan for a mix of homes of different sizes, types and tenures to meet the needs and demands of both our current and future population.

4.7 The key findings of the West Surrey SHMA 2015 and addendum 2017 relevant to this Topic Paper are summarised below :

- For affordable housing the focus should be on smaller properties, whilst recognising that one-bed properties have limited flexibility to changing household circumstances and therefore a higher turnover of occupants. For affordable houses there is a need for 40% one bedroom, 30% two bedroom, 25% three bedroom and 5% four bedroom affordable homes (page 131).
- There is a need for 517 affordable homes in Guildford per year (Addendum page 45), to meet the existing backlog and arising need (at a 30% income threshold).
- For market accommodation the focus of provision should be on smaller family housing. The recommended mix is for 10% one bedroom, 30% two bedroom, 40% three bedroom and 20% four bedroom market homes (page 132).
- There is a notable increase in people aged over 65 over the period to 2033 with an expected increase of 43.5% in Guildford borough. The increase in people over the age of 85 is projected to increase by 104% over the plan period (page 136).
- There is an estimated need for 433 registered care bedspaces over the plan period (in C2 use class) (SHMA addendum page 62).
- There is also an anticipated growth in the requirement for specialist housing with an estimated need for 1,061 specialist homes for older people over the plan period; these form part of the overall assessed housing need (SHMA addendum page 60).
- Due to the projected rise in the number of people with a long-term health problem or disability it is recommended that 10% of all new housing is designed to meet Building Regulations Parts accessible and adaptable standard M4(2) and 5% is designed to meet Building Regulations wheelchair standard M4 (3).
- Within the West Surrey area the number of people with a limiting long-term health problem or disability is expected to increase by around 17,800 (38%) to 2033 (paragraph 9.52), of which the vast majority of this increase (92%) is expected to be aged 65 or over. Some specialist housing could be substituted with one and two bedroomed housing built to Lifetime Homes standard to attract 'early retired' older people looking to 'down size' (page 143).

- Within Guildford Borough there are approximately 15,635 households with dependent children (page 152) and there are approximately 4,689 households containing non-dependent children (page 155).
- Within the Borough there are Ministry of Defence (MOD) bases at Ash and Pirbright and MOD personnel and their families may also seek accommodation within the wider housing market.
- There is modest interest for custom and self-build properties in West Surrey with only limited supply (page 162).
- The needs of Travellers are considered separately within the Council's Traveller Accommodation Assessment. Travellers who live in bricks and mortar housing and who were not interviewed as part of the Traveller Accommodation Assessment have their housing needs covered by the West Surrey Strategic Housing Market Assessment (page 133).

## Homes for all

- 4.8 The National Planning Policy Framework sets out in paragraph 50 that to deliver a wide choice of high quality homes and widen opportunities for home ownership we should plan for a mix of housing based on demographic and market trends and the needs of different groups in the community. We should identify the size, type, tenure and range of housing required in particular locations reflecting local demand.
- 4.9 The West Surrey Strategic Housing Market Assessment has looked at the accommodation needs of different groups in the community. Many of these needs will be met as part of the general housing supply within the overall assessed housing need for C3 use class houses through a mixture of different tenure, size and designed homes.
- 4.10 The exception to this is residential care and nursing homes (Use class C2), purpose built student halls of residence and traveller accommodation. We have assessed the need for travellers accommodation in the Travellers Accommodation Assessment and allocated sites accordingly. Whilst we do not have a set target for nursing or care homes or purpose built student accommodation or pitches or plots for households not meeting the planning definition<sup>1</sup> of traveller we acknowledge the need for this type of accommodation. We have allocated some sites for nursing homes and student accommodation and pitches and plots in response to the findings of the West Surrey Strategic Housing Market Assessment and Traveller Accommodation Assessment. The housing mix, density and need for different types of accommodation are addressed in greater detail in the following sections.

## Housing mix

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<sup>1</sup> [Planning Policy for Traveller Sites](#) (PPTS) (August 2015).

- 4.11 We want to give a genuine choice and mix of accommodation to help create balanced and inclusive communities. Using the findings of the West Surrey Strategic Housing Market Assessment (or any document which replaces it) will help to ensure that new residential development gets the balance and mix of housing right.
- 4.12 The existing Guildford Borough Local Plan 2003 policy H10 on Residential Development is no longer in force, or 'saved'. This policy addressed the mix of dwelling types and sizes and the density of development. Having these matters addressed in an up to date strategic policy is considered important.
- 4.13 We know that we need more smaller one, two and three bedroomed affordable and market homes. Ensuring new residential development provides a good mix of smaller homes will help to meet the needs of newly forming households, families and older households wishing to downsize. The provision of general market housing will also help service families seeking accommodation in our housing market area. We know that from many public consultation responses there is a desire to move away from providing 'large executive style housing' that does not necessarily meet local needs.
- 4.14 Our approach towards the density of new developments has now been included within Policy D4 'Character and design of new development'. This states that all new development will ensure appropriate density to make the most efficient use of the land whilst responding to local character and context.

## **Housing for older people and specialist housing**

- 4.15 A key challenge over the lifetime of the Local Plan is to meet the needs of an ageing population. From the findings of the West Surrey Strategic Housing Market Assessment (SHMA) and the ONS population forecasts we know that our older population is predicted to grow significantly. Within Guildford borough over the plan period there is a projected increase of 56% of residents aged over 75 years old.
- 4.16 Within West Surrey, the number of people with a long term health problem or disability is expected to increase from 18,224 to 23,875 (31%) to 2034 of which the vast majority of this increase (87%) is expected to be in age groups aged 65 or over (West Surrey SHMA Guildford addendum report 2017 paragraph 6.7). The accommodation discussed in this section of the topic paper would, in many cases, be suitable for anyone with a long term health problem or disability regardless of their age.
- 4.17 Older people are defined as people over retirement age including the active newly retired through to the very frail elderly who have a wide range of accommodation needs. From our evidence base and consultation feedback the key areas to focus on are:
- Enabling people to live independently in their homes, particularly as their needs change as they grow older, by having a range of homes, care and support options. This also helps create inclusive and sustainable communities.

- Enabling specialist accommodation provision to give people a choice when they are unable to live independently.

4.18 We recognise the importance of providing for a variety of accommodation to meet the housing needs of people as they grow older and also the housing needs of people with a long term health problem or disability. We want to minimise disadvantages and take steps to meet their accommodation needs where possible. The proposed submission Local Plan approach towards providing a housing mix of types, tenures and sizes takes this into account, in particular smaller properties to enable downsizing and more manageable accommodation. We want new homes to be adaptable and accessible so people can stay living in their own homes for as long as they wish.

4.19 Services for those in later life are predominantly the responsibility of the Social Services Authority, in our case Surrey County Council. Surrey County Council's approach is to provide flexible and needs led support for an individual regardless of where they live; they are committed to supporting people to live independently in the setting of their choice and to provide support services to help this such as telecare, telehealth, virtual wards and reablement strategies. Our approach is set out in the Guildford Borough Later Life Strategy 2012. Working collaboratively with our partners we want:

- to provide a broader range of accommodation that responds to the aspirations of older people. This can include suitable housing for downsizing or adaptations
- accommodation which enables people to live independently within the community and which is sustainable and adaptable in the long term
- new models of housing or extra care housing which can include homes with access to care and support.

