

Examination of the Reading Borough Local Plan Partial Update

Reading Borough Council Hearing Statement for Matter 3: Housing, including Five Year Supply of Housing Land

January 2026

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Note: In all Council Hearing Statements, references to the Local Plan Partial Update (LPPU) are to the Pre-Submission Draft Local Plan Partial Update showing tracked changes [LP003b] unless otherwise specified.

Issue 1: Will the Council be able to demonstrate a five year supply of housing land on adoption of the LPPU?

3.1 Will the LPPU provide a 5-year supply of deliverable sites against the LPPU's target of 825 dwellings per annum on adoption?

- 3.1.1 Yes. The Housing Implementation Strategy [EV014] assesses five-year supply in each year of the plan period based on the rates shown in the housing trajectory using available information at the point of submission, and this is summarised in table 5.1. Assuming adoption of the LPPU in 2026, the five-year supply covering the period 2026-2031 against the target of 825 dwellings per year is calculated as 6.56 years.
- 3.1.2 A new version of the LPPU housing trajectory has been prepared to take into account 2024-25 monitoring information and any new or amended sites that have come forward up to the end of 31 December 2025 (see answer to question 3.2). On the basis of this new version of the trajectory, the supply over the five year period 2026-2031 would be 5.87 years' supply. This is based on the calculation in Table 1 below, which in summary is 5,039 projected dwellings delivered 2026 to 2031 divided by the annual requirement including buffer of 858 dwellings.

Table 1: Summary of anticipated 5 year supply position at adoption

Requirement	Dwellings
Total requirement 2023-2041	14,850
Completions 2023-25	1,911
Projected completions 2025-26	682
Remaining requirement 2026-2041 total	12,257
Remaining requirement 2026-2041 annual	817
Total requirement for five year supply 2026-2031	4,085
Total requirement for five year supply 2026-2031 with 5% buffer	4,289
Annual requirement 2026-31 with 5% buffer	858
Supply	Dwellings
Projected completions 2026-27	505
Projected completions 2027-28	579
Projected completions 2028-29	987
Projected completions 2029-30	1,136
Projected completions 2030-31	1,832
Total projected completions 2026-2031	5,039

3.2 Is the housing trajectory at Appendix 1 of the LPPU realistic and does it align with the Summary Infrastructure Delivery Schedule at Table 10.2 of the LPPU and the Draft Infrastructure Delivery Plan (May 2025) [EV005]?

3.2.1 The Housing Trajectory (the most up-to-date version of which at submission was set out in Appendix 1 of the Housing Implementation Strategy [EV014] and which updates the version in the LPPU [LP003b]) was designed to be ambitious but realistic, in order to significantly boost housing supply in a manner which can actually be delivered on the ground.

3.2.2 It is worth comparing this to delivery over the existing plan period so far from 2013. Table 2 contains this data and whilst it shows average completions over the plan period of 721 dwellings, there were five years in that period where completions exceeded 825. Four of those five years were the most recent four years. Delivery of 825 dwellings per year is therefore considered to be achievable subject to the sites being identified in the plan.

Table 2: Number of homes completed 2013-2025

Monitoring year	Net additional dwellings completed
2013/14	361
2014/15	635
2015/16	751
2016/17	717
2017/18	700
2018/19	910
2019/20	521
2020/21	408
2021/22	850
2022/23	888
2023/24	1,021
2024/25	890

3.2.3 The trajectory draws heavily on the Housing and Economic Land Availability Assessment (HELAA) [EV015]. The HELAA is the source for many of its assumptions, including the following:

- Small site windfalls
- Local Authority New Build allowance
- Site capacity
- Suitability, availability and achievability of sites
- Variance rates
- Dwelling equivalents for non-C3 accommodation

3.2.4 The approach to each of these is set out in the HELAA and summarised below.

- 3.2.5 **Small site windfalls:** The evidence to support the reliance on small site windfalls is set out in the HELAA in section 4 and is summarised in answer to question 3.5 below.
- 3.2.6 **Local Authority New Build allowance:** The approach to site capacity is set out in paragraphs 4.12-4.15 (pp30) of the HELAA. This is around the potential for suburban regeneration that would deliver additional homes as a further phase of the Council's Local Authority New Build programme and would be in compliance with policy H14. This involves a great deal of sensitivity as it may involve demolition of existing occupied homes, which is why more details of specific sites or areas were not provided as part of the evidence base. The focus would mainly but not exclusively be on West and South Reading as this is where the majority of the Council's ownership of residential stock is located. Broadly, Housing officers prepared an initial proposal based on a large number of sites that could deliver additional homes both within the plan period and beyond. Planning Policy officers reviewed this proposal on a site by site basis against existing and proposed policies and came to a view on what would be suitable and deliverable within the plan period, and this led to the estimate of 400 dwellings in the HELAA and trajectory to be delivered in the long term.
- 3.2.7 **Site capacity:** The approach to site capacity is set out in Step 2a, paragraphs 3.3-3.13 (pp15-17) of the HELAA, and is dealt with in answer to question 3.3 below.
- 3.2.8 **Suitability, availability and achievability of sites:** The approach to suitability, availability and achievability of sites is set out in Steps 2b-2d, paragraphs 3.14-3.32 (pp18-23) of the HELAA, and is dealt with in answer to question 3.3 below. It should be noted here that only sites that have been identified as suitable or potentially suitable, available or potentially available and achievable or potentially achievable in the HELAA and are therefore deliverable, developable or potentially developable in have been included as delivering dwellings in the Housing Trajectory. There are some allocated sites in the LPPU where availability or achievability is unknown or unlikely and these are included as an entry but with zero delivery, e.g. SR4d.
- 3.2.9 **Variance rates:** The approach to variance rates is set out in paragraphs 3.33-3.37 (pp23-24) of the HELAA. This is based primarily on the variance in housing delivery on the ground of sites that are at different stages, i.e. permissions and allocations, compared to what had been identified 15 years previously (wherever possible). These are expressed as variance rates as in practice many sites do come forward in some form but have a level of development that varies from what had previously been identified (upwards or downwards), so is more meaningful for delivery than using a non-implementation rate. The sites that have contributed to the calculation of these rates are listed in Appendix 5 (pp87-90) of the HELAA. The rates that are used are as follows:
- Development commenced at time of publication – 0%
 - Development with planning permission granted for Local Authority New Build – 0%
 - Planning permission granted (or resolved to be granted) but development not yet commenced – 7%

- No planning permission but intention to bring forward for development confirmed – 15%
- No planning permission and intention to bring forward for development not confirmed (town centre) – 42%
- No planning permission and intention to bring forward for development not confirmed (outside town centre) – 36%

3.2.10 Dwelling equivalents for non-C3 accommodation: The approach to converting non C3 accommodation into a dwelling equivalent is set out in section 7 (pp 38-40) of the HELAA. In summary it proposes the following which is considered to be realistic:

- Student accommodation (self-contained studios) – one studio equates to one dwelling
- Student accommodation (study bedrooms) – 4 beds equate to one dwelling
- HMO (in a dwelling format) – one HMO equates to one dwelling
- HMO (bedsits with shared facilities) – 4 beds equate to one dwelling
- Residential care – 1.73 beds equate to one dwelling.

3.2.11 Timescales for delivery: In terms of timescales for delivery, this is also influenced by the HELAA, in particular the results of the survey of developers and landowners that was carried out in August 2024. The response rate was low at around 20%. This needed to therefore be supplemented by information from other sources including:

- Information from a developer that had been made known to a planning case officer
- Other information available to a planning case officer
- Monitoring site visits
- Failing the above, a realistic timeline taking into account the need to implement permission within three years and based on realistic timelines for the type and scale of development proposed, e.g. conversions generally occurring more quickly than a large new build.

3.2.12 For proposed allocations without planning permission and where more specific information was not known, in order to avoid allocating a development's completion to a particular year without any particular evidence to do so and avoid unusual and unevidenced bumps in completions, delivery in the trajectory is spread evenly across the appropriate period identified in figure 10.1 of the LPPU, whether it be medium or long term. The caveat to this is that the NPPF glossary is clear that it is not generally expected that sites without full planning permission would be considered deliverable and therefore would not usually form part of five year supply. As five year supply is drawn from the same data as the trajectory and as, at 2024, year 5 (2028-29) falls into the medium term, for relevant sites without permission the delivery is spread across the remaining years of the medium term (2029-2033). It should be noted that many developers who did provide information on delivery expected to be able to deliver in the short term, but given the above and without a permission in place, the Council assumed later delivery.

- 3.2.13 The submitted version of the Housing Trajectory aligns with data on delivery presented in the Infrastructure Delivery Plan, both summary and full versions, insofar as is possible. However, as we have previously identified, given the type of site and existing urban context, specific items of infrastructure are rarely related to a single site. Instead, funding from financial contributions and other sources is pooled and released to fund infrastructure when this is possible, and delivery for major transport projects is often tied to when opportunities for grant funding become available.
- 3.2.14 The Housing Trajectory also links directly to Figure 10.1 of the LPPU and aligns with the delivery periods shown in that figure. It also forms the basis for any data presented on five year supply.
- 3.2.15 **New version of trajectory:** Since the LPPU was submitted, results of 2024-25 monitoring [EX034] have been completed. There have also been a number of other additional major permissions granted since 1 April 2025 that need to be taken into account. For this reason, a new version of the Housing Trajectory has been prepared and is proposed to be included as a main modification.
- 3.2.16 This version of the trajectory demonstrates that delivery is expected to be higher than the 825 target in H1 for the first 10 years of the plan period, averaging 1,082 per year between 2023 and 2033, with delivery dropping after that. This should provide assurance that any issues with ensuring an appropriate buffer above the 822 figure from the standard method should be capable of being addressed in a five year review of the plan that takes into account annual publications of a revised trajectory in the Annual Monitoring Report. We consider that an early review with regards to housing delivery would not therefore be necessary. It should be noted that the first five years is driven by permissions so is not reliant on any new proposals in the plan.
- 3.2.17 The new version of the trajectory also envisages delivering 15,578 dwellings in total, which is an additional 478 dwellings over and above the total identified as a need in relevant policies (14,850 dwellings from H1 and an equivalent of 250 dwellings from H12). There has not been a full review of the HELAA as it is a considerable exercise, but we do not envisage it being particularly different as the changes come from permissions where suitability has already been assessed. We have not proposed any main modification to policy H1 at this stage. This is in part because an uplift in policy H1 requirements on the basis of the trajectory has not been tested through other submitted evidence such as Transport Modelling, even though the additional sites, as planning permissions, have been through their own transport assessment requirements. We are happy to receive guidance on how this should be approached and draft main modifications, if required.
- 3.2.18 There are multiple reasons why these figures have changed in the new version that cannot be listed in full, but the key matters are:
- Completions data from 2024-25
 - New permissions granted between 1 April 2024 and 31 December 2025 that add an additional 392 homes on sites not part of the HELAA – these are all office to residential prior approvals.
 - Amended figures on some sites through the development management process including the following:

- Kennet Place, 121 Kings Road (CR14y) has now received prior approval for conversion to 93 dwellings and is underway – a figure of 107 was previously shown against the allocation.
- The Broad Street Mall permission for 422 dwellings (CR12d) has expired, but there has been a resolution to grant planning permission subject to Section 106 agreement for 643 dwellings.
- The John Lewis depot site (CR14r) now has a resolution to grant permission for 170 dwellings rather than the 95 assumed in the HELAA and previous trajectory
- Caversham Park (CA2) now has a resolution to grant permission
- Sites changing status in the planning pipeline, for instance from allocations to permissions, or from permissions not started to under construction, resulting in changes to the applied variance rates.
- Expiry of some permissions and their removal from the trajectory unless allocated.
- Disposal of an application which had a resolution to grant subject to S106 but which had not progressed at 362 Oxford Road.
- Taking account of any main modifications specified in the Hearing Statement on Matter 10 that change the timings of implementation.
- Medium term delivery for unpermitted sites now spread across the three years 2030-33 to avoid these sites being part of five year supply.

