

1.0 The appropriateness of using the 2016 Based Household Projections for the purpose of arriving at an OAN for the Guildford Local Plan.

I agree that the 2016 Based Household Projections should be used in arriving at an objectively assessed housing need (OAN) for Guildford because the PPG clearly states that Local Plans should be based on adequate, up to date and relevant evidence.

The 2016 Based Household Projections just released from the Office for National Statistics show a very significant drop in the number of extra households required in Guildford by the end of the plan period in 2034. The ONS now projects a need for 4662 extra households compared to the previous forecast of 7717 - a reduction of 40%. The rate at which new households are projected to form has **reduced** because:

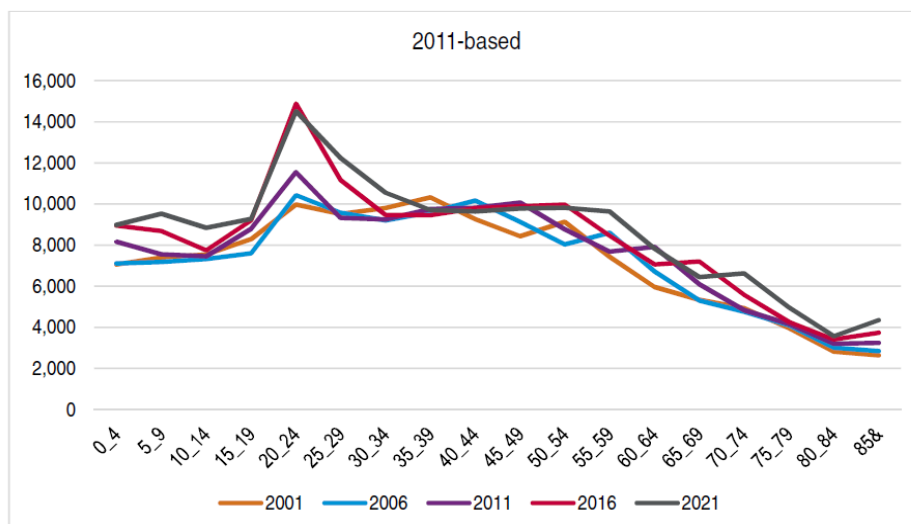
- The ONS has adjusted the methodology to be consistent with methods used for SNPPs and MYEs.
- The size of households is increasing so the same population needs fewer houses.
- The rate at which new households are forming is reducing because marriage is in decline and young people are putting off forming new households.
- In considering the head of households, age bands have been adjusted to more accurately reflect (1) the economic activity of younger people and (2) the movement of elderly people into nursing homes, who are therefore excluded from the potential household population.

However, in my opinion, because Guildford is a university town with a very large student population, the household projections for Guildford are still **inflated** in two significant ways:

- Overseas students, who are only here on a temporary basis to study, are considered as part of the usual resident population if they plan to stay in the country for more than 12 months, and are therefore considered as potential heads of households.
- Although students living in halls of residence are excluded from the potential household population, the vast majority of the students (about 10,000) attending the University are considered to be permanent residents of Guildford because they live in privately rented accommodation and their term time address is taken as their usual place of residence.

These factors make the population of Guildford appear to have a very high proportion of people in the 18-24 year age who are assumed to have a high probability of forming new households and settling in Guildford when in reality they are students who return home at the end of their studies.

Changing Population Structure in Guildford over Time – 2011-based SNPP



In any case, the idea of providing new housing for students is nonsense. Students need purpose built student accommodation or halls of residence, not housing. One of the problems we have in Guildford is that, because the university has not built enough halls of residence, students occupy an estimated 2000 affordable houses in Guildford which are therefore no longer available for key workers such as council employees, hospital employees, teachers, shop assistants etc.

Evidence of the effect of students on the population of Guildford

It is extraordinary to consider that, if just you take natural growth (births and deaths) and net internal migration (that is movement within the UK), the 2016 Based SNPP, published on 24th May last year, forecast the population of Guildford to actually decline by 2355 from 2016 – 2026 (these are figures taken from the ONS website. Refer to page 4 of this submission). It therefore follows that the overall projected increase in Guildford’s population must be entirely due to the projected growth in net international migration, of which, according to the Office for National Statistics, 57% were thought to be foreign students (see page 29. paragraph 2.50 of the SHMA May 2014).

Considering the fact that the publicly stated policy of the current Conservative government is to reduce net international migration, it does seem anomalous that the council should consider setting such a high housing target when, according to the ONS, the increase in the population of Guildford is entirely due to net international migration.

Finally, by way of corroboration, the 2011 Census recorded a population for Guildford significantly less than had been forecast by the ONS. The ONS suggested that this discrepancy (referred to as Un-attributable Population Change or UPC) was probably due to the under-reporting of overseas students returning home. In Guildford, the UPC in the period from 2001 to 2011 averaged -717 persons per annum. This discrepancy is so significant that, if an allowance for UPC had been applied, the housing need for Guildford to accommodate demographic indicators would, according to Guildford’s own consultants, be reduced to 239 homes per annum. I believe the Council should be asked why they chose not to apply a factor to allow for un-attributable population change.