4.20 The number of people with limiting long-term health problems or disability is expected to increase, the majority of whom will be over 65 years old<sup>2</sup>. It is therefore important to have an accessible and adaptable housing stock. The SHMA Guildford addendum 2017 includes the housing needs of older people within its projections and calculations but excludes registered care housing; the overall housing figure includes a projected need for 1,061 specialised housing units for older people over the plan period. This specialist housing could include self-contained one or two bedroomed housing designed to attract newly retired older people, and well-designed, adaptable and step-free accommodation which is wheelchair friendly. From the House of Commons briefing paper on Housing an Ageing Population December 2015 (page 10) we understand that the preference is for two bedrooms, giving space for family, carers, storage, hobbies or separate rooms for couples.

4.21 The Government has introduced optional technical standards for design and construction of new homes. If a Local Planning Authority wants new development to exceed the minimum requirements set by Building Regulations it must gather the necessary evidence to justify setting out such an approach in Local Plan policies. The SHMA Guildford addendum 2017 has analysed the need for specialist accommodation to be accessible, adaptable or built to wheelchair standards and recommends:

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<sup>2</sup> West Surrey SHMA Guildford addendum report page 56 paragraph 6.7

- 15% of all housing is designed to meet Building Regulations Parts M4(2) and M4(3) –two thirds of this to meet the needs of older people aged 75 plus. Of this 15% the breakdown is as follows:
  - 5% of new dwellings to meet wheelchair standards M4(3) of which 70% is provided as affordable and 30% as market housing; and
  - 10% of new dwellings are to be accessible and adaptable M4(2) of which 60% is provided as affordable and 40% as market housing.

4.22 We have updated policy H1: Homes for All to include a requirement to provide 10% of new homes as accessible and adaptable and 5% as wheelchair used accessible homes on new residential development sites of over 25 homes. Within the reasoned justification of the strategic Homes for All policy we state how we expect housing stock to be flexible, accessible, adaptable and age friendly and support the changing needs of individuals and families at different stages of life (paragraph 4.2.4). Within paragraph 4.2.11 we set out how good design, such as level thresholds, WC's at entry level and wide door openings can help make accommodation adaptable and wheelchair friendly. We have also included advice on factors such as a buildings layout and good lighting which can help people with dementia or sight-loss to continue to live as independently as possible.<sup>3</sup> This approach will help anyone with a long-term health problem or disability.

4.23 Housing for older people can fall within the planning use class of C2 or C3 or sui generis category. Use class C2 residential institutions all have an element of care, and residential care homes or nursing homes fall within this category. The West Surrey SHMA Guildford addendum 2017 has excluded the institutional population in residential care from the general household projections and identified a separate need for 433 care home bedspaces between 2015-2034 (page 62).

4.24 Whilst we do not have a set target for C2 accommodation, or a need to demonstrate a 5 year supply, we do acknowledge the need for this type of accommodation in Policy H1 of the proposed submission Local Plan. We recognise that there is a move away from traditional residential care homes and we see nursing homes being the priority over the plan period. If sufficient nursing home bedspaces are not available this could result in the frail elderly staying in hospital longer than necessary as they have no alternative place where they can be cared for.

4.25 There are recent planning permissions for C2 accommodation that total 62 bedspaces and we have identified some specific sites to provide C2 accommodation. Sites allocated in the proposed submission Local Plan include:

- Land north of Keens Lane, Guildford – 60 bedspaces
- Former Wisley airfield, Ockham – 100 sheltered/extra care homes (C2 use)

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<sup>3</sup> This reflects RTP1 guidance on Dementia page 9.

We have therefore identified 160 bedspaces against a need for 433 bedspaces up to 2034. We recently lost an appeal<sup>4</sup> to retain land in C2 use at Redwood, Epsom Road, Merrow. The Inspector concluded that:

“The loss of the existing Class C2 use would be acceptable because the market is likely to deliver the trajectory of C2 bedspaces or their equivalent in new models of provision such as Extra Care Housing. Even if the market failed to do so, I note that the estimated need of 242 C2 bedspaces, 12 a year during the ELP period, is not a target. It does not therefore carry the policy importance that attaches to the five year supply of Class C3 dwellings (5YHLS), of which it does not form a part.”

- 4.26 Within the Housing and economic land availability assessment methodology guidance, we are told that we should count housing provided for older people, including residential institutions in Use Class C2, against our housing requirement and to set out our approach in the Local Plan. Within the reasoned justification of the proposed submission Local Plan (paragraph 4.2.7) we explain that Use Class C2 residential institutions are considered separately from general housing needs.

## **Student accommodation**

- 4.27 Within Guildford we have a variety of further and higher education establishments, including the University of Surrey, the University of Law (established over seven locations including Guildford), Guildford College (which includes Merrist Wood College), the Academy of Contemporary Music and the School of Horticulture at RHS Wisley. These establishments offer a variety of further and higher education courses including under graduate courses, post graduate courses, foundation degrees, vocational higher education courses and diplomas. Some of the students on these courses will be younger, aged 16 plus.
- 4.28 Students live in a variety of types of accommodation. They may live at home with parents, in purpose built communal halls of residence (either on or off campus), in blocks of “cluster flats” specifically for student occupation (such as the recent development ‘Scape’ at Walnut Tree Close), in ‘other’ establishments (such as the YMCA) or in houses in the community. Some students also do distance learning, placement years or are part-time or postgraduates students either renting or homeowners.
- 4.29 The West Surrey SHMA Guildford addendum 2017 looks at the student population in Guildford and how it might influence the need for both student accommodation and a wider housing need. It focuses on the University of Surrey growth (which is the largest student establishment in the borough), which is predicted to increase by 3,800 additional full-time Guildford-based students over the plan period.
- 4.30 The SHMA addendum estimates that assuming 55% of students will live in halls on campus (2090 students) then there would be an additional maximum need for up to 428 C3 dwellings (23 dwellings per year) for 1,710 students over the plan period to 2034. This

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<sup>4</sup> Appeal ref: APP/Y3615/W/16/3147135 Site of former Redwood Care Home, 179 Epsom Road, Guildford.

is based on the assumption that there are 4 students per household. This separately identified student accommodation need for C3 dwellings is included within the general housing need figures.

4.31 The University have approximately 5,070 existing student bedspaces and outline planning permission at Manor Park for a total of 145,200 square metres of student and staff residential accommodation. The Manor Park Masterplan shows 4,171 bedspaces to be built, and it is understood that 1750 are completed and occupied to date. We understand that the University has a rolling program to build the remaining student bedspaces, and has current planning permission for 200 and 953 student bedspaces on the Manor Park campus, (creating a total of 2,903 existing and potential bedspaces at Manor Park).

4.32 From the Draft Local Plan Issues and Options and Local Plan Regulation 19 consultation responses we know that many local residents are concerned about the amount of students living in market housing which they consider could be occupied by families. We also recognise that students have a free choice over where they choose to live.

