

1. The appropriateness of using 2016-based household projections for the basis of Guildford's Local Plan.

Note: The Government's recent consultation regarding the continued use of 2014-based household projections is directed solely at plans which use the standard method for calculating OAN and which are being examined under the 2018 NPPF. The consultation has not been directed at transitional plans like the Guildford Local Plan, which are being examined against the policies of the 2012 NPPF and are based on a different approach to OAN calculation. Paragraph 158 of the 2012 NPPF states that Local Plans should be based on adequate, up-to-date and relevant evidence; the 2016-based household projections constitute the most recent evidence.

1.1 Whilst we recognise that para 158 of the NPPF 2012 indicates that each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area, we also note that the relevant PPG makes it clear that:

*'Wherever possible, local needs assessments should be informed by the latest available information..... A meaningful change in the housing situation should be considered in this context, but this **does not automatically mean that housing assessments are rendered outdated every time new projections are issued.**'¹*

My emphasis

1.2 In the context of the above whilst the Technical Consultation of 26th October 2018 on updates to national planning policy and guidance seeks views on changes to planning practice guidance on the standard method for assessing local housing need, and could be construed as having no relevance to those plans, such as Guildford, that are progressing through the transitional arrangements, it is of note that at para 5 the Technical Consultation makes it clear that:

'The recent household projections release, published by the Office of National Statistic (ONS), has led some areas to reconsider the number of homes they were planning for. However, as the ONS has confirmed, lower household projections do not mean fewer homes need to be built. If more homes are planned for and delivered, more people will be able to own or rent their own home.'

1.3 In addition para 11 of the Technical Consultation makes it clear the Methodological changes are not a reason why the Government should change its aspirations/ that the Government should not be less ambitious for housing supply. Thus para 18 reiterates the governments aspiration to support the delivery of 300,000 dpa by the mid 2020's.

1.4 We also note that when commenting upon those plans progressing through the transitional arrangements paras 22 and 23 of the Technical Consultation advice:

There are also 62 strategic plans currently at examination. Under the transitional arrangements set out in the revised National Planning Policy Framework, these plans do not need to be informed by a housing need assessment using the standard method. However, in cases where the minimum annual housing need figure

¹ PPG - Paragraph: 016 Reference ID: 2a-016-20150227

calculated using the standard method, is identifying a number below the proposed figures being taken forward by plan-making authorities, the standard method is being used as the basis to challenge previous conclusions. Considering this challenge is likely to have resource implications and has the potential to cause delays.

23. The Government notes that using the new household projections and leaving the formula unchanged means that 146 local authorities would see changes in their local housing need of more than 20 per cent (when compared to the figures at the point of consultation in September 2017). By adopting the approach above only 16 authorities see their local housing need change by more than 20%.

- 1.5 The 'approach above' referred to is that set out at para 19 of the Technical Consultation which states:
- '1. For the short-term, to specify that the **2014-based data will provide the demographic baseline for assessment of local housing need.***
- 2. To make clear in national planning practice guidance that **lower numbers through the 2016-based projections do not qualify as an exceptional circumstance that justifies a departure from the standard methodology; and***
- 3. In the longer term, to review the formula with a view to establishing a new method that meets the principles in paragraph 18 above by the time the next projections are issued.'* My emphasis
- 1.6 Whilst not necessarily explicit, paras 22 and 23 when read in the context of para 19 suggests to us that even where there are plans progressing through the transitional arrangements the government is not encouraging the use of the 2016 based projections when assessing the OAHN. This position we believe to be supported by the fact that para 27 (2) of the Technical Consultation states that:
- '2. Although the Government generally recommends the use of the latest data in producing assessments of housing need, in this case there have been substantial changes in the method for producing the projections that have resulted in major changes in the distribution of households nationally, and the Government would like to see the new method settling down before making a decision on whether this data provides the best basis for planning'*
- 1.7 Furthermore para 26 of the Technical Consultation also discounts the short term use of the 2016 based data.
- 1.8 The Technical Consultation is in our opinion a material consideration in deliberating the appropriateness of using the 2016-based household projections for the basis of Guildford's OAHN. It demonstrates the caution that should be exercised in using the 2016-based household projections. To this end, the impact of using the 2016-based household projections when assessing housing need under the 2012 NPPF has the potential of being no different to that arising from their application under the standard methodology. In fact it could be even more significant given the fact most Councils have generally under estimated the degree of uplift required to improve affordability in relation to market signals.
- 1.9 In the context of the above it is self-evident that if those plans progressing through the transitional arrangements are allowed to reduce their housing requirements on

the 2016-based household projections the government's target of 300,000dpa will not be met.