3.2.19 In addition, two new lines have been added to the trajectory to ensure that student accommodation is considered as part of the bigger picture. One line is to add the need ('Strategic allocation (annualised) – student accomm') for 1,000 bedspaces from H12, converted into a dwelling equivalent of 250 (see paragraph 3.2.10 above) and spread evenly across the plan period. The other line is to add an allowance ('Remaining student accommodation on sites in line with H12') for any of this need that is not met by completions, permissions or allocations to be delivered on those sites prioritised in H12, identified as being in the long term after 2033. Based on evidence around the capacity of the Whiteknights Campus discussed as part of the Local Plan examination in 2018 the Council is very confident that there is sufficient scope to meet any remaining need on such sites, and this is discussed further in answer to question 3.7. This calculation ultimately nets to zero because the trajectory assumes that all remaining need after permissions and allocations will be delivered on sites in accordance with H12 that will not affect other housing delivery, but it is important that it is factored into the wider balance.

3.2.20 An Excel spreadsheet version of the updated Trajectory has been added to the examination documents as EX041, in line with previous requests. This would supersede the previous version EX003.

3.3 *Are the assumptions and analysis regarding site suitability, availability and achievability and development capacity in the Reading Housing and Economic Land Availability Assessment (HELAA) [EV015 and EV016] reasonable and realistic? In particular, are the identified capacities for sites justified?*

- 3.3.1 The Council considers that the assumptions around suitability, availability, achievability and development capacity are reasonable and realistic, but also take account of the priority of boosting housing supply. The approach to suitability, availability and achievability of sites is set out in Steps 2b-2d, paragraphs 3.14-3.32 (pp18-23) of the HELAA.
- 3.3.2 The HELAA has been prepared on the basis of a joint methodology agreed in 2016 with West Berkshire District Council, Wokingham Borough Council, the Royal Borough of Windsor and Maidenhead and Slough Borough Council. The authorities have recently initiated a review of this methodology but the existing methodology is compliant with Planning Practice Guidance and this is outlined in Section 1 (pp 5-6) of the HELAA.
- 3.3.3 Regarding the specific stages in this question, the key steps are Step 2a-2d.
- 3.3.4 The approach to **Step 2a (estimating development potential)** is outlined in paragraphs 3.3-3.13 (pp 15-17 of the HELAA). There are two elements to this – a pattern book approach for more straightforward sites and a bespoke site by site approach for more complicated sites, usually mixed use town centre sites. The latter also allows us to base capacity on another source of information, including an expired permission or a resolution to grant subject to Section 106, which is a more accurate assessment of suitable capacity in some cases.
- 3.3.5 For sites where a pattern book approach is used, these draw on town centre, urban or suburban densities and conversions to residential that have been established based on planning permissions granted over the ten year period 2013-2023. The sites used to establish these densities for housing are set out in Appendix 3 (pp 76-79) of the HELAA. The previous 2017 version of the HELAA also included a town centre fringe density, but a review of permissions revealed that there was little clear difference between town centre and town centre fringe densities in granted permissions, and this category was therefore removed. The densities were then appropriately adjusted to take account of new policy requirements around the size of dwellings in H2, leading to the following residential densities:
- Town centre residential new-build – 327 dwellings per hectare (dph)
 - Urban residential new-build – 112 dph
 - Suburban residential new-build – 43 dph
 - Conversion to residential – 1 dwelling per 64 sq m of floorspace

These are considered to be realistic because they are based on permissions already issued. The Council does not consider that it is appropriate to push these significantly higher as the permissions that fed into this calculation were already in most cases pushing to maximise densities and usually represented the maximum that could be delivered given surrounding constraints.

- 3.3.6 For other sites where a site by site approach was used, if there is an expired permission or a resolution to grant, this was usually used as the default. In other cases a bespoke approach was used which is described for each site in the 'Stage 2a Devt Potential' tab, column AU, on the HELAA spreadsheet [EX016]. This is set out further for relevant sites in the answers in Appendices 1-5 of the Hearing Statement for Matter 10. This approach generally started with an assumption about footprint coverage based on previous permissions (set out in Tables A3.11 and A3.12, pp 81-82 of the HELAA) depending on whether a site is a small infill or is a larger site needing to take internal circulation and on-site open space into account, leading to applying a footprint ratio of either 43% or 64% coverage. The appropriate height was then determined based on consideration of surrounding character and any other available information, for instance benchmark and landmark heights determined in the Reading Station Area Framework SPD adopted 2010. This latter document has not been submitted as part of the evidence base but is extant and could be supplied if required. An assumption was made about the proportion of the floorspace in each use, often a ground floor proportion in commercial use and either upper floors completely residential or a 50/50 office and residential split. Finally, the floorspace was converted to residential usually using a figure of 90.4 sq m per dwelling for town centre sites based on analysis of past permissions in Table A3.10 (pp 81-82) of the HELAA. This is clearly more than the actual flat size and includes all internal circulation, communal facilities etc.
- 3.3.7 Therefore, because this process draws so heavily on recent permissions we are confident that it is as accurate as it can be for this stage. However, we recognise that it cannot be perfect and that more detailed site work may lead to different conclusions about capacity at application stage. This is why we express this as a range in the policy and make clear that it is an indicative figure for monitoring purposes.
- 3.3.8 The **Step 2b suitability analysis** is explained in paragraphs 3.14 to 3.18 (pp 18-21) of the HELAA. This assesses suitability against a number of different matters under the broad headings below, and the results are shown in detail on the Stage 2b Suitability tab on the HELAA spreadsheet (EV016).
- General location
 - Existing use
 - Environmental and open space designations and issues
 - Heritage issues
 - Health and safety issues
 - Flood risk
 - Design and amenity
 - Utility issues
 - Other considerations

The Council does not consider that there are any important considerations that have been missed.

- 3.3.9 The suitability assessment offers an opportunity to adjust capacity to deal with issues identified, for instance to take account of relationship with nearby residential in terms of privacy, protected trees or a buffer to a wildlife area or waterway or to exclude parts of the site like an electricity sub-station or another facility that needs to be retained. This is generally approached by resizing the site to exclude areas that should not be developed and re-running the initial calculation for development capacity.
- 3.3.10 The suitability analysis considers whether sites are suitable for 10 dwellings or more. Sites that are suitable for fewer dwellings are considered not suitable as that would involve double counting with small site windfalls. Only sites identified as suitable or potentially suitable progress to the next stage.
- 3.3.11 The **Step 2c availability analysis** is explained in paragraphs 3.19 to 3.25 (pp 21-22) of the HELAA. This is ideally based on responses to our August 2024 letter to all landowners of suitable or potentially suitable sites (with certain exclusions explained in HELAA paragraph 3.19) enquiring about availability and achievability. However, the response rate was low at 20%. We do not consider that this means that other sites are not available. Low response rates are typical for this kind of exercise in Reading and in our experience very many sites where landowners do not respond to this type of correspondence come forward anyway. We have therefore sought to fill in this gap with information we already know, such as previous pre-application discussions, applications, land auctions and any other intelligence.
- 3.3.12 The availability analysis covered the following, with only 'available' and 'potentially available' sites moving to the next stage.
- Any stated landowner intention, including any progress made with planning discussions
 - Any legal issues affecting the availability of the site
 - Whether there are existing uses that require relocation
 - Likely timescale for site becoming available.
- 3.3.13 The **Step 2d achievability analysis** is explained in paragraphs 3.26 to 3.31 (pp 22-23) of the HELAA. Again this drew on responses to the August 2024 letter with gaps filled from other sources, and sites assumed to be potentially achievable in the absence of a clear reason why they would not be. This covered the following matters, and only 'achievable' or 'potentially achievable' sites pass this stage.
- Whether access to the site was achievable;
 - Whether there are any legal issues, e.g. covenants, likely to influence whether the development can be achieved;
 - Whether adjacent uses would affect achievability of the development;
 - Whether the development would be likely to be viable;
 - Whether there is likely to be market demand for the development on the site;
 - Whether there are any exceptional development or site preparation costs that might impact on achievability;

- Whether there are achievability issues related to the provision of necessary infrastructure;
- Whether external funding is required and available; and
- The likely build-out rates of development.

3.3.14 The Council strongly feels that the above approach is robust, based on all evidence that is available to us, and leads to a reasonable conclusion on whether a site would contribute towards housing supply in the plan period.

3.4 Does the evidence give sufficient confidence that allocated sites will be deliverable and developable in accordance with the Framework?

3.4.1 The evidence outlined above gives confidence that allocated sites will be deliverable and developable or potentially developable over the plan period, in accordance with paragraph 69 of the NPPF [OP001] in most cases.

3.4.2 There are some sites which are mainly existing allocations where that level of confidence is not present. Where the Council considers there is still a prospect of a site coming forward and/or where the benefit of that site being developed for residential to overall placemaking would be significant, the LPPU continues to allocate them in any case. An example would be the remaining elements of CR14g at Vastern Road covered by the electricity equipment, where a development could substantially enhance the surroundings. Experience shows that sites in this position can and do come forward and it is worthwhile having a policy position in place to deal with this instance. Where this is the case, no delivery is assumed in the housing trajectory, HELAA or the housing provision totals in H1, so this would be additional supply.

3.4.3 The Council recognises that there remains uncertainty on a number of sites, and past experience is that developer intentions can change quite quickly, particularly in Central Reading. This is why the variance rates are so important, and they are intended to factor in precisely this uncertainty. In cases without a planning permission or a developer or landowner confirmation of availability, these are sizeable discounts – 42% in the town centre and 36% outside the town centre. These have been based on an analysis of what has in the past actually come forward within a 15-year period (or a shorter period increased on a pro-rata basis) in those locations, including non-delivery or changes in numbers of dwellings in either direction. These are described in paragraphs 3.33 to 3.37 (pp 23-24) of the HELAA and the sites used are listed in HELAA Appendix 5 (pp87-90). The most vital point to make here is that this is a like-for-like comparison, as it relates to plan allocations that were assembled on a very similar basis to those in the current plan, in that they included sites without firm guarantees of delivery at the time. For this reason, the variance rates are critical in providing a check based on past performance to ensure the final dwelling totals are deliverable, even though the situation on individual sites may change.

3.5 Is there compelling evidence to show that windfall schemes coming forward on small sites will provide a reliable source of supply as anticipated in the LPPU?

3.5.1 Yes. The evidence to support the reliance on small site windfalls is set out in the HELAA [EV015] in section 4.

- 3.5.2 Paragraph 72 of the NPPF requires an allowance for windfalls to be based on *“compelling evidence that they will provide a reliable source of supply”* and that it should be *“realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends”*. This is addressed in the HELAA by considering past rates and any trends that emerge. Only small site windfalls, i.e. less than the 10 dwelling threshold for inclusion as an allocation) are included. No larger windfalls are assumed, although in practice these do also come forward.
- 3.5.3 In summary, Table 4.1 (p28) of the HELAA shows that for the 20 years from 2004-2024 there were an average of 117 completed dwellings on small sites (excluding garden land). However, it does show that many of the lowest rates of small site completion were at the end of that period, pointing towards a declining trend. On that basis, the HELAA uses only the five years from 2019-2024, where the average is 90 dwellings. However, it adds in an allowance for non-C3 completions (which will be counted towards supply in monitoring such as the Housing Delivery Test and five-year supply) which equates to 6 dwellings per year, giving a total of 97 dwellings.
- 3.5.4 Bearing in mind the decreasing trend shown in past small site completions, the HELAA also assumes that there will be a 5% reduction in every 5-year period. This follows an analysis of the degree of decrease in historic completions, but since the decrease is relatively recent it was not possible to draw firm conclusions so a 5% reduction every five years was considered a reasonable assumption. This results in the following rates being applied.

Table 3: Small site windfall levels to be applied

Years	Final small site windfall
2024-2029	96
2029-2034	91
2034-2039	87
2039-2041	82

- 3.5.5 Since the HELAA was prepared, monitoring results for 2024-25 have become available. These showed completions on small sites of 90 dwellings and an equivalent of 7 dwellings in non-3 residential, which in total matches the assumed level almost exactly.
- 3.5.6 It is therefore considered to be a robust assumption that small site windfalls will continue to be a source of supply, albeit reducing over the plan period.
- 3.6 What is the annual need for affordable housing and the total affordable housing need over the plan period? Has the need for affordable housing been accurately calculated and based on robust, up-to date data? Has this need been calculated in accordance with the PPG? What is the past record for affordable housing completions and forms of delivery? How does the Council consider this will change in the future?**
- 3.6.1 The need for affordable housing has been assessed in the Housing Needs Assessment 2024 [EV011]. Section 5 (from p42 onwards) sets out how affordable

housing need has been calculated. The total need identified is 7,301 homes over the plan period, which equates to 406 per year.