Our approach, as set out in the proposed submission Local Plan policy is the expectation that the University of Surrey will provide about 60% of the accommodation needs of full-time Guildford-based University of Surrey students with accommodation on campus. This is considered to be a reasonable approach as the Manor Park site was removed from the Green Belt through the last Local Plan 2003 and the Inspectors report (September 2001) states in paragraph 16.2.4 that there will be a need to increase student residential accommodation, with the aim of returning the proportion resident to about 60%. This approach is also reflected in the subsequent Manor Park UniS Development Brief 2003 prepared jointly by GBC and UniS which states in paragraph 5.2: 'The University wishes to grow from current levels of about 9,000 full time equivalent (FTE) students to accommodate about 12,500 FTE, of whom it is planned that about 60% will be resident on campus.' The University consider that providing campus accommodation over the 50 to 60 per cent rate would see higher vacancy rates as students will continue to choose to live off campus within the local community.

4.33 Within the proposed submission Local Plan, we have allocated the following sites for student accommodation:

- A18 Land at Guildford College is allocated for 200 student bedspaces
- A33 The University of Law with the potential to provide 112 student bedspaces

4.34 The Governments' Housing and economic land availability assessment methodology (National Planning Practice Guidance Paragraph: 039 [Reference ID: 3-039-20140306](#)) states that all student accommodation, whether it consists of communal halls or residence or self-contained dwellings, and whether or not it is on campus, can be included towards the housing requirement, based on the amount of accommodation it releases in the housing market. Notwithstanding, local authorities should take steps to avoid double-counting. As we have identified a separate need for on campus student accommodation, we will only count student accommodation as contributing towards the general market housing requirement if the bed spaces provided are over and above the projected need

for student accommodation and the scheme releases accommodation into the general housing market.

- 4.35 Government guidance on [Definitions of general housing terms \(November 2012\)](#) defines purpose built (separate) homes, such as a self-contained student flat clustered with four to six bedrooms, as counting as one dwelling.
- 4.36 We have considered the options which would support both the needs of the student population as well as local residents and we recognise the importance of the student population in Guildford and the contribution it makes to the development and growth of the local economy as well as contributing towards a highly skilled graduate workforce.
- 4.37 Where suitable sites exist in sustainable locations, particularly those in the town centre or urban area at low risk of flooding, the priority is the provision of new homes (C3 use) as this is considered a higher priority than the provision of purpose built student accommodation (sui generis use). Some sites in Walnut Tree Close are being promoted for redevelopment for purpose built student accommodation due to the proximity to higher education establishments. However, given the recent completion of student accommodation in this area we consider that the priority is for C3 housing, which does not preclude occupation by students. The demand for off campus student accommodation (as identified in the SHMA) is included in our objectively assessed housing figure and is being met in the Proposed Submission Local Plan through the delivery of C3 housing.

## **Travellers accommodation**

- 4.38 [Planning policy for traveller sites](#) (PPTS) was updated in August 2015 and it states we should set pitch and plot targets for travellers which address the likely permanent and transit site accommodation needs of travellers in our area. It also states that the number of pitches or plots should relate to the size and location of the site and the surrounding populations size and density; local amenity and environment should be protected and in rural settings the scale should not dominate the nearest settled community. We consider that this, alongside better integration, will be best achieved by smaller sites in a number of locations across the borough.
- 4.39 A key change introduced in PPTS is that it now excludes travellers who have ceased to travel permanently. As the planning definition of travellers has changed, this has implications for how we assess and address the need for traveller accommodation. The effect of the amendment to the planning definition of a traveller means that within a Traveller Accommodation Assessment we only need to assess the accommodation needs of travellers who meet the PPTS definition of traveller.
- 4.40 The new [Traveller Accommodation Assessment 2017](#) sets out how many traveller pitches and plots we expect to need over the local plan period. This figure is based on interviews with our Traveller community and a desktop review. The findings show that 4 permanent pitches for Travellers and 4 permanent plots for Travelling Showpeople (as defined by

Planning Policy for Traveller Sites) are required within Guildford borough between 2017 and 2034

- 4.41 The Housing and Planning Act 2016 (section 124) repealed sections 225 and 226 of the Housing Act 2004, so that local housing authorities are no longer under a duty to carry out a separate assessment of the accommodation needs of gypsies and travellers residing in or resorting to their district. Rather the requirements of the Housing Act 1985 were updated so that in fulfilling their duty to carry out periodical reviews of housing needs in their districts, local housing authorities must consider the needs of all people residing in or resorting to their district with respect to the provision of sites on which caravans can be stationed, or places on inland waterways where houseboats can be moored. Draft guidance to local housing authorities on the periodical review of housing needs, [Caravans and Houseboats](#), was published in March 2016 and follows a similar process as traveller accommodation assessments.
- 4.42 The implications of these changes seems to show a move towards assessing settled households who do not meet the planning definition of 'traveller' through a strategic housing market assessment or through the assessment of all householders in caravan and houseboat accommodation during the periodic housing review. This sits alongside the duty (in the [Equalities Act 2010](#)) to have due regard to the needs of ethnic groups including Gypsies and Travellers. Our Strategic Housing Market Assessment 2015 and addendum 2017 have not specifically addressed the need for accommodation that is culturally suitable for ethnic Gypsies and Travellers or the accommodation needs of settled Gypsies, Travellers and Travelling Showpeople (not meeting the planning definition) who live on sites.
- 4.43 At this stage the Council has not commissioned a caravan and houseboat accommodation assessment, and it is worth noting that the guidance is still in draft form with the Government unable to confirm when the final version will be published. Within the borough there are several established private sector caravan parks and we are unaware of any demand to expand or increase their capacity. This is something that market forces will to some extent provide should there be a demand. We are not aware of any travellers living on these caravan park sites. By way of information, with regards to Boat Dwellers the National Trust own and manage the River Wey and Godalming Navigation and generally do not allow people or barges to live on their boat along the canal. This restricts the ability to live on waterways in our Borough.
- 4.44 Whilst we do not need to set targets to meet the needs of Gypsies, Travellers and Travelling Showpeople who do not meet the planning definition, we know from the findings of the TAA that there is a need for 41 permanent pitches for Gypsies and Travellers and 4 permanent plots for Travelling Showpeople who do not meet the planning definition of traveller. There is also a likely need for 8 permanent pitches to meet potential additional need of households of unknown planning status. We acknowledge this need and will seek to meet it where possible.
- 4.45 Taking this approach recognises the need for culturally suitable accommodation for settled Gypsy and Traveller households who no longer meet the planning definition of travellers. The Equalities Act 2010 requires Councils to take steps to meet the needs of

people who have protected characteristics such as Romany Gypsies, and Irish and Scottish Travellers, some of whom will fall outside the planning definition of a traveller as they have permanently stopped travelling. Acknowledging their need and taking steps to provide pitches is considered to be a fair and pragmatic approach. It also provides certainty should the current High Court challenge to the planning definition of traveller be successful.