- 1.10 Paragraph 2a-016-20150227 of PPG clearly recognises that there will be circumstances when new projections should not be used. Given the Government's position with regard to the 2016-based household projections we would suggest that great caution should be exercised in adopting them without full consideration of the implications on housing supply and demand, and as a result affordability, sustainable patterns of travel and economic performance. We would therefore suggest the GBLP housing target remain as promoted in the Main Mods, or the OAN be reassessed on the basis of the 2014 based household projections. As the latter would cause significant delay and in all probability increase the housing requirement, leading to the need for further sites to be allocated, we would, for expediency, suggest the situation is left as is, with the proviso that the situation vis a vis Woking is updated – as set out below and a trigger introduced into the plan to ensure an early review, thus ensuring the gap between the OAN and the affordable housing need is not widened still further, a matter that GBC do not appear to have had regard to in GBC-LPSS-033a, b, c or d, or GBC-LPSS-034 and GBC-LPSS-036.

2. Whether the calculation set out in the Council's paper "Update to OAN Assessment in Guildford as a result of the 2016-based Household Projections" (GBC-LPSS-033b) is an appropriate basis for calculating the OAN.

- 2.1 On the basis we do not believe the 2016-based Household Projections to be an appropriate basis for calculating the OAN then our response to this question has to be 'no'.

- 2.2 Notwithstanding the above we would suggest that the effect of adopting GBC's latest assessment of their OAN (562dpa as opposed to the 630dpa² proposed in the Main Mods given ID6) has to be considered in the context of the latest SA. The SA of September 2018, released in support of the Main Mods indicates at para 9.9.1 that: *'MM2 deals with proposed modifications to the spatial strategy (Policy S2)..... In short, the proposed approach performs well as it will ensure that the housing target (as recently decided during the examination hearings session on 3rd July) is achieved, with a smooth trajectory of housing delivery (as opposed to the 'stepped' trajectory proposed by the submission plan)..... Furthermore, there is confidence in the robustness of the housing trajectory on the basis of the proposed distribution of additional allocations, in that the proposal is to rely on a package of five additional sites that are well spread geographically, rather than one or two larger sites, thereby minimising the risk of delayed delivery leading to concerns for the district-wide housing trajectory.'*

- 2.3 Whilst the 2018 SA does not assess the effect of promoting a reduced scale of growth, the SA of June 2017, which accompanied the submission plan, is clear in section 6.7 that the preferred option for growth (option 1 – some 13,600 dwellings over the plan period), was:

² A difference of 68dpa/ 1,292 dwellings over the plan period

*'a reasonable low growth option – any lower growth option would involve putting in place an insufficiently small contingency, or 'buffer'. There is a need to plan for a buffer, given the likelihood of some sites (particularly large sites) not delivering or delivering at a slower rate than anticipated.'*³

2.4 Whilst the plan as submitted only provided for 12,600 dwellings, GBC latest strategy – of promoting an OAN of 10,670 over the plan period, with a big question mark over whether they should be providing for any unmet need from Woking (a point we shall return to), will result in a figure that is significantly less than that assessed in table 6.2 of the 2017 SA. This raises the question of whether GBC need to produce an updated SA to properly assess the impact of their revised OAN. It also highlights a potential inconsistency between the current strategy and the findings of the 2017 SA.

2.5 Similarly it could be argued that a lower OAN and associated housing target could prejudice one of the plans main objectives, to:
Improve opportunities for all residents in the borough to access suitable housing, employment, training, education, open space, leisure, community and health facilities
And the SA objective to:
*Provide sufficient housing of a suitable mix taking into account local housing need, affordability, deliverability, the needs of the economy, and travel patterns*⁴

2.6 Nor would a lower OAN and associated housing target help address the main issues identified in the SA:
'High average house prices create affordability problems for local people, first time buyers and essential workers.
There is a deficit in affordable housing supply and the current completion rate is below the annual level required to address the deficit.'

2.7 There are thus significant issues to be addressed if it is decided to base the OAN on the 2016-based Household Projections/ the findings of GBC-LPSS-033b

3. The implications of the Council's paper "GBC note on OAN following the 2016- based Household Projections" (GBC-LPSS-033a) for:

- the overall housing requirement set by the plan;
- the housing trajectory;
- the 5 year housing land supply; and
- the need for the additional sites included in the main modifications.

