



Guildford Borough Local Plan Examination

Hearing Statement – Resumed Hearings

Iceni Projects Limited on behalf of
Ptarmigan Land

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1. INTRODUCTION

- 1.1 This Statement has been prepared by Icen Projects on behalf of Ptarmigan Land in response to the additional Matters and Issues identified by the Inspector in response to Guildford Borough Council's further correspondence considering the implications of the 2016-based household projections for the Borough's OAN and the Plan's housing requirement.
- 1.2 We set out below our response to the questions raised, building upon our previous representations and evidence, and setting out our client's position on the 2016-based projections and implications for the OAN and the housing requirement identified in the Plan.

2. MATTER 1 – APPROPRIATENESS OF USING THE 2016-BASED HOUSEHOLD PROJECTIONS

2.1 This section responds to the following question/ statement from the Inspector:

“The appropriateness of using the 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”

2.2 We acknowledge that the 2016-based household projections would, if applied, result in a decrease significant in the demographic starting point for calculating the OAN in Guildford, from 422 dwellings per annum (dpa) (derived from the 2014-based household projections) to 313 dpa. In light of this reduction, we note the Council’s desire to reconsider the identified housing need for the Borough, and the importance of assessing the implications of this matter for the OAN and consequently the housing requirement and housing strategy set out within the Plan.

2.3 We also note that the methodology used to calculate the OAN identified within Guildford Borough Council’s October 2018 note (GBC-LPSS-033a) appears to be broadly consistent with that utilised to arrive at the 630 dpa figure which was identified as being appropriate by the Inspector during the Hearing Sessions (as indicated in Document ID-006). As such, we consider the methodology employed by the Council to be broadly reasonable in principle, in terms of the adjustments applied to the demographic base figure. The key issue is thus whether the 2016-based projections now represent a more appropriate set of household formation assumptions for the calculation of the OAN.

2.4 In this regard, whilst we recognise that the 2016-based household projections provide a more up-to-date source of evidence on projected household formation rate than the 2014-based figures, it is important to acknowledge the issues that have been raised by the Government, the ONS and stakeholders within the development industry regarding the accuracy and methodological basis of this dataset. In particular, the 2016-based projections have been based on a different method for converting population change into estimates for household formation, reducing the number of census points used from 5 to 2 (the 2001 and 2011 censuses). This significantly shortens the historical trend

on which the data is based, resulting in much greater emphasis on short-term trends which include a period of low household formation due to an under-supply of homes in the national market. In contrast, we note that the population projections use 5 data points on domestic migration, and 6 on international migration. This change in methodology to rely on a shorter, less representative trend has been widely identified as a flaw in the 2016-based projections, and is acknowledged in the Government's October 2018 'Technical Consultation on Updates to National Planning Policy and Guidance' as a factor which unduly and artificially suppresses the implied need for housing across the country and at a Local Authority level. As the projections are trend based, they project historic trends into the future, and consequently the built-in affordability issues particularly evident in the more recent trends will be worsened if the 2016-based household projections are applied. The ONS have clearly stated (as noted at paragraph 13 of the 2018 Government consultation) that because of this, although the latest projections are lower than the previously published projections, this does not directly mean that fewer houses are needed in the future than thought, as they are not adjusted to take account of where homes have been needed in recent years but have not been available.

2.5 The October 2018 consultation thus indicated that it is the Government's intention to continue using the 2014-based projections when calculating the housing need using the standard method. We acknowledge that the consultation specifically relates to the standard method, and that the Guildford Local Plan is being assessed against the 2012 National Planning Policy Framework (NPPF) in accordance with the transitional provisions of paragraph 214 of the 2018 NPPF, meaning that the standard method for calculating housing need does not apply in this case. However, we suggest that the same fundamental principles and conclusions regarding the 2016-based household projections should inevitably apply in all cases, whether the standard method is used or not. In the 2018 consultation, the Government highlights the concern that the suppressed 2016-based projections could lead to a reduction in the rate of housing growth, and makes it clear (at paragraph 5 of the document) that the Government's intention is to prevent Local Planning Authorities reducing the number of homes that they are planning for in response to these projections, given the flaws in the data and the fact that this would not be reflective of the Government's intention to deliver more homes to not only keep pace with population growth but also to address worsening affordability resulting from past under-supply. In our view, the objectives reiterated in the 2018 consultation are entirely consistent with the ambition at paragraph 47 of the 2012 NPPF to boost significantly the supply of housing. It thus follows logically that the Government's concerns regarding the potential for the 2016-based projections to unduly undermine the intention to boost housing supply identified in the 2018 consultation would equally apply to this key aim of the 2012 NPPF.

2.6 Whilst we note the intention in the Council's note (GBC-LPSS-033a) and the accompanying GL Hearn statement (GBC-LPSS-033b) to seek to correct the flaws in the 2016-based projections with a temporary fix by applying adjustments to younger households, relying on the 2016-based projections will still include the potential for wide variance for other age groups given the reliance on just two data points, and assumes flat household formation rates for other age groups post 2021.

