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By email only to: planningpolicy@guildford.gov.uk

Local Plan Consultation
Guildford Borough Council
Millmead
GU1

Dear Sirs,

Objections to Local Plan and Main Modifications

1 MM2: Housing Target for Guildford not based on objective appraisal of housing need

MM2 proposes to increase the Housing Target slightly from 12,425 homes to 12,600 despite the fact that the Office for National Statistics (ONS) projections for the number of people in the borough over the plan period has fallen significantly.

This is an abuse of the Local Planning Authority's discretion and a departure from the requirements of the NNPF. If approved by the Inspector it would amount to a blatant disregard for the environmental dimension of sustainable development and the obligation to protect and enhance biodiversity as required in NNPF para 7¹.

It fails to take into consideration the latest Office for National Statistics (ONS) projections. As such it has no pretensions to objectivity and is intellectually incoherent.

¹ There are three dimensions to sustainable development: economic, social and environmental. These dimensions give rise to the need for the planning system to perform a number of roles:

- an economic role – contributing to building a strong, responsive and competitive economy, by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation; and by identifying and coordinating development requirements, including the provision of infrastructure;
- a social role – supporting strong, vibrant and healthy communities, by providing the supply of housing required to meet the needs of present and future generations; and by creating a high quality built environment, with accessible local services that reflect the community's needs and support its health, social and cultural well-being; and
- an environmental role – contributing to protecting and enhancing our natural, built and historic environment; and, as part of this, **helping to improve biodiversity**, use natural resources prudently, minimise waste and pollution, and mitigate and adapt to climate change including moving to a low carbon economy.

It will provide further evidence of a government agenda to force additional house building onto the area in defiance of economic logic and local opinion.

The office for National Statistics (ONS) has issued its latest projection for the growth in the number of households over the period from 2016 to 2041. These statistics project how many new households are likely to be formed in each borough in England over that period.

LPA's are required to estimate the 'objectively assessed need' for housing in their areas. The foundation of this assessment is supposed to be a Strategic Housing Market Assessment based on statistical projections of population growth and household formation. The LPA has never disclosed publicly the calculations it has used. This contravenes the advice given by a number of government publications and expert groups. It is a procedural irregularity.

The Public in Guildford had expected that the Examination in Public would oblige the Council to disclose the calculation for public scrutiny. In fact the Inspector presided over a bizarre exercise in which certain of the underlying assumptions for economic growth were disclosed only to parties in the room, mostly lawyers representing property developers. This failed to meet the requirements of the NPPG, best practice, or common standards of public disclosure.

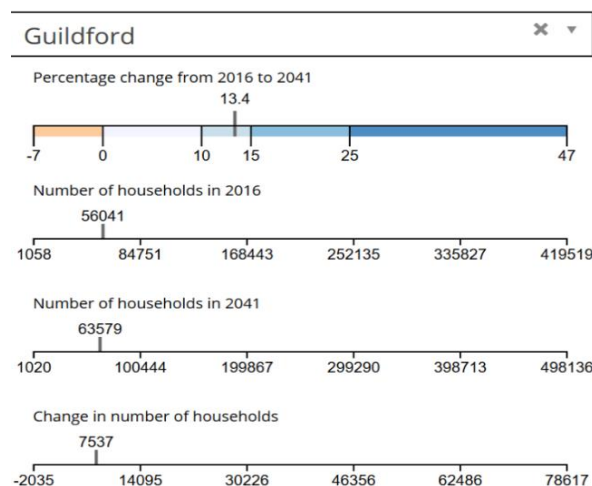
The ONS released new household projection figures, which can be found on this internet link: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/2016basedhouseholdprojectionsinengland/2016basedhouseholdprojectionsinengland#toc>

The NPPG states that the Public should be able to reproduce the bones of the relevant calculations. The computations below use the ONS household projections together with the DCLG's controversial 'standard' method' of calculating housing need. The figures demonstrate that

1. The Housing Target set by the LPA exceeds the OAN by 120%.
2. The Housing Target exceeds even the 'standard method' figure, which itself is a figure that lacks any rational economic justification, by over 40%.

The number of years in the ONS projection period and in Local Plan differ. However the ONS figures can reasonably be pro rated in order to find the growth in households forecast over the Local Plan period.