3.1 GBC-LPSS-033a is a clear ploy on GBC's behalf to reduce the overall housing requirement from the 671dpa established by ID6 and consulted upon in the Main Mods. The proviso being to negate the need for any further Green Belt Releases, which reflects GBC's Leaders letter of the 23rd Oct (GBC-LPSS-034), wherein the Leader states:

*'However, the Guildford Borough Council Executive have **serious concerns in relation to the inclusion of the additional, highly sensitive Green Belt sites and***

³ para 6.73 the 2017 SA refers

⁴ Table 3.1 Sept 2018 SA

the resulting rate of housing delivery over the first five years of the plan that is necessary to achieve a robust rolling five year land supply.....

*We therefore **welcome the updated household projections**, which demonstrate that our OAN is reduced from that assessed during the hearing sessions. Lowering the housing requirement in the plan would enable us to meet our housing needs in the early years without a phased approach. It would also ensure that the adopted plan is robust and deliverable, and will not be rendered out of date soon after adoption should delivery not meet the significant rates required by the plan with main modifications.....*

*The **Executive have never accepted that there is a real ‘unmet need’ in Woking** as a comprehensive borough wide Green Belt and Countryside study has not been undertaken by Woking BC.....’*

My emphasis

- 3.2 The Technical Consultation Paper of Oct 2018 is clear in that the 2016 based household projections are not a justification for a lower housing need⁵. It also makes it clear that: *‘Local housing need does not represent a mandatory target – it is simply a starting point for planning, and local authorities may either choose to plan in excess of this or to conclude that they are not able to meet all housing need within their boundaries, for example due to constraints such as protected designations and Green Belt, or whether that need is better met elsewhere. This means there is flexibility for local authorities to manage movements in local housing need locally’*
- 3.3 GBC’s decision to look to reduce its housing target in light of the 2016 based household projections is thus unjustified and contrary to national government guidance. Thus neither the reduced housing requirement nor the amended trajectory as set out in GBC-LPSS-033a can in our opinion be sound.
- 3.4 Having regard to the above, one has to ask whether, in the light of the Technical Consultation Paper of Oct 2018, GBC should, rather than looking to reduce their housing requirement from the 671dpa established by ID6 to circa 562/604 if it is accepted that GBC accommodate 42dpa to meet Wokings unmet need, be looking to accommodate 752 dpa to reflect the requirements of the Technical Consultation Paper on the standard methodology (as updated to reflect the 2014 SNHP), or an OAN of 676dpa based on the 2014 SNHP (653 +23) + 41 to address Woking’s unmet need i.e. 717dpa, as referenced by the Forum. Both figures are not that dissimilar to the figure of 783dpa we proposed in our Examination Statement of July 2018, and would require GBC to allocate land to accommodate a further 874 dwellings (46dpa) to 1,539 dwellings (81dpa). Amending the plan to reflect the requirements of the standard methodology/ using the 2014 based household projections would ensure the plan would not be out of date as soon as it is adopted.
- 3.5 In the context of the above we note that the forum have been reviewing the finding of GBC-LPSS-033a on a without prejudice basis in the context of the 2016 based household projections, and that they have established that if one updates the housing trajectory to reflect the fact that Wisely did not obtain consent and that its delivery date will as a result slip by at least 2 years (assuming a subsequent

⁵ See para 27

application addresses the SoS concerns), and also updates the housing trajectory to reflect the fact that those greenfield sites currently in the Green Belt will have been delayed as a result in the delay of the adoption of the plan (by say 6 months), GBC cannot deliver a rolling 5 year supply of housing (assuming Liverpool and 20%) without the allocations promoted through the Main Mods, and even then the supply is what can only be described as very fragile in the first 5 years; which suggest further sites need to be allocated beyond those advanced in the Main Mods to prevent any failure of the plan in relation to the 5 year housing land supply situation immediately upon adoption – as has occurred at Waverley. This also self-evidently indicates that if one progresses with a higher OAN, in line with the 2014 based Household Projections, further sites would need to be allocated to help meet Guildford’s housing requirement.

- 3.6 It is clear from the submissions to the examination thus far, and the table below that GBC have consistently tried to reduce their OAN, shrink from meeting any of Woking’s unmet need and keep to a minimum their housing allocations, all of which is contrary to government guidance to look to boost significantly the supply of housing. This strategy has in addition actively delayed the plans adoption, resulted in the reopening of the examination, and the current debate on the OAN and the housing supply. As set out below we now believe there are 3 options open to the examination:
- To maintain the housing requirement as per the Main Mods i.e. an OAN of 630dpa + 42dpa to meet Woking’s unmet need, but with additional allocations to address the fragility of the 5 year housing land supply;
 - To revert to the 2014 based OAN of 676 dpa (as set out in the Forums statement) + 41dpa to meet Woking’s unmet need and provide for further allocations; or
 - To utilise the standard methodology, as updated by the 2014 SNHP to deliver 752dpa, and provide for further allocations.