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- 2.7 The methodological flaws in the 2016-based projections highlighted above suggest in our view that this dataset is not an appropriate basis for calculating housing need. Consequently, whilst the 2016-based projections may be regarded as the most up-to-date evidence on the projected household formation rates for the Plan period, we contend that they are not sufficiently “adequate”, having regard to the requirements of paragraph 158 of the 2012 NPPF. We therefore consider that the 2014-based household formation rates (applied to the 2016-based population projections) constitute the most recent dataset that can be described as up-to-date, relevant *and* adequate.
- 2.8 Given the Government’s stated intention to continue using the 2014-based projections for the standard method, it would be reasonable to conclude that this dataset is still considered sufficiently up-to-date to inform calculations of housing need (whether this is by means of the standard method or otherwise). Furthermore, the National Planning Practice Guidance (NPPG) associated with the 2012 NPPF¹ indicates that assessments of housing need are not automatically rendered out of date every time new projections are issued, thereby indicating the potential to continue relying on the previous (2014-based) projections, which in our view is justified in this case due to the flaws with the 2016-based data.
- 2.9 In summary, whilst we appreciate that Guildford Borough Council have rightly taken the opportunity to consider the potential implications of the latest 2016-based household projections for the housing need identified for the Borough, we are concerned that this dataset cannot be relied upon as the most accurate demographic starting point for calculating housing needs, and that the application of the 2014-based household formation rates to the 2016-based population projections (as previously endorsed by the Council and the Inspector) provide the most appropriate basis for this assessment.

¹¹ Reference ID: 2a-016-20150227

3. MATTER 2 – APPROPRIATENESS OF THE COUNCIL’S OAN CALCULATION

3.1 This section responds to the following question from the Inspector:

“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.”

3.2 As discussed above, we note that the methodology used to calculate the OAN identified within the GL Hearn paper (GBC-LPSS-033b) and Guildford Borough Council’s October 2018 note (GBC-LPSS-033a) appears to be broadly consistent with that utilised to arrive at the 630 dpa figure which was identified as being appropriate by the Inspector during the Hearing Sessions (as indicated in Document ID-006). As such, we consider the methodology employed by the Council to be broadly reasonable in principle, in terms of the adjustments applied to the demographic base figure.

3.3 As noted in relation to Matter 1 however, we disagree with the use of the 2016-based household projections as the appropriate set of household formation assumptions, which in turn results in the need for a temporary fix of applying adjustments to younger households as discussed at paragraph 7 of GBC-LPSS-033b. In our view this adjustment is still less reliable than applying the 2014-based household formation rates, as it continues to include a wide potential variance for other age groups by relying on just two data points, and which assumes flat household formation rates for other age groups post 2021.

3.4 For these reasons we continue to support the calculation previously identified by the Inspector in ID-006 and previously advocated by the Council when the Main Modifications were published in September 2018.

4. MATTER 3 – THE IMPLICATIONS OF THE COUNCIL’S PAPER ON THE HOUSING REQUIREMENT AND SUPPLY

4.1 This section responds to the following question from the Inspector:

“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

The need for the additional sites included in the main modifications”

4.2 We note that should the 2016-based household projections be used as the demographic starting point for calculating the housing need for Guildford, this would result in a lower housing need (based on the methodology summarised in GBC-LPSS-033a). This would potentially have implications for the housing strategy identified by the Council.

4.3 However, as discussed above in response to Matter 1, we consider that it would be more appropriate to use the 2014-based household formation rates, which would not necessitate any further amendments to the Plan. Notwithstanding this, it is clear that in any event the imperative to ensure a sufficient rate of early delivery following adoption of the Plan remains (and indeed may be even more vital should there be delays to the previously anticipated timescales for adoption).

5. MATTER 4 – WOKING’S OAN

5.1 This section responds to the following question from the Inspector:

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

5.2 As highlighted, Woking Borough Council has recently undertaken a review of its Core Strategy, and has indicated that it does not intend to amend its housing requirement. We note that the review particularly emphasises the undesirability (in Woking Borough Council’s view) of releasing Green Belt to accommodate additional housing growth, and that it has also referenced the standard method and the implications of the 2016-based household projections to justify its proposed lack of further action in this regard.

5.3 However, the assumption that Woking’s unmet need has suddenly ceased to exist is reliant on the application of the 2016-based household projections to the standard method for calculating housing need. As acknowledged by Guildford Borough Council, if the 2014-based projections are used, the OAN would exceed Woking’s housing requirement of 292 dwellings per annum set out in its adopted Core Strategy. For the reasons set out above in response to Matter 1, we consider that it would be inappropriate to apply the 2016-based projections, given the methodological flaws with the dataset and the Government’s stated intention to require authorities to continue using the 2014-based projections. Consequently we anticipate that there will continue to be an element of unmet need arising from Woking.

5.4 It is evident from Woking Borough Council’s contribution to the Guildford Local Plan Examination to date and the review of its Core Strategy that it has no intention of increasing its housing requirement or allocating additional land for development. It thus follows that Guildford Borough will need to accommodate any unmet need arising, in order to address the significant socio-economic consequences for the wider housing market area of failing to do so.

5.5 Whilst we note that the focus of this Examination is on Guildford’s Local Plan, and that there are a range of scenarios to consider regarding Woking’s OAN and potential future plans, we consider that it is important to make a judgement regarding the extent of any unmet need in Woking at this time in order to ensure the needs of the housing market area as a whole are adequately planned for, to achieve sustainable development. In this regard, we would suggest that the 2014-based household projections form the most appropriate starting point for calculating Woking’s OAN.

5.6 Notwithstanding the above, and regardless of the conclusions drawn from the evidence presented, as noted at the previous Hearing Sessions, early delivery will still be a fundamental issue for the

Local Plan to address, and any potential reduction in the housing requirement for Guildford would not alter the need to maximise delivery from available sites in the first 5 years following adoption of the Plan.