This is the table from the ONS website showing its projected growth in households in Guildford:



The pro rated ONS growth in households is 5,729 homes. The Housing Target set in the Local Plan is 12,600. The Housing Target is therefore well over double the growth in households:

ONS household projections			
GUILDFORD BORO COUNCIL	ONS figures		Proposed Local Plan Housing Target
	000s		000s
Projection period	2016 to 2041		
No of years	25		
No of households in 2016	56,041		
No of households in 2041	63,579		
Projected change in # households	7,538	pro rated # of households	
ONS PROJECTION			
Guildford housing need		5,729	11,970
Guildford share of Woking housing need			630

Total Guildford Housing Target			12,600
Excess of Housing Target over ONS increase in households			220%

A detailed computation of Housing Need legitimately takes into account a range of factors in addition to demographic growth and household formation. The two key factors are economic growth and job formation and local house prices.

The LPA 'big up' these factors for no better reason than political ambition. Examination of the forecasts for economic growth in Guildford reveal that the area is not some sort of miniature 'silicon valley' with immense growth potential. Its economy is in fact typical of the satellite commuter towns around London. The largest economic units in the area are in fact government agencies eg the Police and Fire Brigade headquarters for Surrey and financial institutions such as the back office activities of insurance companies.

The Inspector placed great emphasis on the need to reduce house prices. The argument runs that house are not affordable for those on median or below median incomes. The trouble with this argument is that it is based on the ratio of two averages or medians. It is therefore a blunt and unfocused statistic. The real shortage of affordable housing has been caused by a failure of government policy for social housing and low rent housing rather than by market failures in the private housing market. The deliberate use of housing policies as an instrument of central government desire to reduce house prices executed by Inspectors acting as procrustean commissars will do little to correct the real problem whilst creating an oversupply of the wrong sort of homes in unsustainable places.

The Inspector publicly endorsed the views expressed by Counsel for at least one developer that the demographic housing need in the area was 'irrelevant' because the figure was dwarfed by the number of houses required in order to reduce house prices. This is a departure from the approach set out in the NPPF and NPPG that purports to follow a logical process in which the conclusions flow from an objective examination of the auditable facts such as the ONS statistics.

Even if the standard method of calculating housing need set out by DCLG is used it results in a dramatically lower Housing Target than that proposed by the LPA.

The ratio of median house prices to median incomes in 2017 for Guildford set out by the ONS is 12.53. The standard formula is:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25$$

Putting 12.53 x into this formula gives an uplift of some 53%. In other words the formula proposes to build over 50% more homes than required by the growth in households. The formula is entirely arbitrary; it takes no account of the mix of housing in any particular area; it is premised on the false logic that house prices alone are a sufficient basis for appraising housing need, which is demonstrably false. In short the formula is nonsense economics presumably intended as a blunt instrument of coercion of LPAs by central government at the hands of its Inspectors/Commissars.

Putting aside the lack of an intellectually respectable economic justification for the formula, if it is applied to this LPA it still results in a Housing target that is 30% lower than that proposed by the LPA, or more accurately, proposed by the Inspector.

Mean house prices to mean earnings in Guildford according to the ONS²: 12.53.

ONS household projections				
	ONS figures		Guildford Local Plan Period	Proposed Local Plan Housing Target
GUILDFORD BORO COUNCIL	000s		000s	000s
Projection period	2016 to 2041		2015 to 2034	
No of years	25		19	
Total Guildford Housing Target				12,600
Average houseprices to mean earnings in G'ford in 2017	12.53			
Standard formula	53.30%			
Required houses on std formula			8,782.37	
# houses pa over plan period			462	
Excess over std formula				143%

As the table above shows, the proposed Housing Target is some 43% higher than the housing need computed using the Standard Formula. To put it another way the Standard Formula, itself designed to penalise areas with high house prices, produces a housing need figure some 30% lower than the target proposed by the Inspector.

Percentages fail properly to explain the real world implications of creating excessively large housing targets. All else being equal building more houses requires building more infrastructure.

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<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

Given that there has been historic under-investment in road, health and education infrastructure new housebuilding requires a disproportionate increase in infrastructure.

The proposed Housing Target creates a double or treble whammy infrastructure effect. First infrastructure should rise to meet the requirements of the historic deficit; next it should rise to meet the needs of the new residents and their new homes; thirdly it should rise to meet the requirements of the proposed over production of new housing.

Given that infrastructure building is not projected to meet even the first two of these requirements, over-building of new homes will create a logistical and environmental disaster. The costs of this disaster will be felt by local residents and especially by the most vulnerable whose need for social housing is not addressed in this plan.

2 MM2: Housing Targets for Woking and Waverley not based on objective appraisal of housing need

The excessive house building proposed by the Guildford Local Plan would by itself have serious negative repercussions on local infrastructure and the living standards of all local residents. Their journey times to work, their access to health and education provision, and their local environment will all deteriorate. These effects are all exacerbated by the exaggerated Housing Targets in the two boroughs that form part of the same arbitrary 'local housing market area'.