We believe the technical consultation documents and the Nov 2018 edition of the MCGLG Planning Update Newsletter provides for all three options. The issue is then one of impact on the timetable for the adoption of the plan and the necessity for an early review, the latter of which is discussed below.

Table 3.1 - The background to GBC's current assessment of their OAHN & associated housing target

Plan	OAN	Wokings unmet need	Requirement	Base
SEP			422dpa	
GBC 2016 Regulation 19 Plan	693	0	693 dpa	2012 SNPP/2012 SNHP starting point of 557dpa
GBC June 2017 Reg 19 Update	654	0	654dpa	2012 SNPP /2012 SNHP starting point of 557dpa
GBC Dec 2017 - Submission Plan	654	0	654dpa	2014 SNPP/2014 SNHP starting point of 567dpa
JAA statement - July 2018	733	50	783dpa	2014 SNPP /2014 SNHP starting point of 567dpa
Forum Statement - July 2018	733	95	828 dpa	2014 SNPP/2014 SNHP starting point of 567dpa
Consultation Draft Standard methodology – Sept 2017	798	0	798dpa Capped at 40%	2014 SNHP
Consultation Draft Standard methodology updated to reflect 2014 SNHP	752	0	752dpa Capped at 40%	2014 SNHP
GBC at LP examination – June 2018	594	0	594 dpa	2016 SNPP /2014 SNHP starting point of 422dpa
Insp – ID5 + ID6 – June 2018	630 Based upon 607 (0.8% ec growth) + 23 (students)	41 20% of Wokings unmet need	671dpa	2016 SNPP /2014 SNHP starting point of 422dpa
GBC Main Mods – Sept 2018	630	41	671dpa	2014 SNHP/2016 SNPP starting point of 422dpa
2018 Standard Methodology	431	0	431	2016 SNHP
GBC post examination LPSS033	562 539 + 23 (students)	0	562dpa ⁶	2016 SNPP/2016 SNHP starting point of 313dpa
Forum position using 2014 SNPP & 2014 SHHP	676	41	717	2014 SNPP/2014 SNHP
JAA position Jan 2019	Either maintain requirement as per Main Mods i.e. OAN of 630dpa + 42dpa to meet Woking's unmet need, but with additional allocations to address fragility of 5 year housing land supply; Or revert to 2014 based OAN of 676 + 41dpa to meet Woking's unmet need and provide for further allocations; Or utilise the standard methodology, as updated by the 2014 SNHP to deliver 752dpa, and provide for further allocations.			

⁶ 604 if it is accepted that GBC accommodate 42dpa to meet Woking's unmet need

4. Whether it is possible at this point in time to come to conclusions on the issue of Woking's OAN and any unmet need.

4.1 Whilst GBC have in GBC-LPSS-033a and 33b sought on reply on the 2016-based household projections rather than the 2014-based household projections in calculating Wokings housing requirement, we note that GBC-LPSS-033a and 33b and Woken BC's review of their Core Strategy⁷ all pre date the publication of the Technical Consultation of 26th October 2018. The Technical Consultation makes it clear that the 2016-based household projections should not be relied on when assessing local housing need, rather the 2014-based data should provide the demographic baseline for assessment of local housing need.

4.2 Given the above, whilst Woking BC may have publically suggested it no longer has an unmet housing need, if challenged its position would not in our opinion be sound and a review of the Core Strategy would no doubt be triggered given the scale of the need identified in the 2014-based household projections – as set out below .

Table 4.1 - The potential level of assistance required from GBC to help meet Woking's unmet need

	Woking CS Based on 2015 SHMA	2014 based HHP Capped at 40% - as per Sept 2017 consultation on standard methodology	Recalculated 2014 based HHP	2016 based HHP
OAN	517	409	431	263
Woking delivering	292	292	292	292
Unmet need	225	1,989 over 17 years (117 dpa)	2,363 over 17 years (139 dpa)	0 (+29)
Waverly delivering	83	1,577 over 19 years (83dpa)	1,577 over 19 years (83 dpa)	83
Residual requirement	142	412 (21 dpa over 19 years)	786 (41dpa over 19 years)	0
Potential level of assistance from GBC	42 ⁸	21 ⁹	41 ¹⁰	0

