

Reading Local Plan EIP

Matter 2: Housing Need and Requirement

Issue: *Is the LPPU positively prepared, justified, effective and consistent with national policy and guidance with regard to housing need and the housing requirement?*

2.1 What is the minimum number of new homes needed over the LPPU's plan period as calculated using the standard method and including the cities and urban centres uplift based on the latest available figures at the point the LPPU was submitted? Are the calculations accurate and do they reflect the PPG's methodology and advice?

The local plan was submitted on the 9th of May 2025. In March 2025 the ONS had published new work placed based housing affordability ratios for England and Wales. The median affordability ratio for Reading in this latest dataset was 7.45. If this ratio is inputted into the standard method, it results in an affordability adjustment of 1.22. In addition, the base period over which average household growth is calculated would be amended to 2025 to 2035 on the basis that Step one of the standard method requires the current year to be the starting point from which to calculate growth. Inputting this latest information into the standard method would result in the minimum number of homes the Council being required to deliver is 613 dwellings per annum (dpa). Step 4 then requires a 35% uplift to be applied. This increases Reading's housing needs assessment by 215 dpa. This result in a local housing needs assessment using standard method of 827 dpa.

2.2 Having had regard to the PPG, are there any exceptional circumstances in Reading which justify an alternative approach to following the standard method in its entirety, including the cities and urban centres uplift? If so, what are they, are they supported by robust evidence, and what should the housing requirement for Reading be?

The position put forward by the Council is that their housing needs are higher than that set out in the standard method prior to the application of the cities uplift. The conclusion reached is that on basis of the high Unattributable Population Change (UPC) in the 2014 based household projections there was a significant underestimation in population growth. In considering this position it is necessary to take into account paragraph 2a-015 of PPG which states:

“Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”

As such there is lower bar where a Council is seeking to use an approach that identifies a need higher than the standard

method. With regard to steps 1 to 3 of the standard method as set out in PPG the Reading Housing Needs Assessment provided demographic data to support the Council's position that housing need was higher than national policy indicates. However, in considering the housing needs of Reading the Government also requires the application of the cities and urban centres uplift. This uplift was applied in order to increase delivery in urban areas in order to ensure that more homes were built on previously developed land (PDL) and focus more new development where there are existing infrastructure and services. As such it is not an uplift based on the needs of Reading but one to ensure that as one of the 20 largest urban centres in England maximise the use of brownfield land. Therefore, rather than apply the uplift to the outcomes of steps 1 to 3 of the standard method there is clearly an argument that the council should have applied cities and urban centre uplift to its own assessment of housing needs. This would result in a housing need of 992 dpa – more in line with the expectations required by the latest NPPF and PPG.

As to whether the cities uplift should be applied HBF recognises that Reading is one of the smallest of the 20 urban areas required to apply the uplift and that the Council does not cover the entirety of the urban area, but that does not mean it should not be required to apply an urban uplift in order to achieve the stated aim of this approach to maximise land supply on PDL. It may be the case that the Council is not able to meet the urban uplift in full due to land constraints but that does not mean there is a justification for using an alternative approach to assessing housing needs that removes the urban uplift from the Council's assessment of housing needs. While the urban uplift is a blunt approach it would appear that the Council has, in part as a result of the uplift, looked to maximise PDL and has identified sufficient land to deliver a housing requirement of 825 dpa – a total of 14,850 homes.

2.3 The PPG refers to the expectation that the increase in the number of homes to be delivered in cities and urban centres is delivered in those areas, rather than the surrounding areas, unless it would conflict with national policy and legal obligations. Would there be any conflict with national policy and legal obligations if the cities and urban centres uplift was applied?

If the housing needs assessment based on the most up to date standard method is used the Council have sufficient sites to deliver within 2 homes each year of assessed housing needs including the urban uplift and as such there is clearly no conflict with national policy or legal obligations in meeting this level of need. If the Council were expected to meet a higher level of need either based on the standard method as calculated at the time of the regulation 19 consultation or indeed the applying the urban uplift to their own assessment of housing need it is likely that there would be unmet housing needs and that it should seek support from those neighbouring areas to have those needs met on sites in or adjacent to the wider Reading urban area.

2.4 Do paragraph 11 of the Framework and the policies within footnote 7 of the Framework provide a strong reason for restricting the overall scale, type or distribution of development in the LPPU's area?

HBF do not consider that the policies within footnote 7 apply to Reading. However, it is recognised that Reading Borough Council is tightly constrained and as such there may be insufficient land available to meet its housing needs in full. If the Council has examined all reasonable opportunities to maximise densities on available sites, then it would be justified in not meeting housing needs in full. Given that this was the case at the time plan was being prepared the Council should have sought the help of neighbouring authorities to try and address those needs.

2.5 Are there any reasonable alternative spatial strategies for Reading which could result in a material difference with regard to any unmet housing need under the standard method which remains to be positively accounted for?

HBF are not aware of any alternative spatial strategies that would have addressed unmet needs.

2.6 Is the housing requirement figure of 14,850 homes by 2041 (approximately 825 per annum) in Policy H1 justified?

A capacity constrained housing requirement of 825 homes is considered to be justified. However, the statement in paragraph 4.43 is unjustified and should be deleted.

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