The Housing Targets for Waverly and Woking were both derived, supposedly from the same Strategic Housing Market Assessment (SHMA) ie the West Surrey SHMA. The computations underlying this have never been disclosed to Councillors in Guildford, let alone those in Waverley and Woking. They were not therefore scrutinised. That was a serious procedural irregularity but one for which the government provides no redress despite the very serious implications.

Waverley has also over estimated its housing need. Its Housing Target is some 260% *greater* than its need based on the latest ONS household projections:

ONS household projections				
WAVERLEY BORO COUNCIL	ONS figures		Waverley Local Plan Period	Proposed Local Plan Housing Target
	000s		000s	000s
Projection period	2016 to 2041		2013 to 2032	
No of years	25		19	
No of households in 2016	50,141			
No of households in 2041	55,733			
Projected change in # households	5,592	pro rated # of households		
ONS PROJECTION			4,250	
Waverley housing need				9,633
Waverley share of Woking housing need				1,577

Total Waverley Housing Target				11,210
Excess of Housing Target over ONS increase in households				264%

Even using the government's Standard Formula, its Housing Target is 59% greater than required!

ONS household projections				
WAVERLEY BORO COUNCIL	ONS figures		Waverley Local Plan Period	Proposed Local Plan Housing Target
	000s		000s	000s
Projection period	2016 to 2041		2013 to 2032	
No of years	25		19	
Total Waverley Housing Target				11,210
Standard formula	66.10%			
Required houses on std formula			7,059.12	
# houses pa over plan period			372	
Excess over std formula				159%

The same applies in Woking although on a slightly smaller scale. Woking's Housing Target is 'only' 68% greater than the number of homes required to meet projected household formations:

	ONS figures		ONS using Woking Local Plan Period	Proposed Local Plan Housing Target
	000s		000s	000s
Projection period	2016 to 2041		2006 to 2026	
No of years	25		20	
No of households in 2016	39,677			
No of households in 2041	44,025			
Projected change in # households	4,348			
ONS PROJECTION		pro rated # of households	3,478	
WOKING HOUSING TARGET				5,840

Total Woking Housing Target				5,840
Excess of Housing Target over ONS increase in households				168%

Even using the Standard Formula Woking's Housing Target is 11% too high:

	ONS figures		ONS using Woking Local Plan Period	Proposed Local Plan Housing Target
	000s		000s	000s
Projection period	2016 to 2041		2006 to 2026	
No of years	25		20	
Total Woking Housing Target				5,840
Standard formula	51.30%			
Required houses on std formula			5,262.82	
# houses pa over plan period			263.14	
Excess over std formula				111%

The conclusions are obvious:

- The GBC Local Plan does not use the latest ONS household projection figures

- The chosen Housing Target in the Local Plan is far in excess of the number of homes that is needed on any objective and rational basis
- The effects of the exaggerated Housing Target are exacerbated by excessive Housing Targets in the neighbouring boroughs of Waverley and Woking
- The Examination in Public of the Guildford Local Plan should be re-opened

3 MM2: There is no justification for obliging Guildford to supply houses to meet Woking's housing need

Woking has made the case that it cannot build more houses without negative effects on its Green Belt. Guildford has argued that it can justify building on its Green Belt. These different results are not founded on fundamental differences in the factual geography of the two boroughs or in their demographics. The demographics and geography are in fact very similar. Instead, the different conclusions are explained by the fact that the different LPAs chose different consultants to undertake their Green Belt analyses. The different consultants adopted different approaches and criteria. Since Woking adopted more stringent and Guildford looser criteria for protecting its Green Belt, it found that it has less developable Green Belt.

In other words Woking has decided to protect its Green Belt and instructed a consultant to justify this policy with a report. Guildford took the opposite approach. These differences in approach are not a sufficient or reasonable justification for passing some of Woking's unmet housing need onto Guildford and its Green Belt.

Even supposing the exercise of appraising the respective Green Belts in Woking and Guildford were re-run using consistent criteria, it would not necessarily justify passing unmet housing need from one borough to the other.

Housing need is not an intellectual abstraction. The real need for housing is about real people in real places, not homes resulting from an arbitrary Chinese style Ten Year Plan. The NPPF is based on the concept of sustainability. Sustainable homes must be put in sustainable places. Sustainability requires homes to be put where there is existing infrastructure and that means in towns not in the middle of the countryside.

It is not logically consistent for Woking's housing need, which is a need for housing within sustainable distance of the facilities in Woking itself, to be met by house building dispersed over the rural and Green Belt areas of Guildford.

[Remainder of letter removed as not relevant to 'the implications of the 2016 household projections for OAN and the plan's housing requirement'.]

Yours faithfully,

G B Paton