The following Table is an extract from page 68 of the West Surrey SHMA Sept 2015 prepared by G L Hearn:

Table 22: Projected Household Growth 2013-33 – 2012-based SNPP with UPC Adjustment and 2012-based Headship Rates

	Guildford	Waverley	Woking	West Surrey
Households 2013	55,351	49,691	39,757	144,798
Households 2033	59,939	58,714	49,422	168,075
Change in households	4,589	9,023	9,665	23,277
Per annum	229	451	483	1,164
Dwellings (per annum)	239	472	498	1,210

Source: GLH and JGC analysis of CLG data, 2015

WRITTEN STATEMENT BY NIELS LAUB

Sir, as you know, I am concerned about the extent to which the student population has distorted population projections and household projections in Guildford, a fact which has been clearly illustrated by the significant discrepancy between the population projections for Guildford and the actual population as recorded in the 2011 Census.

In order to arrive at a robust and sustainable housing target, I believe the following measures need to be taken:

1. An appropriate factor should be applied to the population projections to allow for the discrepancy between the population projections for Guildford and the actual population as recorded in the 2011 Census.
2. Alternatively, overseas students should be simply removed from statistics used to arrive at net international migration on the grounds that they are only here on a temporary basis to study and not here to settle. The International Student Migration Research Update, published by the ONS last August, concluded that the International Passenger Survey, on which international migration statistics are based, is likely to under-estimate student emigration.
3. All students, including domestic students, who are only here on a temporary basis to study, should be removed both from the statistics used to arrive at Population Projections for Guildford and from statistics used to generate Household Projections. The student population represents a churn in the population and needs to be dealt with separately. They are not permanent residents of Guildford.
4. The accommodation needs of students should be considered quite separately from housing targets and a robust target should be made for the provision of purpose built student accommodation both on campus and in the immediate vicinity of the campus (for instance on the south side of Stag Hill) to provide the students with easy access to university facilities while avoiding the need to commute.
5. A plan should be put in place to withdraw the student population from the local housing market thereby making available a substantial existing stock (possibly as many as 2000) of affordable housing in the town centre for key workers such as council employees, hospital staff, teachers, shop assistants, policemen, firemen, and young professionals.

Summary of 2016 Based SNPP issued 24th May 2018 extracted from ONS website

GUILDFORD BOROUGH COUNCIL

Change between mid-2016 and mid-2026

Births:	15998
Deaths:	11061
Internal inflow:	102632
Internal outflow:	109683
International inflow:	26405
International outflow:	15569
Cross-border inflow:	3009
Cross-border outflow:	3250
Population change:	8432 (5.7% increase)

Comment:

If you just take natural change (births and deaths) and net migration within the UK, the population of Guildford is actually set to **decline by 2355** between 2016 and 2026. Therefore the entire population increase in Guildford is apparently due to net international migration.

Guildford has a net international migration figure of **10836**

Woking, by contrast, has a net international migration figure of only **255**

The fundamental difference between Woking and Guildford is that Woking does not have a university

WRITTEN STATEMENT BY NIELS LAUB

2.0 Whether the calculations set out in the council's paper "Update to OAN assessment in Guildford as a result of the 2016 Based Household Projections" is an appropriate basis for calculating the OAN.

Firstly, I believe the council ought to explain why they have declined to adopt the Standard Method for calculating the OAN as published in March 2015, when the guidance notes clearly state that "there is an expectation that the Standard Method will be used and that any other method will be used only in exceptional circumstances" (Paragraph: 003 Reference ID: 2a-003-20180913). Can the council explain the exceptional circumstances which allow them to adopt alternative methods for calculating the OAN?

It should be noted that, according to the council's own consultants, the OAN using the Standard Method, and taking into account the 2016 Based Household Projections, would be reduced to 431 dpa rather than the figure of 562 dpa they arrive at using their own methods.

I also have some concerns about the council's methods in arriving at their OAN.

Demographics – The council has chosen to adjust the methodology in the ONS Household Projections to apply household formation trends dating from as far back as 1971, resulting in an increase in the housing need from 313 to 396 dpa, their reason being that, in their opinion, more recent trends reflect the lack of affordability in housing. The ONS explains that there are a number of reasons why household formation rates are in decline and these include an increase in the size of households and the fact that marriage is in decline and young people are putting off starting families. The PPG directs councils to refer to up to date and relevant data from official government bodies like the ONS. The PPG does not suggest they can then adjust the methodology to suit themselves.

Economic led housing need – Using the Inspector's guidance note that 0.8% per annum growth in employment would seem appropriate, the council has arrived at a figure of 539 dpa to accommodate the economic led housing need. However, using 55,000 households in Guildford as a starting point, and allowing only one employee per household, and ignoring any allowance for commuting, you arrive at a figure of 475 dpa for the same rate of growth. I would therefore dispute their figures.

In fact, I would prefer to be guided by Neil MacDonald's calculations for economic led housing need which are based on Economic Activity Rates more consistent with 0.8% growth.

Students – The council have still included an additional 23 dpa uplift to respond to the expected growth at the university. As we have already seen, as the term time address of most students is taken as their permanent place of residence, the majority of full time students are already, and quite erroneously, counted as residents of Guildford and potential heads of households for the purposes of calculating household projections. So effectively, this is double counting.

Students should not be included in statistics for calculating housing need. Students represent a transient population and require purpose built student accommodation, not housing.

The justification for adding an additional 23 dpa to the OAN is because the University of Surrey expects stronger growth in student numbers in the future. It is worth noting that Nick Hillman of the Higher Education Policy Unit has predicted a 57% reduction in students from the EU as a result of Brexit.