

Please note: the justification for Question 11 has been updated since this briefing note was first published. For ease of reference, the changes have been shown as tracked changes below.

Briefing Session for Councillors regarding the adoption of the new Local Plan - 18 April 2019

Purpose of the briefing session

This member briefing session is intended to clarify what actions are available to the Council following receipt of the Inspector's report and the closing of the Examination. It is also intended to explain what the implications are should the Council decide not to adopt the plan and to embark upon the production of a new Local Plan outside of the transitional arrangements within which this plan has been assessed. This will primarily relate to the housing target and the implications of the new 'standard method' as a starting point for establishing the objectively assessed need for Guildford.

Introduction

It is worth going back to basics and just answering the fundamental question of why we need a local plan?

- It is a legal requirement
- The Council and its residents should be the ones to positively plan for the future of the borough
- Enables delivery of necessary development with the appropriate level of supporting infrastructure
- Updated policies achieve higher standards in terms of carbon reduction, space standards, accessible homes, more affordable housing on more sites etc
- If not then:
 - presumption in favour of sustainable development applies
 - we will lose the ability to control and plan for change and growth
 - development will be piecemeal and without associated infrastructure (planning by appeal)

Committee report for Full Council meeting 25th April 2019

This briefing session is in advance of the Full Council meeting that will consider the adoption of the Local Plan. The Committee report provides a comprehensive consideration of the examination and the Inspector's report's conclusions as well as recommending that the Local Plan be adopted.

The link to the report is provided below.

<http://www2.guildford.gov.uk/councilmeetings/ieListDocuments.aspx?CId=159&MIId=970>

1. Adopting the Local Plan

Question 1:

Can we make changes to the Inspector's Report?

Answer:

- i. **No – the report is now finalised and the Inspector's role in the process has come to an end. He has concluded that the plan is sound subject to the necessary main modifications.**

Justification

- The draft report was subject to a “fact check” by the Council
- The Inspector has now issued his final report
- The examination process is now complete and his role has ended
- No opportunity for further amendments to the Inspector's Report
- If it is considered that there has been a material error of law then the aggrieved person has 6 weeks post adoption to bring an application for statutory review of the decision in the High Court

Question 2:

What changes can we make to the Local Plan?

Answer:

- i. **We can only make minor modifications to aid clarity, consistency and accuracy and which (taken together) do not materially affect the policies set out in the Local Plan.**

Justification

- The Inspector's findings are binding – the plan can only be adopted with all the Inspector's recommended main modifications as they are all necessary to make the plan sound and legally compliant
- We cannot make further main modifications as all main mods needed to have been consulted upon and agreed by the Inspector
- The Council may make “additional modifications” to the plan – often known as minor modifications. These are modifications that (taken together) do not materially affect the policies set out in the Local Plan. They are designed to aid clarity, consistency and accuracy. Where there was any doubt, minor modifications were shared with the Inspector who has agreed they are correctly described as minor in nature.
- The removal of a strategic site or even any material amendment to specific policy wording is not a minor modification

Question 3:

Does the current plan have an “oversupply” of housing?

Answer:

No

- i. Having flexibility in supply ensures that the Council is able to adapt to changing circumstances and improve our ability to demonstrate a rolling 5-year housing land supply from the date of adoption – this helps to protect the borough from piecemeal development and planning by appeal.**
- ii. The difference between the overall housing requirement and the total supply identified in the plan that could potentially come forward is not oversupply – rather it is necessary flexibility in supply.**