3.6.2 The methodology is set out in detail in the HNA itself. The following is a summary of the steps for assessing **current net affordable housing need**:

- Current households living in unsuitable housing and unable to afford their own – 4,211
- Of the above, 1,380 already occupy affordable housing
- This results in a net current affordable housing need of 2,831 households.
- Based on the results of the English Housing Survey 2013/14, 8,743 existing households in the private rented sector would aspire to home ownership.
- This gives a total of 11,574 existing households in need of affordable housing $((4,211 - 1,380) + 8,743)$.

3.6.3 The following is a summary of the steps for assessing **future net affordable housing need**:

- A total of 6,684 annual newly forming or in-migrating households are identified of which 1,419 are unable to afford housing costs
- A total of 6,289 annual dissolved or out-migrating households are identified of which 1,455 are unable to afford housing costs
- 475 existing households annually are expected to fall into affordable housing need, whilst 325 households in need annually would climb out of need, meaning a net gain of 150 existing households falling into need.
- This results in an annual net need of 113 households for future need $(1,419 - 1,455 + 150^1)$, or a total of 2,037 over the plan period
- Based on the results of the English Housing Survey 2013/14, 9,476 new households in the private rented sector would aspire to home ownership.
- This gives a total of new affordable housing need of 11,513 additional need for affordable housing $(2,037 + 9,476)$.

3.6.4 This gives a total affordable housing need of 23,088, or 1,283 per year, which is higher than the overall housing need. This is driven primarily by households aspiring to home ownership.

3.6.5 However, the above does not take account of whether those aspiring to home ownership would be in a position to afford home ownership products. The 18,220 households (8,743 existing and 9,476 new) aspiring to home ownership are then modelled to ensure that those ineligible for or unable to afford home ownership products are excluded. Only 2,433 of those households would be eligible for or would be able to afford such products. This substantially alters the figures.

3.6.6 Table 4 summarises the output of the affordable housing need calculation in the simplest terms. The overall need is **7,301 dwellings in total, or 406 per year**.

¹ Figures may not sum due to rounding.

Table 4: Summary of affordable housing need

Element	Annual	Total for plan period
Existing affordable housing need	157	2,831
New affordable housing need	113	2,037
Aspiring to home ownership	135	2,433
TOTAL	406	7,301

- 3.6.7 It should be noted that the HNA references an affordable housing need of both 405 (paragraphs 5.3 and 5.69) and 406 (Executive summary paragraph 24) homes per year. 406 is the accurate figure (the total of 7,301 divided by 18 years). This is considered to be based on a robust methodology that uses up to date data.
- 3.6.8 This need has been calculated in accordance with Planning Practice Guidance. This is referred to throughout the HNA where relevant, but table 5 summarises the main requirements of the PPG and how the approach of the HNA complies with it.

Table 5: Compliance with Planning Practice Guidance

Planning Practice Guidance requirement (summary)	How the Housing Needs Assessment complies
<p>Estimate the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market. This should involve working with colleagues in their relevant authority (e.g. housing, health and social care departments).</p> <p>Paragraph: 019 Reference ID: 2a-019-20190220</p>	<p>Figure 32. The estimate is based on a modelling approach rather than accessing the Council's own records. This is considered a robust approach as part of the ORS model.</p>
<p>Establish the unmet (gross) need for affordable housing consisting of:</p> <ul style="list-style-type: none"> - the number of homeless households; - the number of those in priority need who are currently housed in temporary accommodation; - the number of households in over-crowded housing; - the number of concealed households; - the number of existing affordable housing tenants in need (i.e. householders currently housed in unsuitable dwellings); and - the number of households from other tenures in need and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration. <p>Paragraph: 020 Reference ID: 2a-020-20190220</p>	<p>This is set out in Figure 32 which includes the contribution of homeless households in priority need, concealed households, overcrowding and other households in unsuitable accommodation and the source for each.</p>
<p>Avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and include only those households who cannot afford to access suitable housing in the market.</p> <p>Paragraph: 020 Reference ID: 2a-020-20190220</p>	<p>The modelling approach referenced above avoids double counting because the approach is based on modelling rather than from lists of individual households.</p>

<p>Reflect new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimate of the number of existing households falling into need.</p> <p>Paragraph: 021 Reference ID: 2a-021-20190220</p>	<p>Proportion of newly forming households unable to buy or rent – Figures 34 and 35</p> <p>Existing households falling into need - Figure 36</p>
<p>Identify the minimum household income required to access lower quartile (entry level) market housing and assess what proportion of newly-forming households will be unable to access market housing.</p> <p>Paragraph: 021 Reference ID: 2a-021-20190220</p>	<p>Figure 12 for minimum household income required to access lower quartile rental properties.</p> <p>Figure 17 and 18 for minimum household income required to access lower quartile ownership.</p> <p>Figure 34 for proportion of newly-forming households unable to afford housing costs.</p>
<p>Assessing the total affordable housing supply:</p> <ul style="list-style-type: none"> - the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in need; - suitable surplus stock (vacant properties); and - the committed supply of new net affordable homes at the point of the assessment (number and size). <p>Paragraph: 022 Reference ID: 2a-022-20190220</p>	<p>The HNA does not assess total supply. It does include some elements of supply such as existing properties becoming vacant (which is part of the calculation of existing and future needs).</p> <p>The committed supply of new homes is not part of the assessment. Details on this are available below, but the approach elsewhere in the LPPU has been to identify needs before committed supply, and it is considered this is the appropriate approach here.</p>
<p>Look at the current stock of houses of different sizes and assess whether these match current and future needs.</p> <p>Paragraph: 023 Reference ID: 2a-023-20190220</p>	<p>See above regarding existing supply</p>
<p>Total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.</p> <p>Paragraph: 024 Reference ID: 2a-024-20190220</p>	<p>Results are expressed as both a total and annual flows.</p> <p>See above regarding available stock.</p>

3.6.9 In terms of past delivery of affordable housing, table 6 sets out the completions of affordable dwellings over the existing Local Plan plan period so far. This is sourced from each year's Annual Monitoring Report. It can be seen that this is significantly short of the need.

Table 6: Affordable housing delivered 2013-2025

Year	Affordable housing delivery (homes, net)
2013-14	109
2014-15	145
2015-16	54
2016-17	60
2017-18	66
2018-19	158
2019-20	80
2020-21	54
2021-22	178
2022-23	135
2023-24	224
2024-25	11
Total	1,274

3.6.10 Of the figures in the table above, 235 dwellings fall within the plan period of the LPPU, i.e. from 2023 onwards.

3.6.11 In terms of future supply, table 7 shows a potential future supply over the plan period assuming full policy compliance for allocated sites without planning permission. It includes any non-implementation or variance rates and therefore is comparable with the HELAA figure. It therefore represents a likely maximum.

Table 7: Future affordable housing supply 2025-2041

Element of supply	Anticipated affordable housing delivery (homes, net)
Outstanding planning permissions – under construction	206
Outstanding planning permissions – not started	425
Sites with resolution to grant subject to S106	70
Local authority new build additional allowance	400
LPPU allocations that are known to be 100% affordable	16
Affordable housing supply from other allocations (30% of remainder)	2,105
Total	3,222

3.6.12 Therefore, the likely maximum affordable housing delivery over the plan period is 3,457 affordable dwellings (235 completed plus 3,222 future supply), which is well below the assessed need of 7,301 and equates to a shortfall of at least 3,844.

3.6.13 The LPPU is therefore in a position where it is not expected to meet the overall assessed need for affordable housing. This was already the case in the adopted Local Plan. Given that the Council can only secure from private sites what it is viable

to secure, there is little that can be done to resolve this issue unless total housing provision is to be inflated to a vastly higher level that it is simply not realistic to provide either inside or outside Reading's boundaries and which does not reflect overall housing needs in any case.

- 3.6.14 The Council is making its own significant contribution to meeting affordable housing need through its Local Authority New Build programme. The first completed dwellings under this programme were in 2018-19. Of the completions so far within the plan period, 79 have been the Council's own housebuilding, and 565 are accounted for in the future provision figures. This is part funded through right to buy receipts and part through Section 106 financial contributions to affordable housing, usually from smaller sites.

3.7 What are the identified needs for specialist housing, for example housing for older and disabled people and student accommodation, within the overall housing need for Reading? How will these needs be met?

- 3.7.1 The Housing Needs Assessment [EV011] identifies a number of elements of specialist housing in particular, and these are addressed as follows. In general terms, because these (other than for students) form part of the overall housing need identified in the HNA, which itself is lower than the standard method figure on which the LPPU is now expected to be based, they will be met as part of meeting overall housing need, but there are some additional comments worth making.
- 3.7.2 **Housing for older people:** This is addressed in paragraphs 6.7-6.41 (pp 63-70) of the HNA.
- 3.7.3 Following advice from Planning Practice Guidance, the HNA first examined the provision of specialist housing in Reading against the benchmarks provided by online toolkits. It highlighted that in overall terms, for both the Housing Learning and Improvement Network (LIN) 2016 Review and Sheffield Hallam University/Centre for Regional Economic and Social Research (CRESR) Model, the existing stock in Reading is already well above the benchmark level, albeit there were some caveats to that, notably a shortfall in rented housing with support against the CRESR model. An alternative approach to assessing future needs was therefore used.
- 3.7.4 For residential care, the percentage of people aged 75 and over in communal establishments in the household projections was used. The household projections assume that the rates will remain constant, and on this basis an additional 250 residents in residential care were identified in the period 2023-2041. Although the HNA (paragraph 6.37) does note that this does not necessarily equate to a 250 bedspace need, the LPPU (paragraph 4.4.53) does use this as the basis for the identified need, albeit this is up to 250 bedspaces.
- 3.7.5 For other specialist housing for older people, the starting point is to establish existing supply (split down into housing with care² and housing with support³, both of which are also split into market and affordable), and to calculate benchmark rates per 1,000 people currently aged 75 or more. The approach then uses the Housing LIN 2016

² Includes extra care housing and extra sheltered housing

³ Includes retirement living and sheltered housing

Review and CRESR model to establish target rates per 1,000, which are calculated as an average of current rates and the rates from the toolkits (with some caveats which are explained in paragraph 6.38, first bullet point of the HNA). These target rates are then applied to the total number of people aged 75 or more at the end of the plan period in 2041 to result in a gross need for specialist housing. The existing supply is then subtracted from the gross need to form a net need. The resulting need is as follows:

- Housing with care: 188 homes
- Housing with support: 477 homes

3.7.6 In terms of meeting these needs, the figures for residential care, housing with care and housing with support all fall within the overall housing need already identified in the HNA and are not additional. This is because they have been calculated from the household projections which already form the basis for the housing need. Therefore, these homes will be delivered as part of the overall supply.

3.7.7 So far across the plan period from 2013, there has been a net loss of 6 residential care bedspaces. However there were existing planning permissions at 31 March 2025 that could result in an additional 535 bedspaces of residential care, albeit this is very dependent on the illustrative scheme for the major mixed use outline permission at Station Hill, which has very wide parameters and could deliver no residential care at all. Without Station Hill, permissions would deliver 204 additional bedspaces, which is still the vast majority of identified need. In addition, the application at Caversham Park which has a resolution to grant subject to S106 includes a 64-bed care home, which would take total provision above identified need.

3.7.8 For other forms of specialist housing, there are fewer units in the pipeline and no completions so far. There is one outstanding permission for 55 retirement living dwellings on Henley Road which would help to address the housing with support needs. The Caversham Park application referred to above additionally includes 45 retirement dwellings (housing with support) and 65 assisted living units (housing with care). No additional specific sites have been put forward to the Council for provision of this type of use.

3.7.9 The Council considers that the need can be met on general housing sites. Some of the housing with support needs in particular will fall within the C3 use class in any case. In order to ensure that there is flexibility for this to be the case, in the supporting text to each relevant policy (CR14, SR4, WR3, CA1, ER1) there is a clause which states the following:

“There may also be potential for specialist housing provision for specific groups, outside the C3 dwellinghouse use class. This could potentially reduce the amount of housing which could be provided on specific sites. Depending on other policies in the plan, this can be appropriate, provided that it does not harm the chances of delivering sufficient housing to meet the targets set out in local policy – this decision will be informed by the most up-to-date housing trajectory.”