- 4.46 The number of pitches combined are lower than the 2012 Traveller Accommodation Assessment figures, which identified the need for 73 pitches and 8 plots between 2012 to 2027. The main reason for this is the change to the planning definition of traveller. The figures also cover a different timeframe and there are lower family formation rates. Also, since 2012 we have approved planning permission for a total of 24 traveller pitches; 11 of these are public pitches and 13 are private pitches. This has helped to address a significant proportion of the backlog of need for traveller pitches identified in the 2012 TAA. No new Travelling Showpeople plots have been granted planning permission since 2012.
- 4.47 The [Land Availability Assessment 2016](#) identifies land in the borough that we consider has potential to provide traveller accommodation over the plan period (whether the households meet the planning definition of traveller or not). The Proposed Submission Local Plan has identified sites for 60 pitches in total for Gypsies and Travellers (whether they meet the planning definition or not). This is not overprovision; rather it provides flexibility should new guidance on assessing travellers accommodation needs emerge or new case law be established, particularly in regard to the definition of traveller. Within the Proposed Submission Local Plan policy H1 strategic development sites of over 500 homes are required to provide Gypsy, Traveller or Travelling Showpeople accommodation whilst there remains an identified need, which gives further flexibility to adapt provision as necessary. The Traveller Accommodation Assessment identified a need for 4 plots for TSP meeting the planning definition and 4 plots for TSP not meeting the planning definition up to 2034 and 8 plots have been identified in the Proposed Submission Local Plan over the plan period.
- 4.48 The sites allocated for traveller pitches and plots in the proposed submission Local Plan range in size from one to eight pitches or plots and are a mix of public and private tenure. The provision of small-scale traveller accommodation on strategic development sites allows new traveller accommodation to be provided alongside new bricks and mortar housing, creating mixed communities and providing the same well-located accommodation with access to facilities, education and health care for travellers as for the settled community. We consider a reasonable threshold for provision of traveller accommodation on strategic residential development is on sites of over 500 homes.
- 4.49 To provide context, as there was no known availability on our public sites or within the wider area we looked at amending our Green Belt boundaries to help meet existing and future traveller accommodation needs. This is addressed in greater detail in [Volume 6 of the Green Belt and Countryside Study](#) (GBCS) (Insetting of Gypsy and Traveller Sites and defining Green Belt Boundaries within Guildford Borough) (June 2014), and is discussed in the Green Belt and Countryside topic paper.

- 4.50 The site allocations for traveller pitches and plots ( in the proposed submission Local Plan) require that ancillary buildings are no more than one storey in height, and that bricks and mortar housing or buildings capable of conversion to bricks and mortar housing are not appropriate on these sites. This recognises the sensitive location of many of these sites, particularly with regards to Green Belt and in some cases proximity to a Conservation Area. It also recognises that the site is being inset from the Green Belt for the sole purpose of delivering traveller accommodation. The amendments proposed to Green Belt boundaries to ensure delivery of traveller accommodation would not be proposed for bricks and mortar housing, therefore bricks and mortar buildings or buildings capable of being converted to bricks and mortar housing are not appropriate on these sites. The need for bricks and mortar housing is proposed to be met on other sites, including some on sites which are being inset from the Green Belt but where we do not consider that this will harm the main purposes of the Green Belt.
- 4.51 Whilst the sites proposed to be allocated at Four Acre Stables, The Orchard and The Paddocks are considered to cause harm to the Green Belt and other harm, this harm has been balanced with the benefits of these sites and the personal and particular circumstances of the families. For information, The Orchard<sup>5</sup> has recently been granted permanent planning permission at appeal for one pitch but the second pitch is proposed specifically for the future to assist the family with the care of their dependents.
- 4.52 Although the Government has changed the definition of travellers, we know from the findings of the Traveller Accommodation Assessment and our experience and knowledge of travellers in the borough, there is still a need for traditional pitches and plots whether or not a person is actively travelling. Many travellers will travel annually for a few weeks but have a settled base for most of the year; they may have ceased travelling only temporarily or they may meet the definition of a person having a nomadic habit of life. We recognise the impact of not providing traveller pitches and plots results in unauthorised encampments and developments and the associated enforcement action and appeals, or travellers resorting to living on the roadside and we want to take a responsible approach to address this. Identifying travellers accommodation needs (both for those households that meet the planning definition and those that do not) and identifying sites to help meet their accommodation needs is considered to be a sound way forward.

## **Houses in Multiple Occupation**

- 4.53 Houses in multiple occupation (HMOs) provide flexible accommodation for a range of households within the private rented sector. They are generally occupied by single people who share some facilities such as a kitchen or bathroom.
- 4.54 There are currently two types of houses in multiple occupation in planning terms; small HMOs housing between three and six people inclusive (which are classed as a “C4 Use”) and large HMOs (which are classed as a sui generis use). Planning permission is not always needed for a house in multiple occupation; Permitted development rights allow a

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<sup>5</sup> APP/Y3615/W/16/3155889 The Orchard appeal reference.

change of use of a house occupied by a single household or family (C3) to a house in multiple occupation for up to six people (C4).

- 4.55 We know from public consultation feedback that there are a mixture of views about shared houses with some people supporting their inclusion within the mix of housing types available, and others wanting to limit, licence or monitor house in multiple occupation.
- 4.56 The Strategic Housing Market Assessment (page 154) states that given a growing older population, the ability to retain young people in an area can assist in providing a more balanced demographic profile as well as supporting the local workforce and economy. However, young people find barriers to accessing housing given their typically lower income, unaffordability of home ownership and potential difficulties in securing mortgages and raising deposits and ineligibility for social housing. This contributes to the current trend of young people moving in with or continuing to live with their parents for longer. There are approximately 4,689 households within Guildford borough with non-dependent children (2011 Census). Providing houses in multiple occupation to a high standard will help younger people access housing on their own (SHMA page 162).
- 4.57 We recognise the need and demand for houses in multiple occupation in our borough due to the shortage of housing and high house prices. Whilst within the town there is a demand from students studying at higher education institutions there is also a demand from young professionals. Houses in multiple occupation provide a more affordable type of accommodation for many young professionals who are otherwise unable to afford to live in the town. However, we also recognise that the expansion of the private rented sector and houses in multiple occupation has given rise a number of perceived issues which are affecting residents. The highest concentrations of houses in multiple occupation are in the Guildford town wards of Friary and St Nicolas, Westborough, Onslow and Stoke.
- 4.58 In response to residents' concerns the Council has established an HMO stakeholders' group to raise the standards and management of HMOs, and to reduce the impact on areas with high levels of HMOs. As a result we have introduced a landlord accreditation scheme which promotes higher property and management standards by providing training to landlords and agents on their responsibilities. We have also published HMO amenity standards that we expect in houses in multiple occupation relating to room sizes, kitchen and bathroom facilities. Recent changes introduced in the Housing and Planning Act 2016 will also help to raise standards through additional enforcement powers which include charging financial penalties for non-compliance.
- 4.59 Taking all these issues into account we have proposed a policy approach that supports applications (for houses in multiple occupation for over six people) where the mix of houses and the local character will not be adversely affected, and where there is sufficient amenity space available. The recent changes to legislation and the approach of our housing colleagues issuing HMO licences and promoting accreditation will help raise the standards of houses in multiple occupation whilst our planning policy approach will influence getting the right balance of housing types in an area.

