

Home Builders Federation

Matter 1

GUILDFORD LOCAL PLAN EXAMINATION

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.

Whilst the Government's consultation focuses on the impact of the 2016-based household projections in relation the standard method, the concerns regarding these projections raised by the Government should not be ignored in relation to Guildford Borough Council's (GBC) OAN. The impact of these lower household projections if applied using the approach to assessing housing need required by the 2012 NPPF and its associated guidance is no different to their application under the standard methodology. Indeed, the impact could be considered to be even more significant given that Councils have generally under estimated the degree of uplift required to improve affordability in relation to market signals. What is clear from the Government's consultation is that significant caution should be given to the use of the 2016-based household projections. Paragraph 11 in particular highlights their concerns and the need to maintain a higher level of housing delivery at present in order to improve household formation, address the shortfalls created by the under delivery of homes in the past and improve affordability.

The consultation reiterates in paragraph 9 the Government's commitment to the delivery of 300,000 homes per annum by the mid-2020s and the fact that the latest projections do not support this aspiration. There must be a concern that if transitional plans are allowed to reduce their housing requirements on the basis of the latest projections, then this target will not be met. The transitional period will already see Councils delivering well below the number of homes that would be required of them





using the standard method calculated on the basis the 2014 based projections, the use of the 2016 based projections in their housing needs assessment will further compound this matter. As such the Government's consultation cannot be dismissed.

It is also important to remember that paragraph 2a-016-20150227 of PPG states not only that local assessments of need should be informed by the "latest available information" but also that:

"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."

This paragraph 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 projections there must be concerns about giving significant weight to them at present and whether they should render a needs assessment based on the 2014-based projections as being out of date. We would suggest more weight should be given to the Government's position on the latest projections, a position that has been reiterated in their response to the Draft London Plan, which is also being examined under the transitional arrangements. In this statement¹ the Government observe in relation to paragraph 2a-016-20150227 of PPG that:

"In this context, the Panel's attention is drawn to pages 6-9 of the Government's Technical consultation on updates to national planning policy and guidance. This is considered to provide relevant background to the level of weight that should be afforded to the revised household projections."

This would suggest that the Government in fact consider their consultation to be of relevance to plans submitted during the transitional phase and that their concerns regarding the 2016-based projections are relevant and should be afforded significant weight. Therefore, we would consider it inappropriate to use the 2016-based household projections as the basis for assessing housing needs within GBC.

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.

Whether the calculations are an appropriate basis for calculating OAN depends on whether or not you consider the 2016-based population projections to be an appropriate starting point. As set out above the Government clearly do not think that they are an appropriate starting point and as such there must be some doubt as the appropriateness of their use in the Council's updated OAN. In relation to Woking's unmet need it is essential that any assessment should be based on the standard

¹ www.london.gov.uk/sites/default/files/m17_mhclg_2631.pdf





method using the 2014-based household projections. The Government's consultation indicates this is the Government's preferred approach and as such it would be most appropriate to plan for this scenario.

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.**

The Government is clear within its consultation document as to why the 2016-based projections are not a justification for lower housing needs and that the use of the 2014 based projections supports its stated aim for future housing delivery. Therefore, the Council's decision to reduce its housing requirement on the basis of this information cannot be considered sound. The only appropriate approach is to base its assessment of housing needs on the 2014-based household projections. As such we do not consider a reduced housing requirement and amended trajectory as set out in the Council's note to be a sound way forward for this local plan and effectively open up the entire debate on Guildford's housing needs and the decision by Guildford to use the 2016 based sub national population projections.

The implications of the Council's approach will lead to the Plan being out of date as soon as it is adopted. Whilst the Plan is being examined against the policies in the 2012 NPPF it will, of course, be applied under the auspices of the 2018 NPPF. Paragraph 213 of the 2018 NPPF recognises that this will not automatically mean that plans made prior to the publication of the latest Framework are considered out of date. However, it goes on to state that:

"Due weight should be given to them, according to their degree of consistency with this Framework (the closer the policies in the plan to the policies in the Framework, the greater the weight that may be given)."

The approach taken in assessing housing needs by Guildford will not be consistent with the requirements of paragraph 60. The Council's assessment of housing needs will use the 2016-based household projections and will be significantly lower than needs assessed using the standard methodology. There will be no consistency between the Plan and national policy in relation to housing needs and supply and as such those policies would be considered out of date on adoption and lead to the application of the paragraph 11 of the NPPF. The level of uncertainty created by this position is in no one's interest. We would therefore suggest the approach we set out in our representations is considered. This would be consistent with the 2012 NPPF and associated guidance as well as achieve consistency with future policy.