3.7.10 **Housing for people with disabilities:** This is addressed in paragraphs 6.42-6.75 (pp 71-78) of the HNA. This splits the need assessment into two elements:

- Accessible and adaptable dwellings under part M4(2) of the Building Regulations; and
 - Wheelchair user dwellings under part M4(3).
- 3.7.11 For dwellings under part M4(2), the approach is to use the ORS model which uses the data on the proportion of households which contain someone with a limiting long-term illness or disability in both the market and affordable sectors which impacts their housing need from the English Housing Survey, together with data about relative levels of limiting long-term illness and disability in Reading.
- 3.7.12 Using this approach, a figure was identified of 5,255 existing households where a limiting long-term illness or disability affects their housing need, of which 4,229 are in housing which already meets their needs. This leaves 517 households who would need to adapt an existing dwelling and 510 who would need to move to a more suitable home. This therefore represents an existing need of 510 homes.
- 3.7.13 The basic rates are used to calculate existing households likely to develop health problems that affect their housing need within 10 years (1,651) and additional households in 2041 projected to experience problems or likely to develop problems within 10 years (3,242). This gives a future need of 4,893 homes, which when added to the existing need of 510 homes results in a total need of 5,403 homes, which is the top of the need range identified by the HNA.
- 3.7.14 However, some of the households comprising this need will be able to adapt their current home. The HNA estimates that 2,506 households will be able to adapt their dwellings to M4(1) standards. This is therefore subtracted from the total above to give a remaining need of 2,896 dwellings, which is the bottom of the need range in the HNA. Figure 61 of the HNA summarises the figures.
- 3.7.15 In terms of delivery, policy H5 already requires that 100% of all new build homes are built to M4(2) standards. The reason for the 100% figure is that there is no way to predict which homes will require adaptation, and the aim is that people should be able to remain in their own homes as their needs change. The requirements of M4(2) are relatively straightforward and this is considered reasonable. The Council already applies this requirement to new permissions through a planning condition, enforced through the Building Regulations.
- 3.7.16 In terms of wheelchair user housing, the HNA uses information from the English Housing Survey on percentage of households in each age band with a wheelchair user and combines this with local information on disability benefit claimants to calculate a gross requirement of 730 wheelchair adapted homes by 2041 based on the increase in the respective age bands between 2023 and 2041. A net figure is not possible to calculate because we do not have information on the existing number of wheelchair adaptable homes in which these households may already be living. The HNA identifies that this represents 9% of affordable need and 4% of market need, but recommends applying higher proportion requirements to avoid there being insufficient homes that are fully wheelchair adaptable to meet the needs of the wheelchair using population.

- 3.7.17 In terms of how this will be delivered, based on these requirements, the update to policy H5 requires that, on developments of 20 or more dwellings, at least 10% of homes (up from 5% in the current plan) would be compliant with part M4(3). This will need to be factored into design, and will be implemented through a planning condition and enforced through the Building Regulations as is currently the case.
- 3.7.18 **Student accommodation:** This is addressed in paragraphs 6.76-6.89 (pp 79-82) of the HNA. The need for purpose-built student accommodation (PBSA) is highly dependent on the future plans for the University of Reading. The Council has given a much fuller answer on this matter in answer to IQ32 in the Council's Response to Initial Questions Part 1 (July 2024) [EX002] which deals with the issue of both needs and future provision, but in summary the only figure that represents an identified need is the shortfall in meeting the first year accommodation guarantee of 1,000 bedspaces, which the Council is very confident that there is scope to meet within the University campus itself as well as on allocated and permitted sites. There has already been a net increase of 38 bedspaces in the plan period so far and there are 34 bedspaces under construction which will be part of this delivery. There is also an allocation at St Patrick's Hall (ER1e) for 450-500 bedspaces of student accommodation.
- 3.7.19 **Service families:** This is addressed in paragraphs 6.90-6.91 (p82) of the HNA. Due to the lack of personnel stationed in Reading no needs are identified.
- 3.7.20 **Self and custom housebuilding:** This is addressed in paragraphs 6.92-6.112 (pp 83-88) of the HNA. At the time the HNA was carried out, Reading was meeting its statutory duty to provide sufficient permissions, so no need was identified. At the end of the most recent base period (October 2025) there was a shortfall of 6 dwellings against this duty, and the overall number of entries on the register had grown by 7 households (against which we have three years to issue the relevant permissions). The level of need as it stands is therefore at most 13 dwellings.
- 3.7.21 The approach to provision is set out in policy H2 in that the Council will be looking for provision as part of wider development sites where there is scope to do so, using a formula linked to the scale of demand on the register.
- 3.7.22 **Essential local workers:** The HNA considers this in paragraphs 6.113-6.115 (p88). It does not identify any additional need because this corresponds broadly to key workers, which are already dealt with in assessing affordable housing need as their needs are not met by the market.
- 3.7.23 **Summary:** The summary needs are set out in Table 8. Please note that these are not necessarily cumulative – e.g there will be an overlap between wheelchair user dwellings and specialist housing for older people – and that, with the exception of student accommodation, these figures will be a part of rather than in addition to general housing need.

Table 8: Summary of specialist housing needs and how it will be dealt with in the LPPU

Type of specialist housing	Identified need 2023-2041	Summary of approach to meeting need
Older people - residential care	Up to 250 bedspaces	Existing pipeline meets the need. In addition policy H6 and existing housing allocations.
Older people - housing with care	188 dwellings	Policy H6, existing housing allocations and existing pipeline
Older people - housing with support	477 dwellings	Policy H6, existing housing allocations and existing pipeline
Accessible and adaptable dwellings	2,896-5,403 dwellings	Policy H5
Wheelchair user dwellings	730 dwellings	Policy H5
Student accommodation	1,000 bedspaces	Completions 2023-25, existing pipeline, allocation ER1e, remainder on campus or existing sites in line with H12
Service families	None	N/A
Self and custom housebuilding	Up to 13 dwellings at 2025 and any additional need identified on Register	Policy H2
Essential local workers	None in addition to affordable housing need	Policy H3

Issue 2: Are the policies for housing positively prepared, justified, effective and consistent with national policy?

3.8 What is the evidential basis for the density and mix of housing in Policy H2?

- 3.8.1 Density:** In terms of the densities, the proposed approach responds to the requirements in paragraph 129 a) and b) of the NPPF. This requires minimum density standards for city and town centres and for areas well served by public transport. In practice, almost all of Reading is well served by public transport, so minimum standards are proposed across the Borough. The NPPF requires these to “*seek a significant uplift in the average density of residential development within these areas, unless it can be shown that there are strong reasons why this would be inappropriate*”. We would like to emphasise that we interpret this as the average density of existing residential development on the ground whenever it was developed, not the average of recent development as maintained by some representations, although of course recent development will be part of the calculation where it has been built out.
- 3.8.2** The initial evidence base regarding density was set out in paragraphs 8.14-8.19 (pp 39-41) of the LPPU Consultation on Scope and Content (Regulation 18) [LP008]. This established the existing densities (based on the town centre, urban and

suburban areas identified in the HELAA). The existing densities were established as follows:

- For the town centre, the density of every existing primarily residential site in the area was assessed on a simple dwellings per hectare basis and contributed to an overall density (total dwellings by total hectareage) to arrive at a figure of 199 dph. The full analysis is included in Appendix 1 of this statement.
- For urban and suburban sites, a sampling approach was used. This took 100 randomly selected sites, selected by placing a random dot on a map and removing if the site is not residential, and ensuring coverage within each ward. Of these, 45 were urban and 55 were suburban. A one hectare square was drawn centred on the point and all land in residential use within the square measured along with total dwellings. The density per site was established by dividing the dwellings by residential hectareage. A total for both urban and suburban sites was established by dividing the total dwellings by the total hectareage. This led to existing density figures of 77 dph for urban sites and 32 dph for suburban sites. The full analysis is included in Appendix 1 of this statement.

- 3.8.3 The Scope and Content document also set out figures for achieved densities in recent permissions. These were taken from the HELAA [EV015] using the figures calculated to support the pattern book approach.
- 3.8.4 The proposed approach in the Scope and Content document is not what ended up in the submitted version of the LPPU, as the Council recognised the points made in representations that for the town centre the proposed minimum (200 dph) did not represent a significant uplift in average density.
- 3.8.5 However, the Council strongly believes that applying the achieved densities in recent planning permissions as a minimum, as some respondents have argued, is simply not appropriate, particularly in the town centre. For most of those permissions, developers have sought to maximise the density of their development, and the figure that has ended up with permission is often the result of negotiation with the Council to reduce the total number to ensure that the development complies with the range of policies in the plan, taking into account matters such as harm to heritage assets, impacts on character, overlooking and overshadowing effects and the provision of on site open space and landscaping. For most of these permitted developments, the dwelling figure in the permission is approaching the maximum that the site could handle. Applying this as a minimum would potentially cause significant harm in a number of policy areas.
- 3.8.6 The minimum densities that are set in the submitted version of the LPPU are based on a 30% increase over existing densities, resulting in 260 dph in the town centre, 100 dph in urban areas and 42 dph in suburban areas. As set out above these fall short of the average of achieved densities in recent permissions, but as set out above this is not considered appropriate for a minimum. For town centre sites for example, an examination of the achieved densities in table A3.1 (p76 of the HELAA) reveals that 4 of the 15 sites fell below 260 dph, and even a site like 55 Vastern Road which is entirely residential (apart from a small café) and includes buildings up to 11 storeys

still only works out at 275 dph. For this reason, the 30% increase is considered to fulfil the NPPF requirement to substantially increase existing densities whilst minimising the opportunities for significant harm to arise.

- 3.8.7 **Mix:** The main evidence base for the level of mix required is set out within the Housing Needs Assessment (HNA) [EV011], which has identified the need for different sizes of dwellings in market and affordable sectors as a result of the assessment of overall need for homes and for affordable homes. The results are presented in table 46 (p58) of the HELAA, and this has been used to calculate the percentages needed in Table 9 below, which are also in Figure 4.4 of the LPPU.

Table 9: Identified need for sizes of dwellings

Type	1 bedroom	2 bedroom	3 bedroom	4+ bedroom
Market	0.5%	15.4%	65.6%	16.1%
Affordable	31.7%	24.9%	28.7%	14.7%
Overall	18.0%	20.7%	44.9%	15.3%

- 3.8.8 The overall message is that 60% of overall needs are for 3 bedrooms or more. This rises to 82% when only private sites are considered.
- 3.8.9 However, the reality is that Reading does not deliver anything near this level. Over the existing plan period so far (2013-2025), of the total delivery of 8,652 dwellings only 1,293 (15%) are of 3 bedrooms or more. There are many reasons for this including a reliance on town centre sites where lower policy targets apply, the effect of permitted development where room sizes cannot be controlled, as well as a large proportion of conversions generally. If Reading is to do better against this level of need, it needs to increase the proportions within policy H2 across the board.
- 3.8.10 The amended policy percentages in H2 (and CR6) therefore intend to ensure a higher contribution towards meeting that need whilst still allowing for a mix of units on site to ensure diversity. This is linked to location and therefore likely density and suitability as family accommodation. The percentages in the policy are 20% in district and local centres and 67% outside centres. This is considered to represent an achievable level of provision that tips the balance significantly towards a greater supply of 3 or more bedroom homes, because the existing policy requirements have simply not delivered enough. The 67% outside centres relates well to the need for 66% of 3-bedroom homes in the market sector outlined in the HNA and shown in table 9 above.
- 3.8.11 These policy proportions have been factored into other relevant evidence. They have been used to adjust the pattern book densities in the HELAA to ensure that delivery is realistic if amended policy H2 is applied. They have also been factored into the Whole Plan Viability Assessment [EV004] to establish the various scenarios that are tested. As a result, they are taken into account in other key assumptions made in the evidence.

3.9 Is Policy H2 justified and effective?

- 3.9.1 Policy H2 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust and proportionate evidence. It is

effective in that it is deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters.

3.9.2 In terms of the evidence, this is largely dealt with in response to question 3.8. The outstanding matter is self-build, which is only changed from the adopted policy in terms of the strength of the wording because it so far has not led to any homes being provided on such sites. This is required in order to meet the statutory duty to grant sufficient permissions to meet demand on the register, which we are currently slightly short of. Opportunities to deliver self-build in Reading are in very short supply with a reliance on flats and high density development where self-build is not an option, and policy H2 ties delivery on those sites that could deliver (which deliver 10 houses or more) to the level of demand on the latest version of the Register via a formula which takes into account an estimation of the number of dwellings that may be delivered on such sites, the level of demand on the register and the level of permissions already granted. It is therefore a dynamic formula which will require minimal provision at times when the duty is close to being met but greater provision if the size of unmet need rises. It also incorporates an overall cap of 20% to avoid too great an effect on an individual development. It would be effective in that the figures required to calculate the formula are reported in the Annual Monitoring Report.