Justification

- The Inspector concludes that this supply is necessary to ensure a robust plan (see paragraphs 45 and 46). It ensures that the plan is not left vulnerable should there be any slippage in delivery rates, particularly on the strategic sites which provide much of the longer term housing delivery. It also helps ensure sufficient homes are delivered early in the plan period to meet the pressing housing need that currently exists.
- Whilst the total supply identified in the housing trajectory is greater than the total housing requirement identified in Policy S2, this is considered necessary flexibility rather than “oversupply”. This is the conclusion reached by the Inspector who states that removing one or more sites would significantly diminish the plan’s ability to meet needs (see paragraph 85).
- The Inspector also uses the flexibility in supply as justification for his conclusion that no contribution to Woking’s unmet need is necessary (see paragraph 38) and that the Council is not required to safeguard any land within the plan (see paragraph 84). To safeguard land means to remove land from the Green Belt now in order to meet longer term needs.
- If the Council cannot demonstrate a five year housing land supply then the policies that are most important for determining the planning application will be considered out of date (NPPF, para 11). Maintaining a rolling five year housing supply will reduce the likelihood of alternative speculative development sites coming forward and increase the Council’s ability to refuse and its chances of successfully defending appeals for inappropriate schemes.
- Having a robust supply enables the plan to cope with changing circumstances, e.g. sites not delivering as planned.

Question 4:

Does the plan make any provision for meeting Woking's unmet need?

Answer:

- i. The plan no longer includes a 42 dwelling per annum (dpa) allowance for Woking as was included in the Main Modifications version of the plan consulted in September/October 2018.**
- ii. Maintaining a lower housing requirement of 562 dpa (only Guildford's need), we are better able to maintain a 5-year supply of housing.**

Justification

- The Inspector concluded that whilst the probability was that there would continue to be unmet need arising from Woking, it was not necessary to make a specific allowance within the plan (paragraph 37). At paragraph 38, he states that this is because the likely residual amount of unmet need from Woking can be accommodated within the plan's headroom (flexibility in supply).
- Whilst this may be true in a practical sense, by not having a specific allowance, the annual housing requirement for Guildford is lower (562 rather than 562 + 42). This benefits the Council in achieving a five year land supply and ensuring the plan remains up-to-date.
- When Woking comes to prepare their new Local Plan, as there is no specific allowance within our plan, they will not be able to deduct any contribution in Guildford from their requirement.

Question 5:

How long can we expect this plan to last?

Answer:

- i. The Plan covers a period of 19 years but will need to be reviewed in 5 years and may not need major revision for 10 years.**
- ii. A Local Plan must be reviewed every five years. If not reviewed then the 5-year housing land supply is assessed using the housing requirement from the new Standard Method. For Guildford, this is 740 dpa.**
- iii. The current plan is projected to deliver completions in excess of 740 shortly after adoption. This plan can therefore be expected to last longer than five years.**

Justification

- There is now a legal requirement to review Local Plans every five years
- An earlier review may be necessary where the local housing need figure is significantly higher than the housing requirement in the adopted plan. At 740 dpa, this would be almost 200 dpa higher than the current figure. However, the plan is delivering in excess of 740 dpa from Year 2 of the plan. Delivery of this number of homes would provide the justification for not undertaking a Local Plan review earlier than the statutory five years.
- For Local Plans that are less than 5 years old, or more than 5 years old but have been reviewed and are found not to need updating, the housing requirement used to

calculate the five year housing land supply is the housing requirement in the adopted plan (562 dpa)

- For Local Plans more than 5 years old, the housing requirement used to calculate the five year housing land supply is the local housing need using the standard method (740 dpa)
- Adopting a plan that is capable of achieving a greater number of homes in the longer term helps to future proof the plan and makes it more likely that the plan will not be out-of-date immediately after five years. This accords with the Inspector's conclusion (paragraph 85) where he notes that the Council have aimed to future proof the plan.
- An out of date plan or not having a 5 year housing land supply results in more speculative planning applications for residential development on green field sites.

2. Not adopting the plan and producing a new Local Plan

Question 6:

What are the chances of Government Intervention?

Answer:

- i. **The risk is very real and Government are likely to take action.**

Justification

- Three local authorities have so far been subject to the threat of Government intervention because of a lack of progress in plan-making.
- Two have already received letters from the Ministry of Housing, Communities and Local Government (MHCLG) directing them to swiftly progress their plan-making activities and imposing a number of requirements to ensure this is done.
- If Government were to intervene in response to our (potential future) lack of plan-making progress, an option open to them would be to simply direct the Council to adopt the current plan given it has been already been found sound.
- To not intervene would set a undesirable precedent for the Planning Inspectorate and the Government's aspirations for housing delivery.

Question 7:

What would be the impact of not adopting this plan and embarking on the production of a new plan?