## Self-Build and Custom housebuilding

- 4.60 There is a growing interest in people wishing to build their own homes and there are two routes; self-build or custom-build. Self-build homes are where you directly organise the design and construction of your new home. This can range from a DIY self-build home, where the builder does much of the construction work themselves, to arranging an architect or contractor to design and build your home for you. Projects involving kit-home companies fall within this category. Custom-build homes are where a specialist developer can help find a site, manage the construction work and deliver your new home.
- 4.61 The [Self-build and Custom Housebuilding Act](#) became a legal Act in March 2015 and was fully implemented on 1<sup>st</sup> April 2016. This Act places a duty on relevant public authorities to keep a register of individuals and groups of individuals interested in acquiring serviced land (with road access, connections to electricity, water and waste water) in their local authority area for the purpose of self or custom build housing to occupy as a home. Under the Act local authorities must publicise the register and have regard to it when carrying out their planning, housing, land disposal (of their own land) and regeneration functions.
- 4.62 Guildford Borough Council has set up a register which provides a source of information on how much local demand there is for people wishing to build their own homes in our borough. There were approximately 87 individuals on the register in the first base period, and over 80 individuals currently on the register who are seeking plots of land in Guildford borough. Further details on the register and associated links to legislation and guidance are available on our website at [www.guildford.gov.uk/selfbuild](http://www.guildford.gov.uk/selfbuild).
- 4.63 The Self-build and Custom Housebuilding Regulations 2016 state that a relevant authority may set fees and criteria whereby only individuals who meet such conditions as the authority reasonably considers demonstrate that the individual has sufficient connection with the authority's area are eligible ('a local connections test') (Paragraph 5 (2)). New eligibility criteria and fees were discussed at Executive on 3 January 2017, and have been agreed.
- 4.64 An application fee of £25 and an annual renewal fee of £10 will now apply. To be eligible to go on the register applicants must demonstrate a 'long and substantial local connection' to the Borough, this can be demonstrated if:
- they have been living in the Borough for at least five years prior to their application; or
  - they have been working in full-time employment (greater than 16 hours per week) in the Borough for at least three years and continue to do so.
  - they are current and former personnel of the armed services (who have been out of service for less than five years) as they will automatically satisfy the local connections test.

- 4.65 The new fees and the new eligibility criteria have not as yet been introduced. We anticipate a slight drop in the number of applicants once the new criteria is introduced.
- 4.66 The West Surrey Strategic Housing Market Assessment 2015 looked at self-build opportunities and information from a website called Buildstore, and whilst there was a level of interest in June 2015 there were only six plots registered for sale within Guildford. The Strategic Housing Market Assessment concludes that it would expect most new delivery to be on small windfall sites, although there is potential to designate plots within larger schemes.
- 4.67 The [Housing and Planning Act 2016](#) received Royal Assent on 12<sup>th</sup> May 2016 and has implications for self and custom housebuilding. The Act states an authority must give suitable development permission for serviced plots of land to meet the demand for self-build and custom housebuilding within the authority's area (within three years from the end of each base period).
- 4.68 Self and custom built houses fall within the same C3 use class category as dwelling houses. There is therefore flexibility to accommodate future demand for such plots on land allocated for residential use.
- 4.69 We have set out our approach to self-build and custom housebuilding in the policy wording and reasoned justification of policy H1 of the proposed submission Local Plan. In order to meet potential demand for self-build and custom housebuilding we will support proposed developments where there is no adverse effect on local character, and we require 5% of homes on development sites of over 100 homes to be for sale as self-build and custom housebuilding plots whilst there is an identified need. We recognise that higher density residential sites for flatted development are unsuitable for self-build and custom housebuilding plots and exempt from the requirement.
- 4.70 At this stage we do not have a definitive number of self-build or custom housebuilding plots sought, but we have retained flexibility by specifying their inclusion on suitable site allocations for over 100 homes. However, this does not preclude self-build and custom housebuilding on other housing sites or on windfall sites. Sites identified in the Proposed submission Local Plan as suitable for self-build and custom housebuilding plots are as follows:
- A22 Land north of Keens Lane
  - A25 Gosden Hill Farm
  - A26 Blackwell Farm
  - A29 Land to the south and east of Ash and Tongham
  - A32 Surrey Police Headquarters
  - A35 Former Wisley airfield
  - A38 Land to the west of West Horsley
  - A39 Land near Horsley railway station
  - A40 Land to the north of West Horsley
  - A43 Land at Garlicks Arch

## **Affordable homes**

- 4.71 For the last few decades, one of the main mechanisms for delivering new affordable homes is through the planning system, where developers of market housing provide a proportion as affordable homes. Other affordable housing is provided directly by registered providers, as well as the council. We have also recently started to build our own affordable housing.
- 4.72 The NPPF glossary defines *affordable housing* for planning purposes. We use this definition in the draft Local Plan. This definition includes a requirement for affordable housing to be social rented, affordable rented and intermediate housing provided to eligible households whose needs are not met by the market. The NPPF's affordable housing definition relates the various affordable housing tenures to market rents / mortgage payments. Some forms of affordable housing may be suitable for key workers whose jobs are critical to the areas' functioning, but who cannot afford to access housing suitable for their needs in the market. This may include junior doctors and nurses, care workers and cleaners, transport staff, and shop and restaurant workers. Having affordable housing that meets their needs will reduce the need for people to travel in from further away for work.
- 4.73 Over time, Governments have widened the planning definition of affordable housing, and have changed Government funding support for affordable housing. For example, the Government added affordable rent (which nationally must be no more than 80 per cent of local market rent) to the definition of affordable housing in 2011. Prior to its introduction, rented homes provided as affordable housing had to be social rented, a tenure for which guideline rents are determined through the national rent regime. Social rented homes are much more affordable, usually provided at approximately 50 per cent of market rents. The Government has also recently consulted on a further widening of the affordable housing definition, explained later in this Topic Paper.
- 4.74 The current NPPF affordable housing definition requires that it is subject to 'in perpetuity' restrictions (i.e to be kept permanently as affordable housing) or the subsidy is recycled for alternative affordable housing provision. The Government now considers that "this limits the current availability of home ownership options for households whose needs are not met by the market", although it does not explain why, as intermediate housing includes shared ownership. Recent Government changes and further proposed changes to affordable housing definition and products are summarised in a later section of this Topic Paper.

### **Affordable housing: need**

- 4.75 The cost of housing relative to local wages is one of the key issues facing the borough. It can impact significantly on individual lives as well as on the social and economic wellbeing of the borough. This relationship between the cost of homes and wages is termed affordability.

- 4.76 Affordability is of most concern to those on the lowest earnings, including first time buyers. For this reason we measure affordability by comparing the lowest 25 per cent of earnings to the lowest 25 per cent of house prices, which gives an affordability ratio. Latest Government statistics<sup>6</sup> show that our affordability ratio is 10.86. This is much greater than England's ratio of 7.11.
- 4.77 The West Surrey SHMA 2015 used the Basic Needs Assessment Model methodology, in accordance with the NPPG, to assess the *level of affordable housing need* in the borough. To assess *affordability*, the draft Guildford SHMA looked at households' ability to afford either home ownership or private rented housing (whichever is the cheapest), without financial support. Although it is used to help those in housing need, the Private Rented Sector is not a recognised form of affordable housing.
- 4.78 In April 2016 there were 2,203<sup>7</sup> people registered in the top priority bands (A to C) of Guildford Borough Council's housing register. This means they have a "housing need" based on the 1996 Housing Act (as amended by the Homelessness Act 2002), as well as a substantive and longstanding connection to the borough via family, residence or employment. Households currently living in affordable housing who are registered as needing different size affordable accommodation are recorded on our transfer list. Our Joint Needs Register has just under 1,000 people needing to transfer. The Joint Housing Needs Register only lists people who have actually registered for affordable housing in Guildford; many other households may be in housing need but have not registered, and so are not included in the lists.
- 4.79 We allocate almost all affordable homes in the borough to households with a local connection (with the exception of a few elderly people's sheltered flats). Tenants eligible to join the housing register under Band D must have either lived in the borough for at least six out of the last 12 months prior to making an application and/or be working in the borough on a permanent basis for a minimum of 16 hours per week.