3.9.3 In terms of alternative options for the policy as a whole, the following options were identified:

- Minimum densities specified (subject to exemptions), minimum proportion of 3+ bed homes on sites of 10+ dwellings outside of centres 67%, a minimum 20% of 3-bed dwellings within district/local centres, family housing to take priority where conflict with densities, wording amended such that for 10+ dwellings, developments 'should' make provision for self-build (proposed approach)
- Do not update minimum density requirements
- Set higher minimum densities in line with average achieved densities 3+ bed dwellings delivered at the existing rate, no updates to adopted approach
- Seek higher provision of family accommodation on relevant sites outside centres (up to 100%)
- Do not update the wording in reference to self-build provision
- Specify minimum proportion of self-build, e.g., 10%

3.9.4 In terms of being effective, the comments on each element of the policy are as follows:

- For minimum densities, the existing delivery shows that in most cases the minimum level would already be exceeded. This is therefore considered capable of delivery across the plan period.
- For size of dwellings, the levels set are considered deliverable on an individual site by site basis. However in overall terms this is unlikely to meet the needs of family accommodation in full due to continued reliance on high density town centre sites, the continued operation of permitted development rights and the continued significant rate of conversions. This means that the aim of the policy is to make as large a contribution as can be effectively delivered.

- For self-build, the aim in the change of emphasis from “*consider making*” to “*should make*” a contribution is to ensure that the policy can be more effectively delivered.

3.9.5 These issues have not been identified specifically as strategic matters requiring cross-boundary joint working in their own right. However, density factors into the figures in H1 which forms the basis of significant duty to co-operate engagement reflected in Statements of Common Ground. The size of dwellings also emerges from the Housing Needs Assessment, which was subject to duty to co-operate engagement described in the Duty to Co-operate Statement [EV001].

3.10 *Is Policy H3 justified, effective, and consistent with national policy?*

3.10.1 Policy H3 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust and proportionate evidence. It is effective in that it is deliverable over the plan period. Most of the policy is consistent with national policy with one exception which is explored below.

3.10.2 Much of the policy remains unchanged from the existing policy H3 in the adopted Local Plan. This was examined and it was considered that it would be effective in delivering the appropriate type of housing to meet the needs of the area and was justified and consistent with national policy, subject to main modifications that were incorporated into the final adopted version and are proposed to be retained now other than those parts of the main modification related to tenure where a new approach is now proposed.

3.10.3 The Local Plan Review [LP011] in paragraphs 3.365 to 3.381 (pp 61-64) provides the main background to the initial thinking around how this policy should be updated, and after consideration of changes since the Local Plan was examined, came to the conclusion that the following formed the basis for the need for an update:

- Changes in national policy and legislation to reflect the inclusion of First Homes as an affordable housing product;
- More specific approaches to affordable housing tenure;
- Monitoring information that shows that the levels of affordable housing needed are not being delivered;
- Potential changes in viability for different sizes of development; and
- Consideration of inclusion of the need to seek a deferred contribution where the affordable housing contribution has been reduced as a result of viability.

3.10.4 In overall terms, the need for affordable housing to be secured from new developments has not changed. This is already explored in the answer to question 3.6, but the annual need for affordable homes is unchanged at 406 per year, which at submission represented more than half of the overall need, and based on the standard method at submission still represents 49% of the total need. This is a very high level of need that requires being met from as wide a range of sources as possible, including from private developments as well as from development by providers including the Council. It therefore remains critical that affordable housing

delivery from developments be maximised to meet as much of these needs as possible.

- 3.10.5 However, it must be ensured that the level of affordable housing required does not result in development being made generally unviable. The three levels of affordable housing provision set out in point 1 of policy H3 were set through an assessment of viability including all other requirements of the plan at Local Plan stage. A Whole Plan Viability Assessment [LP004] has been carried out for the LPPU to consider whether these can still be supported in the context of new plan requirements and any changes in viability conditions, and this continues to support the levels set out in the policy. The Hearing Statement on Matter 11 deals with viability issues in more detail.
- 3.10.6 There are three main changes of substance to the policy approach that require particular justification as follows:
- Use of a deferred contribution mechanism (point 3)
 - Required tenure split (point 4)
 - Cascade mechanism where a Registered Provider cannot be found (point 6).
- 3.10.7 The deferred contribution mechanism is required to ensure that, in a case where a reduced affordable housing contribution is justified on the basis of viability, an appropriate contribution is made should the viability conditions improve. It is already part of the Council's approach through the Affordable Housing SPD [PP010] but recent appeal decisions have emphasised that it may not carry sufficient weight if only included in an SPD and therefore requires incorporation within the policy. Further detail on this aspect is set out in answer to question 3.11.
- 3.10.8 The justification for the approach to tenure is set out in answer to question 3.12.
- 3.10.9 In terms of the cascade mechanism, over recent years the Council has found that, in particular where an on-site contribution results in a small number of affordable dwellings, Registered Providers are often reluctant to take these dwellings on. Small numbers of homes or single homes are often more costly and difficult to manage for providers, and this has in some cases led to situations where these have needed to be offered to the Council or a default contribution sought. The purpose of the change is to clarify the cascade process which would be reflected in Section 106 agreements, and this will ensure that the policy is effective.
- 3.10.10 Regarding effectiveness, the policy is considered to be capable of delivery over the plan period. Some of the changes proposed, for instance the cascade mechanism, are proposed specifically in order to support effectiveness. The specific amount of affordable housing will not be delivered on every development, as is currently the case, and this will be subject to wider viability considerations. Point 2 of the policy ensures that there is a route to a suitable justification for a non-policy compliant level of affordable housing provision where viability issues can be demonstrated, and new point 3 ensures that there is a mechanism for securing an increased contribution in such cases where viability conditions improve.
- 3.10.11 In terms of consistency with national policy, most of the policy complies with the NPPF and other relevant national policy. However, policy H3 does not comply with

the statement in paragraph 65 of the NPPF that *“Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer).”* Point 1 of the policy seeks a financial contribution towards affordable housing on sites of 5-9 dwellings equating to 20% and on sites of 1-4 dwellings equating to 10%. This is dealt with as a separate section in paragraphs 3.10.18 to 3.10.29, and the remainder of the policy considered for its national policy compliance below.

- 3.10.12 Paragraph 63 states that *“the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies”* and clarifies that this includes those who require affordable housing. The need for affordable housing was assessed in the Housing Needs Assessment [EV011] and is set out in paragraph 4.4.21 of the LPPU.
- 3.10.13 Paragraph 64 requires policies to specify the type of affordable housing required and expect on-site provision unless an off-site or financial contribution can be robustly justified or an agreed approach contributes to mixed and balanced communities. Policy H3 expects on-site provision for sites of ten or more dwellings, which means that the policy is in line with the NPPF as the NPPF only expects affordable housing provision on sites of this size. For smaller developments, on-site provision is much more difficult to achieve both in mathematical terms (e.g. a 10% provision on a site of 4 homes does not deliver a whole dwelling) and because registered providers are often reluctant to take on a provision of one or two dwellings, and a main modification to the existing Local Plan was made at examination stage to seek a financial contribution in the first instance from sites of this size to reduce any burden on small developers.
- 3.10.14 Paragraph 66 requires that for major developments at least 10% of the total homes should be available for affordable home ownership. This would be delivered under a policy compliant major development. A development of 100 homes would deliver an overall affordable housing contribution of 30. Under the tenure split in paragraph 4.4.29, at least 19 dwellings (62%) would be Reading Affordable Rent which would leave 11 dwellings (38%) to be delivered as an affordable home ownership product. This would mean that 11% of the total homes are available for affordable home ownership.
- 3.10.15 A Written Ministerial Statement (WMS) of 24 May 2021 set out expectations on the First Homes product and stated that a minimum of 25% of all affordable housing units secured through developer contributions should be First Homes. It was in this context that the LPPU was prepared. However, the 2024 version of the NPPF states in footnote 31 that this requirement no longer applies. As the LPPU is being examined against the 2023 version of the NPPF, we understand that this will include the WMS, but the change in approach nonetheless represents important context.
- 3.10.16 The tenure expectations under policy H3 point 4 are that up to 38% of affordable housing provided will be an affordable home ownership product. Policy H3 and paragraph 4.4.29 state that First Homes will come from this proportion. Full policy compliance would therefore mean an overall tenure split of at least 62% Reading Affordable Rent, at least 25% First Homes and up to 13% available for any affordable

home ownership product. However, policy H3 does not itself include a minimum First Homes contribution, stating instead that the up to 38% for affordable home ownership may be used for First Homes, shared ownership or an alternative product. The policy does not therefore repeat the WMS but is able to operate in tandem with it.

- 3.10.17 In practice, the First Homes tenure is not one that developers regularly seek to incorporate within their schemes in Reading. By 31 March 2025, despite the national policy position, a total of only six First Homes on two sites had been secured through Section 106 in Reading. Shared ownership remains by far the preferred affordable home ownership product locally. In the context of national policy having moved away from First Homes, we do not consider it appropriate for the policy to require a minimum proportion of First Homes that corresponds with the WMS but consider that it should instead be one of the available options.

Affordable housing from small sites

- 3.10.18 As noted in paragraph 3.10.11, policy H3 includes a departure from national policy in that it secures affordable housing from non-major sites. This was also the situation at the point that the existing plan was examined, with the only distinction being that the national policy position that affordable housing should not be sought from non-major developments was in a Written Ministerial Statement dated 28 November 2014 rather than the NPPF itself. The Council argued strongly that its very high levels of need for affordable housing represented an exceptional case for a local policy position that diverged from national policy, and the Inspector's Report for the Local Plan dated 24 September 2019 agreed. The Inspector stated:

"60. Policy H3, as submitted for examination, requires the provision of affordable homes on site for sites of 5-9 dwellings. However, this requirement is difficult to achieve in practical terms both for the developer and for any potential registered provider in managing a small site with potentially fragmented provision. Therefore, to be effective in contributing towards the number of affordable homes and to be justified, MM19 is necessary to ensure that for sites of 5-9 dwellings provision of affordable housing should not be on site, and that contributions are the appropriate way of securing contributions.

61. Policy H3 acknowledges the potential for the effect of viability on any scheme for residential development. However, for the approach to small schemes to be justified and to avoid a significant administrative burden, MM19 is also necessary to clarify that the level of information required to demonstrate viability issues for sites of fewer than 10 dwellings needs to be proportionate, and to be limited in scope and length. The MM indicates that further guidance on this would be provided in a revised Affordable Housing SPD.

62. Subject to MM19 and having carefully considered the issues there are a number of specific local circumstances in the case of Reading to support the proposed thresholds for sites of 1-4 and 5-9 dwellings and to justify a departure from national policy."

The main modifications under MM19 referred to above were incorporated into the adopted Local Plan, and are not proposed to be changed in the LPPU insofar as they

relate to this issue⁴. The additional guidance in the SPD referred to in the Inspector's paragraph 61 is now incorporated into the Affordable Housing SPD adopted 2021 [PP010], which summarises the differences in approach for different site sizes in paragraph 7.11 (p30) and contains two separate information checklists at Appendix 5 (10 dwellings or more) and Appendix 6 (less than 10 dwellings).

