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Dear Chris

GUILDFORD COLLEGE GROUP – RESPONSE TO INSPECTOR’S SCHEDULE OF MATTERS, ISSUES AND QUESTIONS SET OUT IN DOCUMENT ID/12

Introduction

This Statement has been prepared by Indigo Planning on behalf of The Guildford College Group in response to the Inspector’s Schedule of Matters, Issues and Questions set out in document ID/12 as part of the Guildford Borough Council Local Plan Examination Resumed Hearings.

We’ve addressed the five questions in turn:

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.

We note that both the Inspector’s question above (including the note) and the Council have taken the view that 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. As such, the Inspector and the Council appear to share the view that Guildford Borough Council does not need to abide by the consultation proposals.

We have not sought to challenge this view as part of this hearing statement. However, instead, we focus on the question of whether the 2016-based household projections are appropriate to use as the basis for the Council's calculation of its OAN.

Paragraph 158 of the NPPF (2012) states 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."* (Indigo's emphasis)

There is no contesting that the 2016-based household projections constitute the latest, most up-to-date information available.

However, paragraph 158 of the NPPF (2012) does not state that the Local Plan should be based on solely the most up-to-date evidence. It states that it must be based on adequate, up-to-date and relevant evidence.

We also note that the PPG, states that *"wherever possible, local needs assessments should be informed by the latest available information"*. However, the PPG is not meant to be read in isolation from the NPPF. It is to be read as one. Therefore, one should not ignore the full wording of paragraph 158 and ignore the need for the evidence to be both adequate and relevant.

Whilst the 2016-based household projections are the most up-to-date, we contest that they are adequate and relevant.

The Governments latest consultation document identifies that the Office for National Statistics (ONS) has made the following statements about the updated 2016-based household projections:

"They do not take account of how many people may want to form new households, but for whatever reason aren't able to, such as young adults wanting to move out of their parents' house, or people wanting to live on their own instead of in a house share. Therefore, household projections are not a measure of how many houses would need to be built to meet housing demand; they show what would happen if past trends in actual household formation continue."

And;

"Although the latest household projections are lower than the previously published projections, this does not directly mean that fewer houses are needed in the future than thought. This is because the projections are based on recent actual numbers of households and are not adjusted to take account of where

homes have been needed in recent years but have not been available. Therefore, if more homes are built, the increased availability of homes may result in more households forming. The opposite is also true – if fewer homes are built then fewer households are able to form.”

These comments are vitally important and wholly relevant to the Guildford area, where past under performance against their housing targets and worsening affordability. In light of the above, it is clear that the independent body responsible for producing the household projections (the ONS) accepts that the household projections are not a measure of how many homes need to be built to meet housing demand (need) but a forecast of what would happen if past household trends are continued. They also recognise that past under-delivery has a direct impact on the ability of new households to form which in turn reduces the forecast household formation.

Guildford Borough Council has consistently under-delivered against its housing needs (providing only 50% of its housing target in the past three years alone). This in turn has had a direct impact on reducing the household formation forecasts as less households were able to form due to a constrained supply.

If the ONS had accepted that its latest household projections do accurately report how many households are needed and if it is accepted that the actual housing need is actually greater (which may be evidenced in the revised household projections when they are published), we fail to see how the latest evidence is both adequate and relevant to the assessment of housing need in the Borough. In fact, we believe the latest projections are wholly inadequate and will only perpetuate and indeed worsen current trends.

Of course, the same could be said about the 2014-based population projections. However, if the Government, presumably through consultation with ONS, is advising that the 2014-based household projections should continue to be used, this indicates that the Government sees these projections as a more realistic and reliable indicator of housing need than the latest projections.