**Table 1 : Number of new affordable homes completed as part of wider market developments  
(by year)**

Year	Number of new affordable homes (gross)
2008/09	97
2009/10	50
2010/11	85
2011/12	68
2012/13	22

<sup>6</sup> ONS: Ratio of lower quartile workplace earnings to lower quartile house prices (2015 data, release date January 2017)

<sup>7</sup> Housing Strategy Statistical Update 2015-16 (<https://www.guildford.gov.uk/housingstrategy>)

2013/14	17
2014/15	68
2015/16	125

### **Affordable housing: future supply**

- 4.80 Table 1 above shows the number of new affordable homes completed in recent years and the wide variation between years. These figures show that supply of affordable housing in the borough is significantly failing to keep pace with need. Increasingly, those in housing need in the borough will have to resort to private rented housing topped up with benefits, which is neither secure nor sustainable for long term housing.
- 4.81 We have calculated likely future affordable housing supply based on Guildford's 2016 Land Availability Assessment (LAA) and 2017 Addendum on sites of at least 5 homes (gross). At 40% of the forecast total number of new homes in the updated housing trajectory (the proposed percentage requirement in policy H2 of the Regulation 19 Submission Local Plan), this would provide 4,188 affordable homes, equivalent to 32% of all the planned housing. In calculating this number, we have excluded sites that already have planning permission and those under construction (some with affordable housing secured), rural exception sites, and windfall sites. The actual number of affordable homes approved will be slightly lower than this due to the recently reintroduced "**vacant building credit**" (see later section on recent changes), which applies to brownfield sites which have vacant buildings that are to be brought back into use or demolished and replaced by new buildings. On a minority of qualifying sites, provision may be provided in the form of a financial contribution that we will use to increase provision on other sites. As a counter-balance to this, there will be supply from windfall sites.
- 4.82 We plan to increase the supply of affordable housing on public sector-owned land and built through registered local authority housing providers. The affordable housing policy in the forthcoming new Local Plan will also enable us to use Section 106 contributions from small sites, and other sites where on-site provision is not practical, to provide further affordable housing elsewhere.
- 4.83 In addition to the supply from market developments, we will also have new affordable homes provided in affordable developments undertaken by Guildford Borough Council and by other registered providers. This includes developments undertaken by the Council's new wholly owned local authority housing company (WOLAHCo), provisionally called the North Downs Housing Ltd, together with a parent company called Guildford Holdings Ltd.
- 4.84 The WOLAHCo will be liberated from many of the constraints imposed on the HRA and will be able to overcome borrowing and therefore funding limitations faced by the HRA. New tenancies or leases created for housing of different tenures can take many forms (such as assured shorthold tenancies and leasehold arrangements) but, as non-secure tenancies, will be outside of the scope of the Housing Act 1985. As such, tenants of rental accommodation provided by the WOLAHCo will not have the 'Right to Buy' (RTB).

### **Housing types contributing to affordable housing supply**

- 4.85 We will seek an affordable housing contribution from all qualifying housing developments (within Use Class C3). This includes self-contained studio flats, but does not apply to residential care homes or nursing homes, which fall under Use Class C2. Other forms of residential development for the elderly that fall under the C3 Use Class, e.g. sheltered/wardened accommodation and extra-care housing, may be required to make a provision. Such schemes will be considered on a case-by-case basis.
- 4.86 Non self-contained, purpose-built student halls/flats (a sui generis use which typically have ensuite shower rooms and shared kitchens and living areas) and student cluster flats are exempt from the requirement to contribute to affordable housing; however other general market accommodation in Use Class C3 that is intended for the use of students are liable. The Regulation 19 Submission Local Plan (2017) gives further detail of the proposed affordable housing requirement under the new Local Plan, which are to be provided on-site unless impractical due to the size and/or location of the development. Paragraphs 4.2.36-4.2.44 of the Submission Local Plan set out an overview of the intended mechanism for calculating off-site contributions from development or financial payment in lieu where on-site contributions would not be practical. The Planning Contributions Supplementary Planning Document (SPD) 2017 provides further information and includes a formula and a worked example for calculating affordable housing payments in lieu of on-site provision.

### **Affordable housing: viability**

- 4.87 We undertook early viability work on affordable housing provision in the borough in 2008, just before the economic downturn. We updated this to take account of development viability for provision of affordable housing at the depths of the recession in 2009 and 2010. In January 2015 we published the Guildford borough Local Plan Viability and Affordable Housing Study 2014 for consultation alongside our initial proposals for the Community Infrastructure Levy. This was based on the 2014 draft Local Plan. A more recent Local Plan and CIL Viability Study (October 2016) has confirmed the viability of the Local Plan policies, alongside draft CIL rates, and the range of sites within the LAA on which the delivery of the Local Plan depends.
- 4.88 Our 2016 viability evidence has confirmed that that the proportion of affordable housing that we seek from qualifying sites in the vast majority of types of sites in the borough (location, size and mix) could be viably increased to 40 per cent. As affordable housing is generally one of the largest planning contribution cost, we must ensure that overall viability of proposed developments is not compromised by this policy requirement, resulting in the delivery of the plan being put at risk.
- 4.89 Recent years have seen reduction in Government funding to assist affordable housing delivery. Our 2016 Viability Study (and its 2014 predecessor) assumed nil Government grant. The move to provision of starter homes and affordable rented homes rather than social rented homes, results in affordable homes being truly affordable to fewer local residents, but improves viability for developers.