- 3.10.19 As this matter was tested at Local Plan examination stage and no changes are proposed to this part of the policy in the LPPU the Council has not sought to resubmit significant levels of evidence on this matter in an effort to be proportionate. However if there is a considered a need for further evidence we would be grateful for an opportunity to assemble it.
- 3.10.20 In terms of whether circumstances have changed in Reading since this matter was considered, there has been no change to the level of affordable housing need. The 2016 Strategic Housing Market Assessment on which the existing Local Plan was based identified an annual need of 406 affordable dwellings, and exactly the same figure has emerged from the Housing Needs Assessment [EV011]. This is around half of the total housing need. There remains a critical need to maximise affordable housing provision in Reading of a scale of 7,301 homes during the plan period. As already set out in answer to question 3.6, even in the best case scenario Reading would only be likely to deliver around half of this total need for affordable housing.
- 3.10.21 The contribution small sites make towards meeting as much of this need as possible cannot be underestimated. Over the existing plan period so far (2013-2025) the Council has signed agreements relating to sites of 1-9 dwellings that would result in contributions of £8.9 million towards affordable housing, which is 78% of all financial contributions towards affordable housing agreed over this period. Without sites of less than 10 dwellings, agreed financial contributions towards affordable housing would be a fraction of what they are.
- 3.10.22 These financial contributions are in turn critical for funding the Council's Local Authority New Build (LANB) programme, alongside right to buy receipts. Over the last five years 2020-2025, £19.3 million of collected Section 106 financial contributions has been allocated to the LANB programme, as set out in the Council's respective Infrastructure Funding Statements for the period. This is being used to bring forward sites such as Wensley Road (46 affordable dwellings), Battle Street (49 dwellings), Hexham Road (42 dwellings), Dwyer Road (30 dwellings) and Amethyst Lane (17 dwellings). Three of the above are LPPU allocations, and all form a key part of the wider housing supply. Other financial contributions have already assisted in delivering homes at the former Arthur Hill pool (15 dwellings) and elsewhere. These contributions are key in driving not only affordable housing delivery, but housing delivery overall.
- 3.10.23 Without the LANB programme, which relies upon these financial contributions from small sites, affordable housing delivery in Reading would be much reduced. For example, of 631 affordable homes that had outstanding planning permission at 31

⁴ The only change that is proposed to previous main modification MM19 relates to the text around tenure in what is now paragraph 4.4.29, which was not relevant to the Inspector's conclusions on contributions from small sites.

March 2025, 184 (29%) are part of the LANB programme. These dwellings would be expected to continue to come forward even if economic circumstances were to worsen and affect private site delivery, meaning that they are the most reliable source of affordable housing supply. This is illustrated by the fact that of the 206 affordable homes that were already under construction at 31 March 2025, 88 were LANB, equating to an even higher percentage of 43%.

- 3.10.24 In overall terms, the Council's housing trajectory expects LANB to contribute a total of 647 homes over the plan period 2023-2041, which represents 4% of total anticipated housing completions, a small but nonetheless critical element of supply.
- 3.10.25 The other important matter to consider is that there is no particular evidence of the requirement for on-site affordable housing having deterred smaller sites from coming forward. The Council has been operating essentially this same policy position regarding small site affordable housing since 2012 when it was first adopted as part of the Sites and Detailed Policies Document. Table 4.1 of the HELAA [EV015] examines small site completion levels year by year from 2004 to 2024 and, although the completion levels on small sites have reduced over recent years (mainly since around 2018), the table shows that a major part of this is the reducing contribution made by garden land. It also shows no clear point around or soon after 2012 when supply significantly reduced. Certainly if the future provision of small sites is considered, the small site windfall levels in the HELAA and housing trajectory are based on the five years 2019-2024, throughout which the small site affordable housing policy applied, so there is no basis to believe that it would threaten future small site completions.
- 3.10.26 The Council has also continued to successfully defend this position at appeal. Since adoption of the Local Plan in November 2019, 34 appeal decisions have been issued which reaffirm the appropriateness of an affordable housing contribution on small sites. There have been no appeal decisions which concluded otherwise. Even before adoption of the current Local Plan, appeal decisions were consistently finding in favour of seeking affordable housing for small sites with only very few exceptions.
- 3.10.27 The viability of smaller sites is considered in the Whole Plan Viability Assessment [EV004]. The assessment uses two typologies that fall under 10 dwellings, a 'very small' typology at 7 dwellings and a 'micro' typology at 2 dwellings. The assessment shows for example that whilst five of the six 'very small' scenarios are in deficit with a 30% requirement (page 1 of Appendix 5), if 20% is applied as in the policy, with a 5% sales cost increase, five of the six are in surplus (page 6 of Appendix 5) with only the RG1 (Central Reading) site remaining in deficit. The same 20% requirement with a 5% sales cost increase applied to the 'micro' scenarios shows that, again, five of the six are in surplus with again the exception of the RG1 scenario, even though this is above the actual policy requirement for this size of site of 10%.
- 3.10.28 The viability testing does therefore show that the policy approach to small sites is viable, albeit with a particular issue identified for small sites in Central Reading. However, new build non-major sites in the town centre are not common. Of 3,963 dwellings with outstanding permission in the town centre at 31 March 2025, only 17 were on non-major new-build sites (four different permissions in total), with the vast majority of small sites being changes of use or conversions where the construction

costs would likely be significantly lower or, in the case of house to flat conversions, the policy would not apply at all. For this reason, we anticipate that any issues with small sites in the town centre would be limited and would need to be addressed through the viability process in point 2 of policy H3.

3.10.29 For the abovementioned reasons, the approach to small sites in policy H3 continues to be wholly justified as a local approach that departs from national policy.

3.11 *Is Policy H3 consistent with the PPG with regard to viability review mechanisms? Where would viability review mechanisms be appropriate and what are the clear process and terms of engagement explaining how and when viability will be reassessed?*

3.11.1 Policy H3 point 3 is clear on the circumstances of when a viability review mechanism would be appropriate, which is in the event that a policy-compliant affordable housing contribution cannot be secured at application stage. The Affordable Housing SPD [PP010] sets out more detail on how this operates in practice and includes a profit share formula for calculating the contribution.

3.11.2 However, as it stands policy H3 and its supporting text does delegate some of the detail of how these mechanisms work to the Affordable Housing SPD. It is accepted that this does not currently fulfil the Planning Practice Guidance statement that plans should set out “*clear process and terms of engagement regarding how and when viability will be reassessed over the lifetime of the development*”. There needs to be a balance struck between what is an appropriate level of detail in a plan and in an SPD. For instance, the Council does not consider that it would be appropriate to incorporate the standard profit share formula from the SPD into the plan, as this is too great a level of detail and it would render the plan unwieldy and overly prescriptive. However, it is agreed that modifications should be added to the policy and supporting text that set expectations around the basis for the review, i.e. that it be conducted on a comparable basis to the application stage calculation, and the timings of a review, which would generally be at 75% occupation or 12 months after first occupation. These modifications are proposed in Appendix 3.

3.12 *What is the rationale behind the tenure mix in Policy H3? Is this justified?*

3.12.1 The tenure mix in policy H3 has been taken from the Affordable Housing SPD [PP010], which was adopted in 2021. This is described in more detail in paragraphs 4.2 to 4.16 (pp 13-15) of the SPD.

3.12.2 In summary, the tenure expectations were set in order to maximise the delivery of rented accommodation that is genuinely affordable to those in need in Reading. Rented accommodation is the priority need locally. This tenure (‘Reading Affordable Rent’) has been set at 70% of market rents in Reading because 35% of a median weekly household income (which should generally be the maximum proportion of income spent on housing) at the time of £610 equated to around 70% of the weekly market rent for a three bed property. This means that a Reading Affordable Rent product should be affordable to the median household without requiring further support.

3.12.3 Viability testing was undertaken by BPS as part of developing the SPD to arrive at a viable tenure split within the envelope of a 30% overall requirement that would maximise the delivery of Reading Affordable Rent, whilst still delivering affordable home ownership products as required by the NPPF. At the time, this product in Reading was overwhelmingly shared ownership. No homes under alternative affordable home ownership products have been delivered on the ground in Reading for many years.

3.12.4 The Brief for BPS was as follows:

“To use the baseline of appraisals created in respect of the Local Plan viability evidence base to test the impact on viability of a number of potential changes.

a. 67% affordable rent at 65% of market rents / 33% shared ownership delivering 30% affordable housing.

b. 67% affordable rent at 70% of market rents / 33% shared ownership delivering 30% affordable housing.

c. Identify a breakeven point reflecting an adjusted balance between affordable rent and shared ownership assuming 70% of market rents. This could also include a reduction in overall affordable housing delivered”

3.12.5 The identified breakeven point under c was a split of 62% Reading Affordable Rent and 38% shared ownership without reducing overall affordable housing. This was the tested tenure split that maximised the delivery of genuinely affordable rented homes and was therefore the tenure split that was included in the SPD and which is currently being applied in practice. The BPS report can be provided if requested.

3.12.6 This tenure split formed the basis for the affordable housing aspect of the Whole Plan Viability Assessment [EV004] and remains generally viable.

3.12.7 If the tenure expectations were to be around a split between affordable rent at 80% market rents and affordable home ownership, although the proportion of rented accommodation would likely be higher, the risk is that it would deliver virtually no properties that are actually affordable to those in greatest need in Reading, because 80% of market rent is not affordable to those households without additional support. By introducing the Reading Affordable Rent tenure, it is possible to secure a majority of genuinely affordable rented dwellings, even if doing so reduces the proportion of dwellings that are rented overall.

3.13 *Is Policy H4 justified? What is the evidential basis behind the amendment to part 2 of Policy H4 in respect of a further three-year tenancy?*

3.13.1 Policy H4 is justified that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust and proportionate evidence. It is almost entirely unchanged from the adopted policy (other than the additional three-year tenancy) which was considered by the Inspector at the time who concluded:

“Policy H4 set out the requirements for Build to Rent Schemes. The requirements are justified subject to MM20. This is necessary to ensure that the minimum term for the rental market is not too onerous and consistent with what has been

achieved in the Borough. The term is therefore changed from 30 to 20 years. The MM is also needed for flexibility as to how high-quality rental agreements will be achieved and refers to the potential for other measures as well as the Council's Rent with Confidence standards. The potential mix of units also now refers to Policy CR6 (Living in Central Reading) to ensure internal consistency. The supporting text also clarifies the consideration of viability and the role of the Affordable Housing SPD." (paragraph 64)

And further concluded in relation to housing policies overall that

"Subject to the recommended MMs the policies in the LP will be effective in delivering the appropriate type of housing to meet the needs of the area and are justified and consistent with national policy." (paragraph 74)

3.13.2 The Local Plan Review 2023 [LP011] at paragraphs 3.383-3.390 (pp 84-86) assesses the need for update in the context of changes since adoption, and identifies the need for updates solely in relation to:

- The need to take account of emerging lessons from the development of the first build-to-rent schemes in Reading.

3.13.3 The policy has been in operation since 2019 and a significant amount of build to rent development has been permitted since that point without policy H4 appearing to represent any particular unreasonable burden on this type of development.

3.13.4 The sole substantive change is to ensure that a further three year tenancy is offered. This approach is intended to realise one of the key benefits of build to rent accommodation which is to provide a more secure and stable tenancy in an environment (usually the town centre) where so much of the existing residential population is transient, with high levels of serviced lets and shorter term tenancies. This is not considered an unreasonable burden as it will ensure continued occupation and revenue for the development.

3.13.5 The options considered for this policy were as follows:

- H4(i) – Point 2 of the policy to be amended to state that a further three-year tenancy to be generally offered at the end of the tenancy to increase security for the tenant (proposed option)
- H4(ii) – Retain existing policy wording so that tenancies are for 3 years only

3.14 *Is Policy H5 justified, effective, and consistent with national policy? Is it accompanied by a robust and up-to-date evidence base?*

3.14.1 This question will be considered in parts, relating to internal space, water efficiency, emissions and accessibility.

Internal space

3.14.2 The requirement that all new build housing outside Central Reading comply with nationally described space standards is unchanged from the adopted plan, where it was found to be justified. It has been effectively applied through the development management process since it was adopted and does not cause any particular issue if it is factored into design from the outset. The Council does however remain of the

view that applying this in Central Reading would reduce the ability of Reading to meet its housing needs overall due to our reliance on this area, and that expectations from residents of the town centre are different to elsewhere. For this reason, the position is not proposed to change.

- 3.14.3 The criterion relating to space standards are in compliance with national policy. Paragraph 135 f) of the NPPF [OP001] states that policies should “*create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users*”. Footnote 52 further states that policies may “*make use of the nationally described space standard, where the need for an internal space standard can be justified*.” This is the approach followed by the LPPU.

Water efficiency

- 3.14.4 The requirement that all new build housing achieve the higher optional water efficiency standard for water stressed areas under the Building Regulations is within the adopted policy which was examined and found to be justified, effective and consistent with national policy in 2019. It has been applied effectively since. However, ongoing discussion with Thames Water throughout the LPPU process have highlighted the growing importance of this issue given wider regional challenges whereby water shortages are becoming more frequent due to increasing periods of drought and ever-increasing demand on supply. For this reason, the policy text is proposed to change in order to:
- Refer to the “fittings approach” within the policy text itself, rather than the supporting text and update the specific reference to Table 2.2 in Part G of the building regulations; and
 - Require water neutrality, where possible.