Answer:

- i. **There would be considerable cost and delay in the preparation of a new Local Plan.**
- ii. **The housing requirement would be significantly higher.**
- iii. **Probability of greater Green Belt release than currently proposed.**
- iv. **The benefits associated with the current plan (including 40% affordable housing, higher environmental standards, space standards, infrastructure etc) will not be delivered.**

Justification

- Our new housing target that would be used to measure five year land supply against would immediately become 740 dpa.
- At least 3 years during which the Local Plan 2003 would need to continue to be used for decision-taking as a new / revised Local Plan is being prepared (1 year for Reg 18, 1 year for Reg 19 and 1 year for examination). In this time there would be a continued lack of a five year housing land supply which would mean that certain policies would be considered out-of-date. This will reduce our ability to refuse inappropriate development.
- A new plan would need to be prepared against the new NPPF 2019 (rather than the NPPF 2012) and the housing requirement would be calculated using the Government's Standard Method (rather than the SHMA).
- The higher housing requirement would necessitate a greater number of early delivery sites – these would likely be located on Green Belt sites.

Question 8:

What would be our new OAN if we were to start again?

Answer:

- The Government's Standard Method for calculating housing need (published in February 2019) yields an annual housing requirement of 740 dpa.**
- This would result in a total plan period requirement (19 years) of 14,060 dwellings.**
- The figure of 740 dpa would be subject to upward pressure from the development industry as demonstrated within the recent hearing sessions for reasons of affordable housing need and economic growth.**

Justification

- The Government has recently published the revised Standard Method for calculating OAN. This now requires the use of the 2014-based household projections (the current housing requirement utilises the 2016-based household projections as the demographic starting point)
- The Standard Method identifies a minimum local housing need for Guildford of 740 dpa (this compares with the current housing requirement of 562 dpa)
- This would yield an overall requirement across a plan period of 19 years of 14,060 dwellings (this compares with the current housing requirement across the 19 year plan period of 10,678).
- National guidance states that there will be circumstances where housing need is higher than that identified through the Standard Method.

Question 9:

Could we justify a lower OAN based on local circumstances?

Answer:

- The Standard Method identifies a minimum figure. Deviating from this will require robust evidence but cannot relate to the 2016-based household projections (which justified the recent reduction in our housing requirement)**

Justification

- The Standard Method identifies the minimum local housing need.
- National guidance states that there will be circumstances where housing need is higher than that identified through the Standard Method.
- As stated above, it is likely that the development industry will argue that the OAN should be uplifted for Guildford due to the high need for affordable homes and the need to support economic growth (much like they did during the current plan's hearing sessions).
- As set out in national guidance, an alternative approach which results in a lower OAN will require robust evidence that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. The use of 2016-based household projections will not justify an alternative approach. The Government has made clear that any method which relies on using the 2016-based household projections will not be considered appropriate.
- The current Inspector considered that the release of sensitive Green Belt sites was justified in order to meet the full housing need.

Question 10:

Is there a chance that the Standard Method will be revised, which may bring the figure down?

Answer:

- The methodology will be revised in 2020 – any preparation of a new Local Plan will need to be already underway by this time.**
- Given the Government's aspirations for 300,000 dpa to be built nationally, it is not considered realistic to assume that any new methodology would generate significantly lower numbers.**

Justification

- The Government has stated that the methodology will be revised again but only prior to the publication of the next set out household projections (late 2020).
- They have also re-affirmed their commitment to the target of 300,000 homes pa. The Standard Method using the 2014-based projections yields 260,000 homes pa. The assumption being that some authorities will deliver a greater number of homes given that the Standard Method is a minimum only. It is likely that any new methodology would be based on the delivery of a similar number of homes.
- In any event, any new methodology would not be published in time to inform the preparatory stages of a new Local Plan, so 740 dpa would be the minimum starting point.

Question 11:

What would be the impact of this OAN on the housing requirement for the first five years?