## **Affordable Housing : Site size threshold and proportion of affordable housing sought from qualifying developments**

- 4.90 The responses to both Regulation 18 consultations were predominantly supportive of increasing the amount of affordable housing in the borough. The majority of respondents supported a reduction of the site size threshold to 0.17ha, so that more housing developments are required to contribute. There was also significant support for a requirement for a larger proportion of the homes on qualifying sites to be affordable.
- 4.91 At the second Regulation 18 consultation (on the draft Local Plan), the 'subject to viability' clause was very unpopular, with a significant proportion of respondents wanting this removed, as it was seen as a "get out clause" for developers to avoid providing affordable housing.
- 4.92 The NPPF (paragraph 205) requires local planning authorities, in seeking or considering revisions to planning obligations, to be sufficiently flexible in order to prevent planned development from stalling. As the requirements to consider viability in determining planning applications and appeals is set out in national policy and guidance, we consider it unnecessary to duplicate national policy and guidance here. Many of the respondents supported lowering the site size threshold provided doing so would not result in small schemes becoming unviable.
- 4.93 By reducing the site size threshold to five homes (gross) or more, and increasing the proportion sought to 40% from qualifying sites, we can ensure that the supply of affordable housing in the borough is increased significantly. The proposed reintroduction of a national minimum site size threshold proposed by Government, and the potential impact on our draft policy is discussed later in this paper. Our viability evidence supports a reduced threshold and a higher proportion.
- 4.94 Our Affordable Housing Viability Study 2011 (paragraph 4.2.10) shows that unless local circumstances (such as site supply) indicate otherwise, on a like-for-like basis, site size alone is not a determinant of viability. However, we recognise that a reduced threshold may potentially reduce the profit on very small housing schemes of a few homes, so that some landowners may not see the gain as enough of an incentive to sell their land. It would however reduce intentional threshold avoidance and ultimately help to provide more affordable housing to meet a clear local need.
- 4.95 A small number of responses to the Issues and Options consultation suggested that we should base the affordable housing policy on net rather than gross number of homes on a site. We have considered this suggestion, and have confirmed that this is a policy requirement and not a mitigation requirement, based on the impact of the additional number of homes on the site. The vast majority of local planning authorities use the gross number as the threshold. We will of course always be mindful of development viability, and therefore existing use value, including where there are homes already on the site. However, we will expect site and option purchases to take into account all relevant national and Local Plan policy and standards requirements, and not pay inflated prices for the land or an option on the land.

- 4.96 There are several potential ways to calculate affordable housing contributions, all of which were suggested in the responses to the two Regulation 18 consultations. We have considered using number of homes, number of bedrooms, and floor area.
- 4.97 We modelled the likely effectiveness of a policy requirement based on floor area and found that it was likely to result in decreased overall affordable housing provision. Basing the affordable requirement on floor area rather than on the number of units is also a much more complex calculation and it would make securing a suitable affordable housing mix very complicated. It is preferable to all to have a new policy that is easy to understand and to calculate.
- 4.98 It was also proposed that we should base the affordable housing requirement on *number of habitable rooms* rather than number of units. We have not pursued this option as it may result in developers constructing smaller sized market homes, which is not in line with the housing need identified in the SHMA. This was also a likely outcome of a policy based on the amount of floorspace.
- 4.99 The inclusion in the affordable housing policy of a lower site size threshold for contributions should reduce intentional threshold avoidance through the inefficient use of sites.

### **Affordable Housing: Recent changes to national planning law and policy**

#### **Impact of the 2014 Written Ministerial Statement ('Small scale developers') on our affordable housing policy**

- 4.100 Recent changes to national planning policy and guidance and key legal cases have affected the context in which our new affordable housing policy has been prepared.
- 4.101 On 28 November 2014, the Government introduced a new planning policy by way of *Written Ministerial Statement* (WMS) in order to help facilitate the delivery of smaller housing developments. This introduced a minimum threshold of 11 units (on schemes with a maximum floorspace threshold of 1,000 sq m); below which local authorities should no longer seek affordable housing and other tariff-style contributions towards wider infrastructure<sup>8</sup>.
- 4.102 In certain designated rural areas (which in Guildford borough is only Surrey Hill Area of Outstanding Natural Beauty), a lower threshold of five homes may be applied. This policy does not apply to rural exception sites. Site specific planning obligations that are needed to make development acceptable in planning terms, and planning obligations needed to secure compliance with regulatory or EU Directive requirements are also specifically excluded from this policy.
- 4.103 Alongside this policy is the *vacant building credit*. This was introduced to attempt to incentivise brownfield development by discounting any existing vacant building on the site that is to be reoccupied or demolished prior to a proposed redevelopment, and providing

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<sup>8</sup> This was later incorporated into National Planning Policy Guidance (Planning Obligations; paragraphs 012 to 023)

a financial credit to the developer equivalent to the vacant floorspace. On these types of brownfield sites, the affordable housing contributions must be calculated on a net basis, discounting existing floorspace, which will result in a smaller affordable housing contribution than the 40% for individual qualifying sites included in the new Local Plan.

- 4.104 On 31 July 2015, the 2014 Ministerial Statement was successfully quashed in the High Court by West Berkshire and Reading Councils as being unlawful, however on 11 May 2016 the Government won its Court of Appeal challenge of this decision.
- 4.105 Our adopted 2003 Local Plan affordable housing policy has a number and site size threshold of 10 homes (gross) or 0.4 hectares regardless of the number of homes for rural areas; 15 homes (gross) or 0.5 hectares regardless of the number of homes in the towns, and in East Horsley and Send parishes. The new Government policy has little impact on application of this policy. Whilst the law requires us to take this Government policy into account, we may divert from it if our evidence directs us to. In the High Court case, QC for the Secretary of State explained that:
- 4.106 *“(i) As a matter of law the new national policy is only one of the matters which has to be considered under section 70(2) of TCPA 1990 and section 38(6) of the PCPA 2004 when determining planning applications or formulating local policies (section 19(2) of PCA 2004), albeit it is a matter to which the Secretary of State considers “very considerable weight should be attached; .....  
(iv) ..if in future an LPA submits for examination local plan policies with thresholds below those in national policy, the inspector will consider whether the LPA’s evidence base and local circumstances justify the LPA’s proposed thresholds. If he concludes that they do and the local plan policy is adopted, then more weight will be given to it than the new policy in subsequent decisions on planning applications.”*
- 4.107 A [letter from the Planning Inspectorate](#) was issued to the London Borough of Richmond upon Thames in March 2017, apologising for inspectors’ “*errors in approach and judgement*” in two appeal decisions in which they had afforded considerably lesser weight to Local Plan affordable housing policies that pre-dated the WMS. This letter clarifies national policy and justifies the argument for Local Plans deviating from the 11-unit threshold where there is sufficient evidence of local need for affordable housing.
- 4.108 The Regulation 19 Submission Local Plan proposes a lower minimum affordable housing threshold than that set in national policy, of five or more homes, or sites of 0.17 ha or more regardless of the number of homes. We have decided that this is the most appropriate approach, based on considerations of local need for affordable housing, evidence of development viability across the borough, and level of support expressed during local plan consultations for greater provision of affordable housing across the borough.

## **Starter homes**

- 4.109 A new policy introducing *Starter Homes Exception Sites* was introduced by WMS on 2 March 2015. These sites must be commercial and industrial land that is either under-used or unviable in its current or former use, and which has not currently been identified for housing. These starter homes should be offered for sale for at least 20% below open market price to first time buyers under the age of 40. Re-sale and letting of such properties at open market value should be prevented for five years. Pooled planning contributions, and affordable housing should not be sought from starter homes developments.
- 4.110 We prepared a very thorough [Land Availability Assessment](#) and considered land suitable for retaining and intensifying for employment use as part of the new Local Plan, as required by the NPPF and NPPG. There are therefore unlikely to be many such sites that we have not already identified (although the minimum threshold for inclusion in the Land Availability Assessment is five homes).
- 4.111 The [Housing and Planning Act 2016](#) enacted in May 2016 defined and introduced starter homes, and the general duty for local planning authorities to promote the supply of starter homes into law. However, starter homes do not currently fall within the national planning policy definition of affordable homes (NPPF glossary).