The operation of the building regulations means that genuine alternative options are very limited.

- 3.14.5 In terms of being compliant with national policy, the policy primarily refers to the Part G of the building regulations, but also complies with the following NPPF statement:
- Paragraph 158 – “*Plans should take a proactive approach to mitigating and adapting to climate change, taking into account the long-term implications for [...] water supply [...].*”
- 3.14.6 The following representations were received on water efficiency at Regulation 19 stage:
- The Environment Agency and the University of Reading expressed support for the proposed approach. The University suggested further clarification on the definition of water neutrality, but the Council considers that this is provided by footnote 22.
 - The Home Builders Federation argued that the requirement to achieve water neutrality be deleted, citing that the policy should not exceed the optional technical standard in the Building Regulation. The Council does not consider this to be the case. The policy clearly states that there is a requirement for the

optional technical standard and that applicants should achieve neutrality “where possible.”

Emissions

- 3.14.7 With regard to carbon, Policy H5 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives and based on robust and proportionate evidence. It is consistent with national policy. Policy H5 is justified because it responds to Reading’s Climate Emergency declaration and the UK’s statutory carbon reduction targets under the Climate Change Act 2008 as referenced in paragraph 4.18.8 of the Background Paper [EV002]. The approach is proportionate and based on robust evidence, including monitoring data showing 100% of major new-build schemes permitted at the existing Local Plan zero-carbon standard [PP008], suggesting that further improvements are attainable by applicants. It is consistent with NPPF paragraph 157 which requires radical reductions in greenhouse gas emissions and support for renewable energy.
- 3.14.8 The adopted approach has already been proven sound and effective, delivering a high proportion of zero-carbon homes since 2019. The update builds on this success to reflect new evidence and Reading’s 2030 net-zero target as set out in the Climate Emergency Strategy [OP004].
- 3.14.9 Paragraphs 3.391–3.403 (pp. 65–66) of the Local Plan Review 2023 [LP011] assess the need for updates and form the main justification for the updated policy approach. With regard to carbon emission, a significant update is required due to the forthcoming Future Homes Standard (FHS) and local commitments including the Climate Emergency declaration and Reading’s 2030 net-zero target.
- 3.14.10 From 15 June 2022, Part L 2021 raised the national baseline ($\approx 31\%$ emissions reduction), which remains below the existing Policy H5’s minimum 35% improvement. The Future Homes Standard is expected to deliver 75–80% reductions but will not by itself deliver net-zero homes. The proposed approach for H5 looks to set absolute energy performance metrics (space-heating demand 15–20 kWh/m²/yr, total energy use ≤ 35 kWh/m²/yr) and requires on-site renewables to match annual use, ensuring net-zero-ready outcomes and avoiding future retrofit.
- 3.14.11 Given base-line and methodology changes (SAP to HEM), absolute kWh/m² targets provide clear, method-agnostic compliance and directly address the as-built performance gap, consistent with the energy hierarchy and prevailing best practice.
- 3.14.12 National policy enables these locally justified standards. H5 aligns with NPPF paragraph 157 by securing radical reductions in greenhouse gas emissions and supporting low-carbon energy. Locally, the Reading Climate Emergency Strategy [OP004] (Action E2) calls for zero-carbon standards for larger housing, which H5 implements through fabric-first design and on-plot renewables.
- 3.14.13 The Sustainable Design & Construction SPD (2019) [PP012] provide delivery support, including use of zero-carbon contributions for borough-wide retrofit. Whole-plan viability testing [EV004] has accounted for the net-zero development costs with H5, and the policy’s exceptional basis clause ensures proportionate flexibility where justified, maintaining effectiveness and soundness.

3.14.14 Since the start of the Partial Update, the national policy position as to whether or not local authorities can set their own energy efficiency requirements exceeding those within the building regulations has been uncertain and interpreted differently in case law, appeal decisions and local plan examinations by decision-makers. The Council's response to IQ47 in July 2025 [EX009] explains the decision to require emissions standards exceeding the building regulations and expressed as an energy use and total heat demand metrics as opposed to deferring to the building regulations or expressing requirements as a percentage reduction of target emissions rates (TER). This is briefly restated as follows:

- The Council has based the proposed approach on best practice of many other local authorities, as well as evidence of local, regional and national climate action targets.
- The Borough has a strong track-record on climate action and a commitment to net-zero emissions by 2030 which will not be achievable without significant and rapid reductions in emissions from the built environment.
- Local circumstances, such as the large amount of older housing stock in need of retrofit and at risk of overheating, as well as Reading's relative lack of urban tree cover and increasingly hot and dry summers clearly illustrate the urgent need to future-proof new homes for the changing climate, reduce resident energy bills and avoid the need for costly retrofit projects in the future; and
- Energy demand must be reduced as far as possible through design measures from the earliest stages of applications and must pursue a fabric-first approach.

This approach is widely recognised as best practice because absolute energy metrics (kWh/m²) provide clarity, avoid loopholes, and directly address the performance gap associated with SAP calculations. The targets for space heating demand (15–20 kWh/m²/year) and total energy demand (35 kWh/m²/year) are derived from LETI and RIBA guidance and reflect the recommendations of the UK Green Building Council's Net Zero Carbon Buildings Standard. These figures are consistent with the Committee on Climate Change's advice that new homes must achieve near-zero energy demand by 2025 to meet carbon budgets.

3.14.15 It is the Council's position that the Building Regulations do not effectively address the urgent need to achieve net-zero development, even in light of the forthcoming Future Homes Standard (FHS), which will replace the Standard Assessment Procedure (SAP) with the Home Energy Model (HEM). While the FHS represents a step forward, it will not deliver net-zero homes. The Government's definition of "zero-carbon ready" relies heavily on the future decarbonisation of the electricity grid, which is not expected to be complete for many years [EV002, para. 4.18]. This approach risks locking in poor fabric performance and creating a need for costly retrofits later.

3.14.16 By contrast, Policy H5 adopts a fabric-first approach supported by industry best practice (LETI, RIBA 2030 Climate Challenge, UKGBC Net Zero Carbon Buildings Standard), requiring absolute energy performance metrics, space heating demand of 15–20 kWh/m²/year and total energy use ≤ 35 kWh/m²/year, combined with on-site renewable generation to match annual energy demand. These metrics are technically

robust, address the well-documented performance gap in SAP, and ensure that homes are genuinely net-zero-ready rather than reliant on future grid improvements.

- 3.14.17 Local authorities are empowered under the Planning and Energy Act 2008 to set higher energy efficiency standards where justified. Reading's local circumstances—including a declared Climate Emergency and a target of net zero by 2030, provide strong justification for going beyond national minimum standards. This approach is consistent with NPPF paragraph 157, which requires radical reductions in greenhouse gas emissions and support for renewable energy.
- 3.14.18 The Council's evidence demonstrates that these requirements are viable and proportionate. The Local Plan Viability Testing Report [EV004] confirms that the costs of achieving net-zero development have been accounted for and do not present an undue burden on housing delivery. Furthermore, the policy includes an exceptional basis clause to ensure flexibility where technical or viability constraints apply, supported by alternative compliance routes such as financial contributions or accredited third-party certification. The Council is submitting further information to support this position in late January 2026 as agreed with the Inspector.
- 3.14.19 The Council acknowledges that the proposed approach deviates from the 2023 Written Ministerial Statement (WMS), which recommends expressing local energy efficiency standards as a percentage reduction against the Target Emission Rate (TER) using SAP. However, this departure is lawful, justified, and consistent with both statutory duties and national policy objectives. The reasons for this departure are set out in the Council's response to IQ47 [EX009] and supported by the Local Plan Partial Update Background Paper (EV002). In summary:
- Statutory and policy basis for departure: Section 19(1A) of the Planning and Compulsory Purchase Act 2004 requires development plans to include policies that contribute to the mitigation of, and adaptation to, climate change. Section 1(1)(c) of the Planning and Energy Act 2008 expressly empowers LPAs to set energy efficiency standards exceeding Building Regulations where endorsed in national policy or guidance. These powers have not been curtailed by the WMS and were reaffirmed by the Court of Appeal in Rights Community Action [2025] EWCA Civ 990.
 - The WMS is guidance, not law: The Court of Appeal confirmed that national policy such as the WMS "is no more than guidance" and that local circumstances may justify departure "even where national policy is expressed in unqualified terms". This means policies can be found sound where deviation is rational and evidence-based.
 - Absolute metrics, space heating demand (15–20 kWh/m²/year) and total energy use (\leq 35 kWh/m²/year), provide a clear link between design intent and actual energy performance. They overcome the well-documented performance gap associated with SAP/TER compliance, which cannot be measured post-construction and excludes unregulated energy use.
 - LETI's Climate Emergency Design Guide, RIBA 2030 Climate Challenge, and UKGBC's Net Zero Carbon Buildings Standard all advocate absolute energy targets as essential for delivering net-zero-ready homes. These standards have

been endorsed in national design guidance, satisfying the PEA 2008 requirement for “standards set out or endorsed in national policy”.

- NPPF requires plans to support the transition to net zero by 2050 and secure radical reductions in greenhouse gas emissions. Policies using absolute metrics directly deliver these objectives and fulfil the statutory duty under section 19(1A) PCPA 2004.
- Reading has declared a Climate Emergency and adopted a net zero target for 2030. TER-based improvements alone would not achieve the scale of emissions reduction required to meet these commitments. Local circumstances therefore justify a more ambitious approach, as recognised by the Court of Appeal.
- Similar approaches have been successfully adopted and found sound post-WMS 2023, including:
 - Bath & North East Somerset, Cornwall, and Central Lincolnshire have adopted policies using space heating and EUI metrics upheld at examination.
 - Tendring Colchester Borders Garden Community DPD (2025). The Inspector accepted EUI-based policy as justified and viable. Importantly this was post WMS2023.
 - Salt Cross AAP (Post Hearing Letter, Aug 2025). Inspector concluded that departure from TER was lawful and consistent with national policy when supported by robust evidence.
 - Uttlesford Local Plan (2025). Net zero policy with EUI metrics accepted without modification. These decisions confirm that Inspectors have consistently treated the WMS as guidance and endorsed departures where justified by evidence and viability.

The Council's evidence base demonstrates that the proposed metrics are viable and proportionate. This satisfies the WMS requirement for a “*well-reasoned and robustly costed rationale*” and aligns with national policy objectives under NPPF paragraph 157.

3.14.20 The Council acknowledges that circumstances can impact the viability of schemes and therefore Policies CC2 and H5 include an “exceptional basis clause” to ensure sufficient flexibility. Where the full requirements of either policy cannot be met for demonstrable reasons, such as viability, technical, or heritage constraints, the clause sets out the expectation that the policy requirements should be met as far as possible. This approach ensures that ambition is maintained while allowing proportionate flexibility. Alternative means of compliance are provided, particularly for major developments, including:

- Financial contributions to offset any shortfall in on-site energy efficiency measures, calculated within the limits stated in the policy and assessed on a case-by-case basis.
- Connection to heat networks or provision of off-site renewable energy infrastructure.

- Accredited third-party certification, such as Passivhaus Plus or Premium, to demonstrate equivalent performance.

These mechanisms reflect industry best practice and ensure that carbon savings are secured even where technical constraints apply. The viability of Policy H5 is supported by the Whole Plan Viability Testing Report [EV004, Appendix 5] which confirms that the costs of achieving net-zero development have been accounted for and do not present an undue burden on housing delivery. Furthermore, monitoring evidence [PP008] shows that the existing approach has been successfully implemented without restricting development, with 100% of major new-build schemes permitted at zero-carbon standard in 2023–24.