Answer:

- The housing requirement for the first five years of a new plan would be significantly greater than the current plan.**

- ii. **This would be as a result of a higher annual figure, a greater level of deficit accrued since the beginning of the plan period prior to adoption.**
- iii. **This may be exacerbated further should a new Inspector come to a different conclusion than the current Inspector regarding the period over which the deficit should be met (i.e. earlier within the plan period) and an allowance for Woking's unmet need.**

Justification

- A plan must demonstrate it can maintain a rolling five year housing supply from the date of adoption.
- An OAN of 740 dpa would increase the housing requirement across the five year period by an additional 900 homes compared with 562 dpa $((740 - 562) * 5 \text{ years})$.
- An OAN of 740 dpa would result in a greater deficit between the start of the plan period and the point of adoption, as annual completions would remain at similar levels to currently (approx. 300 dpa). There would be a minimum of three years prior to adoption (see above) – the biggest issue faced during the current Local Plan has been how to meet the deficit accrued pre-adoption. A greater annual requirement would exacerbate this issue. Over the three year pre-adoption period this is estimated to be 1,300 homes $((740 - 300) * 3 \text{ years})$. Assuming a Liverpool approach is maintained (see below) in relation to meeting this deficit, this would result in an additional 433 homes within the five year period $((1,300 / 15) * 5)$.
- As a starting point, this would therefore result in an additional requirement of 2,200,333 homes within the first five years compared to currently.
- The current plan also meets the deficit over the plan period (Liverpool approach) – national guidance requires that this should ideally be met in full in the first five years (Sedgefield approach). A potential risk is that a future Inspector may not agree that our circumstances justify this approach which is contrary to national guidance. If so, this would increase the housing requirement in the first five years further (an additional 1,300 homes rather than 433 homes as set out above).
- An additional potential risk is that a future Inspector may consider that the circumstances are now such that there is a greater degree of certainty regarding the level of unmet need arising from Woking/other neighbouring authorities. In this case, they may not agree that it is unnecessary to include a specific allowance within a future plan to meet unmet needs. Even if uncertainty still existed, a new plan based on a higher housing requirement is unlikely to include the same level of flexibility in supply. The current Inspector's decision to not require a specific allowance for Woking was solely based on the existence of this "headroom" (paragraph 38). If an allowance were required, this would increase the housing requirement in the first five years further still.

Question 12:

What would be the impact of this housing requirement on allocating housing sites in the Local Plan?

Answer:

- i. A greater housing requirement for the first five years would require additional early delivery sites.**
- ii. As demonstrated through the recent hearing sessions and set out in the Inspector's Report, there are insufficient brownfield sites to bring forward.**
- iii. Whilst a brownfield first approach would be the starting point, this would therefore require additional small Green Belt sites which are quicker to bring forward.**

Justification

- The cumulative impact of the above is that it is likely that additional early delivery sites would be necessary in addition to those allocated in the current plan. A significant number of early delivery sites in the current plan are located in the Green Belt and would therefore not be able to come forward in the absence of a plan which removes them from the Green Belt. Given the resources required to bring forward complex planning applications combined with the lead-in time to do so, the majority of these sites would likely require the certainty of an allocation prior to preparing a planning application.
- Our starting point would again be that of a brownfield first approach but very few suitable, available and viable brownfield sites have been put forward for allocation for residential use throughout the various iterations of the current plan. All alternative brownfield sites were put before the Inspector during the recent hearings. He has concluded that the alternative town centre sites identified in other documents such as the Town Centre Masterplan cannot be relied upon to deliver homes within the plan period and it would be unsound to assume they can contribute towards the housing requirement (paragraph 82).
- For this reason, it is likely that additional early delivery sites are most likely to be located on small Green Belt sites that have shorter lead in times. It is unlikely that additional development opportunities within the town centre will have been progressed enough within the next few years to deliver significant amounts of dwellings in this location to negate the need for Green Belt release.
- A future Inspector will likely give weight to the current Inspector's conclusions; namely that a back-loaded phased approach to delivery is not sound given the scale of housing need in the area, that there are sufficient suitable alternative sites that could be allocated to meet additional early delivery and that the location of these sites on highly sensitive Green Belt sites is not a sufficient constraint.

Question 13: Opportunity for discussion of further questions submitted in writing prior to the briefing session.