The Council's own consultant's (GL Hearn) seem to acknowledge this in the Council's paper "Update to OAN Assessment in Guildford as a result of the 2016-based Household Projections" (GBC-LPSS-033b). GL Hearn note that:

1. *“These are the first set of sub-national household projections to be produced by the Office of National Statistics (ONS) with the responsibility having transferred to them from the Ministry of Housing, Communities and Local Government (MHCLG).*
2. *In doing so ONS consulted on changing the methodology for household projections. As a result of the consultation ONS sought to use trends in household representative rates/household formation rates from 2001 onwards whereas previously these drew on trends from 1971.*

3. *As consequence of using more recent trends from 2001, the influence of periods when household formation rates in younger age groups was higher, in part due to better affordability, was nullified. As a result, the household projections effectively locked in this lack of affordability. The net impact of this change was a reduction of some 565,000 additional households forming across England over the 2016 to 2026 period.”*

The 2014-based household projections accounted for longer-term growth trends (ie since 1971) which provided a more realistic forecast which drew upon past formation rates which were not so constrained by the rapid rise in unaffordability since 2001. Therefore the 2014-based projections are arguably more adequate and relevant than the latest data set.

By using the 2016-based household projections, the Council is choosing to constrain the housing need and housing supply in the District, which will further constrain household formation and result in more excessive increases in house prices due to demand outstripping supply.

This is fundamentally opposed to the Government’s aspirations to increase affordability of homes and provide the opportunity for more people to get a foothold on the property ladder.

The Council and the examination process has already established that the OAN established at the Local Plan examination can be met through the allocation of suitable sites. We consider that to reduce the OAN at this stage and artificially constrain the calculation of housing need, based on inadequate evidence, is irresponsible and will only lead to a more rapid rise in unaffordability in the Borough which in turn will result in an even higher housing target in five years’ time once the new standard method is applied.

It must be appropriate to plan for a higher housing number now, to try to contain the rising affordability ratio, rather than to continually ‘kick the can down the road’ by using unreliable data to artificially constrain the assessment of housing need in the Borough.

In light of the above, despite comprising the most up-to-date evidence, we do not consider the 2016-based household projections to be adequate and relevant as required by paragraph 158 of the NPPF (2012).

They are therefore not an appropriate data set in which to base the Council’s assessment of its objectively assessed housing need.

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 Projects” (GBC-LPSS-033b) is an appropriate basis for calculating the OAN.**

Whilst we reserve judgement on the actual calculation of the OAN by GL Hearn in the Council's paper (GBC-LPSS-033b), for the reasons set out in our response to question 1, we do not consider the 2016-based household projections to comprise adequate and relevant evidence in which to base an assessment of housing need.

For this reason, we do not consider the conclusions reached on the OAN, as set out in the note, to be appropriate.

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.**

As commented above, we do not believe the 2016-based household projections are the right starting point to work out the OAN and therefore will not be commenting on their implications. Save to say that we believe that the OAN should be used as set out in the Proposed Main Modifications including the need for additional sites. We also believe that any housing trajectory should be based on delivering housing at the earliest point in the plan process. However, as set out in our representations to the Proposed Modifications consultation as well as previous submissions, we believe land at Liddington Hall should be included as one of the required additional housing sites.

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

We do not believe it is appropriate to come to any conclusion whatsoever on the issue of Woking's OAN and any unmet need purely based on the standard method and the latest 2016-based household projections as both remain in a state of flux and are more than likely going to change over the coming months (as a result of revised ONS data and consultations on the standard method and its application).

The only reasonable conclusion that can be reached at this stage is the one taken in the examination of the Waverley Local Plan Part 1, namely to rely on the findings of the West Surrey SHMA (2015) which provided a full assessment of housing needs in the west Surrey authorities which included Woking. The Inspector in this instance, as you will be aware, concluded that it was reasonable that Waverley Borough sought to provide half of Woking's unmet need. It is therefore consistent and reasonable at this stage for Guildford to do the same.

We note that footnote 7 of the Inspector's report on the examination of the Waverley Local Plan Part 1 (dated 1 February 2018) stated that:

“Re-calculating Woking’s OAN in the light of the 2014 household projections is outside the scope of this examination. The SHMA figure has therefore been referred to but with a recognition that lower household projections may result in some reduction to the degree of unmet need.”

A similar conclusion can be reached in the assessment of Guildford’s Local Plan.

Given the evolving nature of the standard method and the latest household projections, it is not appropriate to establish whether there will be any unmet need arising from Woking’s calculation using the new method.

We consider that the only reasonable and appropriate way forward is to rely on the findings of the West Surrey SHMA (2015) for now (as the most reliable assessment of housing need across the housing market area) and commit to an early Local Plan review to coincide with the examination and subsequent adoption of the new Woking Local Plan (and its housing target).