As we set out in our representations a minimum 20% uplift for market signals should be applied to the 2014-based household projections (adjusted for vacancies and second homes) for the plan period. However, given the worsening affordability in the



Borough it could reasonably be expected that a 25% uplift be applied. A 25% uplift would result in an annualised housing need figure of 710² for the plan period. If this is considered across the plan period it would leave a backlog of between 2013/14 and 2017/18 of 1,150 dwellings. If the backlog is then annualised across the remaining plan period of 15 years it leaves an annual housing requirement of 786 dpa between 2018/19 and 2033/34. This level of delivery is consistent with the 789 dpa that Guildford would be required to deliver using the standard method and is consistent with the Government's position with regard to their concerns over the impact of applying the 2016 based projections. Such a position would ensure that the plan does not become out of date as soon as it is adopted.

The additional sites included within the main modifications would be required to ensure a five year housing land supply based on the Liverpool approach and the limited stepped trajectory being proposed by the Council. In addition, the Council will need to ensure the delivery of Woking's unmet needs which is considered below in response to questions 4 and 5.

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.

The conclusions set out in both LPSS-033a and LPSS-033b assume that Woking Borough Council's (WBC) assessment of needs will be based on the 2016-based household projections. As we have highlighted above these projections should not be relied on when assessing the housing needs of GBC and the same should apply with regard to WBC. As such the position articulated in both these studies in relation to WBC's housing needs cannot be considered to be sound.

What is evident from both these papers is that in reviewing their Local Plan Woking will be required to prepare a plan to meet the housing needs identified using the standard methodology. If, as seem likely, the Government's approach as set out in the consultation is taken forward this will require WBC to plan for the delivery of 430 dpa. In a paper on the review of their Local Plan, which GBC reference in their own studies, WBC highlight that using the standard method calculated using the 2016-based household projections then their unmet needs in the new local plan will reduce to 117 dpa (based on the delivery of 409 dpa over 15 years). What is apparent within this paper is that WBC do not consider it possible for them to deliver any more than 292 dpa during their next plan period. Whether this approach is sound will of course need to be tested but it must be assumed that Woking at present will not be increasing their housing requirement to meet needs.

GBC have set out what they consider to be their unmet needs at paragraphs 4.6 to 4.7 of GBC-LPSS-036. However, this calculation is flawed in that it assumes all of Waverley's contribution to Woking's unmet needs will be delivered during the remaining 9 years of Woking's plan period. This is not the case. Waverley have

² Adjusted 2014 based household projection (568) + 25% uplifts (142)



committed to delivering 83 homes a year³ meet Woking's unmet need across the whole of their plan period (2013/14 to 2031/32). This means that there was a backlog for the first five years that would need to be considered and some of Woking's needs will be delivered by Waverley after the end of Woking's plan period.

We would also disagree with the use of assessment of Woking's needs as being 409 dpa. Whilst Woking have considered whether or not it should prepare a new local plan this was using on the 2016-based projections over which there is substantial doubt as to their continued use in the standard methodology. The only reasonable approach is for Guildford to calculate Woking's needs on the basis of the 2014-based projections. This results in a housing need of 431 dpa.

On the basis of this information we consider the level of unmet needs in Woking to be 139 dpa (431 dpa minus 292dpa). Given that Waverley Borough Council are meeting 83 dpa of this unmet need it can be concluded that there will be 56 dpa remaining to be delivered elsewhere. We would suggest that the whole of this unmet need is included in Guildford's housing requirement to ensure the needs of the HMA are met in full. Should this situation change, and Woking adopt a higher housing requirement then this can be addressed through a revision to Guildford's Local Plan.

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.

The most appropriate position, as outlined above, is for GBC to plan positively in this Local Plan to meet the unmet needs arising in Woking. If Woking, following the proposed review of their local plan, are able to meet more of their housing needs than they are currently able to then GBC can revise its plans and reduce its housing requirement if appropriate. We would suggest that this is especially pertinent given that GBC has consistently delayed its plan making in order to reduce the number of homes it is required to deliver.

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³ Paragraph 6.6 Waverley Local Plan Part 1.