4.3 Whilst it has been made clear earlier within this examination that it is outside the scope of this examination to undertake a wholesale reconsideration of Woking's housing requirement, and it is for Woking BC to confirm its current position having regard to the 2014-based household projections, we would suggest that given the content of GBC-LPSS-033a and 33b, Wokings report to their full Council on 18th Oct 2018 and the Technical Consultation of Oct 2018 that:

- The 2016-based household projections should not be relied on;

⁷ WBC report to Council - 18 Oct 2018

⁸ Assumes Guildford delivers @40% of the residual requirement over the 15 years of Guildford's Plan post adoption – the position reached at the examination and upon which GBC consulted upon in their Main Mods

⁹ In GBC-LPSS-036 GBC suggest the figure is zero given a calculation based upon Woking's Plan period

¹⁰ If capped at 40% of the residual this figure would be 16. GBC in GBC-LPSS-033a suggest it should be either 11 or 26 depending upon the basis of the calculation

- Given the effect of the 2014-based household projections if Woking BC undertook a review of their 2012 CS now, said review would identify a need to progress a new local plan;
 - Based on the fact that Woking have continually stated they cannot deliver more than 292dpa a Local Plan Review would trigger discussions with Waverley and Guildford about how any unmet need would be addressed; and
 - A Local Plan Review would establish a new time horizon and thus those calculations in GBC-LPSS-033a and 33b that are based on remaining plan periods would become somewhat academic.
- 4.4 Given the above, and working with the situation as it exists at present i.e. that any review of Wokings LP will be based upon the standard methodology and the 2014 based household projections, it is in our opinion possible to come to a conclusion on the issue of Woking's OAN and any unmet need. Put simple the 2014 based household projections demonstrate, as is clear in table 4.1 that if Woking cannot deliver more than 292dpa there will be an element of unmet need. As such, having regard to the contribution already made by Waverley BC, we consider GBC should accommodate any residual unmet need, thus ensuring the housing needs of the HMA are met in full. Thus will in effect require GBC to modify its contribution from 42dpa to 41dpa over the plan period.
5. Whether in view of current uncertainties (especially with regard to item 4) it would be appropriate to insert a review mechanism into the plan and if so, how it would be phrased.
- 5.1 GBC should in accordance with para 14 of the NPPF (2012) be positively seeking opportunities to meet the development needs of their area, which should in our opinion include providing for Wokings unmet needs. If, as part of their LP review Woking are able to demonstrate they can meet more of their needs than currently envisaged, GBC will be able to initiate a review, as no doubt will Waverley. This is in effect what MM2 (Policy S2 (1) and para 4.1.9aa) provide for. MM2 states:
'The housing requirement for Guildford is 630 dwellings per annum over the plan period (2015 – 2034). In addition to this and from 2019, an allowance of 42 dwellings per annum will be provided to contribute towards meeting unmet needs arising from Woking Borough Council. This contribution will be reviewed subsequent to Woking Borough Council reviewing their Local Plan in light of an updated objectively assessed housing need and any comprehensive Green Belt and other related studies.'
'4.1.9aa Guildford sits within the same housing market area (HMA) as Waverley and Woking borough councils. Waverley Borough Council has a recently adopted Local Plan that seeks to meet its full needs with an allowance to meet 50% of Woking's unmet housing need. The extent of Woking's unmet need has been based on the 2015 West Surrey Strategic Housing Market Assessment (SHMA). An allowance is also included within this plan to meet 20% of the remaining unmet need (630 homes over the plan period). However, this contribution will be subject to review after Woking Borough Council has reviewed their current Local Plan as the latest population and household projections indicate that the level of unmet need is lower than that assessed in the West Surrey SHMA (2015).'

- 5.2 Thus if the development needs of the area change before a LP review is required as a result of the Town and Country (Local Planning) (England) Regulations 2012, Guildford can initiate a review. That said MM2 does not in our opinion provide very clear guidance about the basis upon which a review would progress. As such, on the premise that GBC's Plan progresses on the basis of the OAN promoted in the Main Mods/ 2014-based household projections, and that an allowance is made to address Wokings unmet needs (as currently calculated) we would suggest, on a without prejudice basis, that as the 2018 based household projections are expected to be published in 2020, the government's response to the Technical Consultation is due to be published soon, and Woking should be able to clarify their housing requirement/ unmet need within the next 18 months, that if a review mechanism is to be written into the Plan, within policy SP2, it should provide for something more robust, such as: *'The Council commits to commencing preparation of a Local Plan Review at the beginning of 2020, with submission to the Secretary of State in 2022.'*