We also consider there to be an issue of consistency. As it stands, the Council is appearing to be assessing Guildford’s and Woking’s housing needs using two very different methodologies (ie the new standard method for Woking but not for Guildford).

By committing to an early Local Plan review, Guildford would ensure that housing needs across the two authorities will be assessed using a consistent methodology and evidence base which will result in a more accurate and appropriate housing target to be formulated. This should ensure that any unmet need across the HMA (if there is any) is addressed rather than using inadequate evidence to artificially suppress housing need.

5. Whether in view of current uncertainties (especially with regard to item 4) it would be appropriate to inset a review mechanism into the plan and, if so, how it would be phrased.

As noted in our response to question 4, we consider it to be reasonable and appropriate to insert a review mechanism into the plan to commit the Council to an early Local Plan Review.

In addition, we refer to our representations on the Main Modifications consultation document submitted in October 2018 which raised concerns over Policy ID2.

Policy ID2 states that Guildford Borough Council is committed to working with Highways England to facilitate major, long-term improvements to the A3 trunk road and M25 motorway in terms of both capacity and safety, as mandated by the Department for Transport’s “Road Investment Strategy”.

The Council has added in a paragraph to this policy to commit to reviewing its transport evidence base in the event that there is a material delay in the anticipated completion and or a reduction in scope of the A3 Guildford (A320 Stoke interchange junction to A31 Hog’s Back junction) ‘Road Investment Strategy’

scheme from that assumed in plan-making, or cancellation of the scheme.

It states that such a review would investigate the consequent cumulative impacts of approved developments and Local Plan growth including site allocations on the safe operation and the performance of the Local Road Networks and the Strategic Road Network.

Further, it states that in the case of material delay in the anticipated completion and or a reduction in scope in the A3 Guildford scheme, the review will consider the period up to the revised date of completion of the scheme. The outcome of this review will determine whether development can continue to be completed in accordance with the Local Plan trajectory or will determine whether there needs to be a review of the Local Plan.

Whilst the inclusion of such a commitment is welcome and a step in the right direction, we consider that it does not go far enough in committing the Council to reviewing its Local Plan at the earliest opportunity should delays be incurred in completing the A3 Road Investment Schemes or if they are reduced in scope.

The SNR2 A3 Guildford (A320 Stoke interchange junction to A31 Hog's Back junction) 'Road Investment Strategy' scheme is reported in the Local Plan to be completed between 2024 and 2027.

However, despite SRN2 being a scheme that the Council considers to be necessary to enable the three main strategic allocations to be delivered, it is only a scheme that Highways England (HE) is exploring. HE has not yet come up with a design or a conclusion on whether there is the business case for it to be delivered. There is also no funding in place for the scheme.

Given this uncertainty, a review mechanism must be built into the Local Plan which commits the Council to review its Local Plan should HE report that SRN2 has been scaled back or cancelled.

In light of the impact that such changes would have on the deliverability of the three main strategic allocations (and others in close proximity to the A3), the Local Plan should commit to undertaking a review at the earlier of either:

- HE reporting changes to / or a cancellation of the SRN2; or
- Within three years of the Local Plan being adopted.

We consider that the above is required in order to assess whether additional allocations should be identified in light of any changes to SRN2.

It is worth noting that the latter could potentially coincide with the adoption of a new Local Plan (and housing target) for Woking.

We consider that such a review mechanism could be phrased as follows:

“Guildford Borough Council commit to undertaking a review of its Local Plan in the event that:

- *Woking Borough Council submits a new Local Plan for examination; or*
- *Highways England reports changes to / or a cancellation of the SRN2 road scheme; or*
- *Within three years of the Local Plan being adopted.”*

Given that the NPPF (2018) requires local authorities to review Local Plans every five years, the last bullet will be required in any event.¹

Yours sincerely

A handwritten signature in black ink, appearing to read 'Aaron Peate', with a long horizontal flourish extending to the right.

Aaron Peate

¹ The NPPF at para 33 indicates that “policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years and should then be updated as necessary.” As per footnote 18, reviews at least every five years are a legal requirement for all local plans (Regulation 10A of the Town and Country Planning (Local Planning) (England) Regulations 2012).