## **Proposed change to the NPPF definition of affordable housing**

- 4.112 In late 2015, the Government published for consultation its proposed changes to the National Planning Policy Framework (NPPF). The proposed NPPF changes include a fundamental change to the planning definition of affordable housing that will remove the requirement for affordable housing to be subject to 'in perpetuity' restrictions, or for the subsidy to be recycled. The Government considers this requirement "stifling to innovation". Low cost market housing such as "Rent to Buy" will also be brought within the planning definition of affordable housing (low cost market housing is currently specifically excluded from the affordable housing definition). Other proposed changes include broadening the definition of affordable housing to include starter homes.

## **Rural exception homes**

- 4.113 As there are generally fewer opportunities for development in small rural villages, rural exception sites provide permanent affordable housing for local needs in rural areas on land that would not otherwise be acceptable for development. The requirements for rural exception housing are set out in national policy (NPPF paragraph 54 and glossary) and national guidance.
- 4.114 These tend to be developments of less than 15 homes on around half a hectare, although the new policy provides flexibility to accommodate the local housing needs of each parish.
- 4.115 These sites are crucial in providing cheaper land for affordable homes, as the land values are significantly less than the land values of land for market housing. The NPPG states

that rural exception sites are exempt from the 10-unit and 1,000 sq m gross floor space threshold for s106 planning obligations.

- 4.116 As with bricks and mortar housing, a rural exception policy can be used to provide small-scale affordable traveller accommodation on land that would not normally be used for this use. This approach can help meet the need of the local community by providing affordable accommodation for travellers that either live or work in the area or have a family or employment connection. [CLG's Planning policy for traveller sites \(2015\)](#) Policy D sets out the criteria and states rural exception sites should only be for affordable traveller sites in perpetuity.

## 5.0 Local Plan Policy Approach

- 5.1 The strategy on housing type, tenure and mix in the draft Local Plan responds to the requirements of national policy and the results of our evidence. The following section sets out the Local Plan approach taken to homes for all, affordable housing and rural exception housing following consideration of the evidence base including planning law, policy, guidance, facts, figures, research and the public and Councillors feedback and professional opinions.

### Homes for all

- 5.2 Our aim is to have a wide choice of homes to meet a range of accommodation needs, delivered through a policy with flexibility to give appropriate regard to the development sites size, characteristics and location. The latest Strategic Housing Market Assessment will inform this approach. New development should provide a mix of housing tenures, types and sizes as appropriate to the site size, characteristics and location. We will encourage specialist accommodation in appropriate sustainable locations, and we will not permit the net loss of all housing including housing sites allocated in the Local Plan. Development that results in the net loss of C2 use class or C3 use class or traveller accommodation, including sites allocated for such use in the Local Plan will not be permitted.
- 5.3 For residential developments of 25 home or more we will require 10% of new dwellings to be accessible and adaptable ((Building Regulations M4 (2) category 2) and 5% of new dwellings to be wheelchair user accessible dwellings (Building Regulations M4 (3)(2)(b) category 3). These 5% and 10% quotas will be calculated across the whole of an approved development, but on larger schemes where there is a requirement for self-build and custom house building plots (see paragraph 5.8), the accessible dwellings should be provided on the parts of the site that are not designated for self and custom-build homes.
- 5.4 The provision of well-designed specialist forms of accommodation in appropriate sustainable location is encouraged, taking into account local housing needs.

- 5.5 We will encourage student accommodation on campus locations where appropriate, and expect about 60 per cent of full time Guildford-based University of Surrey students population to be provided with accommodation on campus.
- 5.6 Sufficient sites are allocated within the Local Plan for Gypsy, Traveller and Travelling Showpeople accommodation needs. These sites are for a mix of tenures on small-scale appropriate sites and also as part of the larger strategic sites of over 500 homes.
- 5.7 Proposals for houses in multiple occupation that require planning permission will only be supported where there is sufficient amenity space and the balance of housing types and character of the immediate area would not be adversely affected.
- 5.8 Self-build and custom housebuilding is supported and on development sites of 100 homes or more 5% of homes shall be available as self-build and custom housebuilding plots.
- 5.9 Through our evidence base we have assessed all types of accommodation as required by the National Planning Policy Framework and Planning Policy for Traveller Sites. The policy approach adopted is considered to meet national policy and guidance in regards to delivering a wide choice of high quality homes and to widen opportunities for home ownership; the wording of policy H1 allows us to plan for a mix of housing based on demographic and market trends and the needs of different groups in the community. Through the current Strategic Housing Market Assessment and the Traveller Accommodation Assessment we have identified the size, type, tenure and range of housing required in our borough which reflects local demand.
- 5.10 The reasoned justification which supports the policy has been amended and up dated and includes the findings from the 2015 SHMA and 2017 SHMA Guildford addendum.
- 5.11 We have re-drafted and amended the wording of this policy and the reasoned justification, where appropriate, to reflect feedback from the Regulation 18 and Regulation 19 public consultations.
- 5.12 By requiring new residential development to deliver a wide choice of homes to meet a range of accommodation needs the policy will help to deliver the accommodation we need in the borough over the lifetime of the Local Plan.

## Affordable housing

- 5.13 In drafting the affordable homes policy we have taken into account :
- the scale and detail of affordable housing **need** of current and future borough residents (identified by the SHMA)
  - assessments of economic **viability** of housing developments (including other planning contributions, standards and potential future CIL rate(s))
  - likely sources and quantum of future **supply**
  - **comments** made and **evidence** submitted in response to previous drafts of the Local Plan

## Rural exception homes

- 5.14 National Government policy has for many years included provision for small developments for local needs affordable housing that can be permanently secured as such. These rural exception developments must contribute to the needs of the local community, housing either current residents of the parish or people with a family or employment connection.
- 5.15 Rural exception homes must be built only on land that otherwise would not be suitable for housing (because they are located in the green belt). To qualify as rural exception housing, these homes must be permanently secured as affordable housing (as secondary Government legislation exempts them from the right to buy or to acquire).
- 5.16 In accordance with Government policy introduced in 2012 (in the NPPF), we will consider permitting a minimum number of market homes in a rural area where a developer demonstrates that a rural exception development would be unviable without public subsidy or inclusion of some market housing, and there is no alternative suitable site to accommodate local housing needs. We will not accept this argument on developments that have paid an inflated price for land for rural exception housing.

## 6.0 Next steps

- 6.1 The draft Local Plan strategy on housing type, tenure and mix responds to the requirements of national policy and the results of our evidence  
The Proposed Submission Local Plan: strategy and sites (June 2017) will be subject to public consultation for 6 weeks from 9 June to 24 July 2017. This public consultation will be focused solely on the proposed changes made to the Draft Local Plan 2016; these changes are identified as such in the Proposed Submission Local Plan 2017. This is described as a targeted consultation.
- 6.2 Following this, all comments and representations relating to changes made to the 2016 Draft Local Plan during the consultation period will be considered. Consideration will then

be given to any amendments deemed to be necessary to the plan and a decision taken on whether to consult further or to formally submit the plan to the Secretary of State. For more information please visit: [www.guildford.gov.uk/newlocalplan](http://www.guildford.gov.uk/newlocalplan).

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