3.14.21 The following options were assessed:

- Requirement for “zero carbon homes” but no specific limits for total energy use and space heating demand, no requirement for on-site renewables to match total energy use – This option was rejected as it would fail to address the well-documented performance gap associated with SAP and current Building Regulations [EV002, 4.18.10]. Without clear absolute energy metrics, applicants would lack specific guidance and compliance would remain theoretical rather than performance-based. Furthermore, omitting on-site renewables would undermine Reading’s Climate Emergency objectives and create a need for costly retrofits in the future, increasing long-term carbon and financial burdens.
- Omit policy entirely and rely on Part L of the Building Regulations — This option was rejected because Part L compliance alone would not deliver zero-carbon homes. It relies heavily on the decarbonisation of the electricity grid, which is not anticipated to be complete for at least another decade. It also fails to address the as-built performance gap inherent in SAP assessments and does not require on-site renewable generation, leaving new homes vulnerable to future retrofit costs and energy price volatility.
- Minor updates to the policy reflecting less ambitious requirements for target emissions rate reduction – This option would represent an improvement upon the existing policy, but would not go far enough to reduce emissions in new dwellings.

3.14.22 Should the proposed approach be considered unsound, and in response to the Post Stage 1 Hearings Letter [EX040], the Council has prepared a possible main modification to re-state the policy in terms of TER, as specified in the 2023 WMS. This has been included in a standalone document within the examination library because it is a fallback position rather than what the Council is proposing at this time [EX056]. We regret that there has not been time to format this main modification in the same way as for those in the Hearing Statements, but this will be undertaken for the hearings. This demonstrates the Council’s commitment to ensuring the Local Plan remains sound and deliverable, while maintaining compliance with national requirements. However, the Council considers that the proposed approach, based on absolute energy metrics, is the most effective and justified method for achieving real-world performance and meeting Reading’s Climate Emergency objectives.

3.14.23 In terms of being compliant with national policy, this is discussed in detail in the Council's Response to Initial Questions Part 2 [EX009], but also complies with the following NPPF statement:

- Paragraph 157 – *“The planning system should support the transition to a low carbon future in a changing climate [...]. It should help to: shape places in ways that contribute to radical reductions in greenhouse gas emissions, minimise vulnerability and improve resilience; encourage the reuse of existing resources, including the conversion of existing buildings; and support renewable and low carbon energy and associated infrastructure.”*

3.14.24 The following representations were received at Regulation 19 stage:

- Churchill Living stated that the renewable energy targets are not justified, positively prepared or effective and that they have not been tested appropriately within the Viability Report. The Council does not agree. The Whole Plan Viability Testing Report [EV004, Appendix 5] clearly assigns an additional percentage uplift on build costs associated with the proposed standards and confirms that these requirements do not undermine overall development viability. Furthermore, Policy H5 includes an exceptional basis clause to allow viability considerations at application stage, ensuring flexibility and deliverability.
- DP9 Ltd on behalf of SH Reading Master LLP expressed support for the approach. The Council welcomes this support which demonstrates that the proposed standards are achievable and proportionate.
- Reading Friends of the Earth recommended the following:
 - That the average space heating demand requirement be reduced – the Council considers that this is not appropriate as the proposed approach is aligned with LETI figures and is the figure widely used by other local planning authorities. Reducing the figure further may affect the viability of schemes.
 - That developers must use the Passivhaus methodology or explain how their own proposed method will reliably deliver emissions reductions – The Council considers that this would unfairly privilege a single certification system and would fail to provide sufficient flexibility. However, applicants must demonstrate compliance with the stated energy performance targets using proven methodologies, ensuring transparency without restricting innovation.
 - That there should be incentives to reduce electricity consumption by heat pumps, mechanical ventilation and heat recovery – The Council agrees with this sentiment but this is already clearly embedded in the policy through a fabric-first approach and absolute energy metrics. It is not considered beneficial to specify technologies in great detail given the pace of change and the need for flexibility.
 - That applicants employing the exceptional basis clause be required to produce an energy statement – No change has been proposed as this is already the case.

- That the Council clearly outline how a financial contribution would be calculated and that £15K per dwelling may be too low – The Council maintains that the stated range (£5k–£15k per dwelling) reflects best practice among other authorities and provides flexibility. Overly prescriptive detail could undermine viability and adaptability.
- The Home Builders Federation stated the following:
 - Inconsistency with 2023 WMS. The Council acknowledges the departure from TER-based metrics but considers this justified by local circumstances, statutory climate duties, and evidence. TER-based approaches fail to address the performance gap and do not deliver net-zero-ready homes.
 - The Council has not fully considered the impacts of viability as no viability assessment has been provided within the evidence base – The Council acknowledges that the Whole Plan Assessment of Viability [EV004] was published towards the end of the Regulation 19 consultation period, but its conclusions were known to officers many weeks beforehand and a draft was shared directly with key stakeholders including HBF. This assessment clearly considers the impacts of viability by assigning an increase on base build cost and assessing the impacts. Moreover, the policy clearly allows for viability considerations at application stage.
 - It is unclear how financial contributions will be used to offset any carbon emissions and how this is directly and fairly related to the scale of the development – The Council would like to reiterate that that language within the policy is intended to provide flexibility and reflects best practice across other local authorities. Each application will be assessed on a case-by-case basis to secure “*a value sufficient to offset the remaining performance not achieved on-site*” with a clear minimum and maximum amount stated.
- John Sharpe stated that
 - The allowable heat demand figure is too high and should be reduced. – The Council maintains that this figure reflects best practice and is stated as a range to ensure flexibility.
 - The LETI Climate Emergency Retrofit Guide suggests that the average space heating demand (kWh/m²/yr) for 2021 allowing for the performance gap is 85. The space heating demand in order to fit the “realistic” criteria should allow for the widely recognised “performance” gap between design and delivery of buildings. – It is unclear what is meant by this comment.
 - Developers should either use the Passivhaus methodology or explain how the methodology that they propose to use will reliably deliver in use energy demands that their design predicts. – The Council has intentionally avoided requiring a single certification method in order to increase flexibility for applicants in how requirements may be met.
- Mark Drukker called for the policy emphasise the importance of residential gardens. – The Council believes this is best addressed by policy H10.
- Stantec on behalf of Aviva Life & Pensions UK Ltd and Stantec on behalf of St Edwards Homes Limited reiterated their comments made with regard to CC2,

stating the requirements will place a significant burden on development and that the proposed approach is inconsistent with Government aims and objectives. – The Council maintains that there is sufficient local circumstance to justify this approach and that the Council is simply aiming to fulfil its legal duty to significantly reduce emissions. As stated above, the exceptional basis clause will ensure that development is able to move forward even if requirements cannot be met due to impacts on viability as long as the highest possible standard is achieved.

- The University of Reading supports the inclusion of the “exceptional basis clause.” They also stated that further clarification be provided with regard to financial contributions, including legal arrangement, pricing mechanisms, assessment methodologies and offsetting periods. The Council would like to reiterate that the approach reflects the approach employed by other local planning authorities, such as Central Lincolnshire. It is not considered necessary to provide significant clarification with regard to offsetting as this will be determined on a case-by-case basis. The range provided is simply intended to limit impacts to viability. Finally, the University of Reading noted the absence of a requirement for embodied carbon assessment. The Council has stated that this is within CC2, not H5, as CC2 applies to both residential and non-residential development.

3.14.25 Two main modifications are proposed following Regulation 19 to correct errors in the text. These are included in the table in Appendix 3.

Accessibility

3.14.26 In terms of the requirements for accessible and adaptable dwellings and wheelchair user dwellings, these are justified through evidence in the Housing Needs Assessment [EV011]. The levels of need for both categories are outlined in answer to question 3.7 in paragraphs 3.7.11 – 3.7.17 of this statement.

3.14.27 Regarding accessible and adaptable dwellings under M4(2) of the Building Regulations, regardless of identified need levels, the Council considers that the only approach which allows people to remain in their own homes as their needs change is to require all new build dwellings to comply with this standard. This is the existing position within the adopted Local Plan and it has not deterred residential development coming forward, as these are relatively simple adaptations that can be planned into development from the outset.

3.14.28 For wheelchair user dwellings under M4(3) of the Building Regulations, the HNA identified a proportion of 9% of affordable need and 4% of market need that should be in this category, but recommends applying higher proportion requirements to avoid there being insufficient homes that are fully wheelchair adaptable to meet the needs of the wheelchair using population. On this basis, the updated policy raises the proportion being sought from developments of 20 or more dwellings from 5% to 10%.

3.14.29 In terms of effectiveness, the existing policies have been implemented effectively since 2019. An increase from 5 to 10% is not anticipated to present additional issues with deliverability.

3.14.30 The policies relating to accessibility are in compliance with national policy. Paragraph 135 f) of the NPPF [OP001] states that policies should “*create places that are safe, inclusive and accessible and which promote health and well-being, with a high standard of amenity for existing and future users*”. Footnote 52 further states that “*Planning policies for housing should make use of the Government’s optional technical standards for accessible and adaptable housing, where this would address an identified need for such properties*”. This is the approach taken by the LPPU.

3.14.31 The only representation on this part of H5 is from Churchill Living and related to the lack of viability testing for M4(3) dwellings specifically. The Whole Plan Viability Assessment [EV004] was not available at the time this representation was made. This included assessing the likely increase in cost per unit of M4(3) wheelchair adaptable dwellings – the standard for non-social housing – as around 10%, slightly lower for flats and higher for houses. This is factored into the wider assessment through the allowance for 15% increase in build costs.

3.15 *Is Policy H6 justified and supported by robust and up-to-date evidence?*

3.15.1 Policy H6 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust, proportionate and up-to-date evidence.

3.15.2 Much of the text of policy H6 remains largely intact from the existing Local Plan, which was examined and found to be effective in delivering the appropriate type of housing to meet the needs of the area and justified and consistent with national policy. The Local Plan Review 2023 [LP011] at paragraphs 3.404-3.410 (pp 66-67) assesses the need for update in the context of changes since adoption, and identifies the need for updates solely in relation to:

- The need to reassess overall housing needs under policy H1, of which the need for accommodation for vulnerable people will need to be assessed as a component; and
- Forthcoming changes to national policy placing greater priority on housing for the ageing population.

3.15.3 The assessment of needs was carried out in the Housing Needs Assessment [EV011] which reported in July 2024. This therefore represents up to date evidence that covers the whole plan period. The findings of the assessment for housing for older people and for people with disabilities are set out in detail in paragraphs 3.7.2 to 3.7.17 in answer to question 3.7 in this statement and will not be repeated here. However, they are considered to be robust and an update to the policy to reflect these needs is considered wholly justified, as well as essential to comply with the statement in paragraph 63 of the NPPF [OP001] that “*the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies*” and that this should include “*older people (including those who require retirement housing, housing-with-care and care homes)*” and “*people with disabilities*”.

3.15.4 The other changes to criterion (i) have emerged from conversations with Council officers dealing with care commissioning, and have identified that much of Reading’s existing stock is in ageing properties that will require replacement at some stage and

that new identified needs within the social care sector are limited mainly to those with particularly complex needs. It is therefore justified to reflect these priorities in the policy.

3.15.5 The other main change is a new bullet point in criterion (ii) relating to the age ranges of older person's accommodation. Increasingly, through the development management process, Reading is seeing proposals for older person's accommodation that starts at 55 years old, without any particular justification for this age range. This does not seem to respond to particular identified needs, more to a possible preference from some people in that age range. The Council does not consider that it is in the interests of mixed and balanced communities to segregate people by age where there is not a reason for doing so, and therefore considers that it is appropriate to ask for lower age ranges than 65 to be justified at application stage.

3.15.6 The changes to criterion (iv) draw in the results of the Housing Needs Assessment to emphasise the need for housing with care and housing with support in the affordable sector and support their provision.

3.15.7 The options considered for this policy were as follows:

- H6(i) – Level of need identified based on ongoing housing work, emphasis on no further needs for residential care, the need for modern accommodation noted, ages of eligibility for specialist housing to be justified (proposed option)
- H6(ii) – Retain existing identified need for residential care, no reference to modern accommodation needs, no justification required for eligibility below 65.
- H6(iii) – To move to a criteria-based policy without specific needs identified.

3.15.8 In terms of representations, those from Churchill Living relate mainly to the viability assessment and are not dealt with here. Those from the Integrated Care Board request substantial amendments regarding on-site health infrastructure that are also requested for other policy areas. The Council's position is that repeating similar statements across multiple policies is not appropriate, and that this is best dealt with in dedicated policies. This is particularly the case because developments that would fall under H6 would be unlikely to be of a scale to deliver on-site primary healthcare. The Council's view is that new policy CC10 combined with OU1 presents an appropriate framework for dealing with this matter.

3.16 Would Policy H8 be justified and effective? How would Policy H8 be implemented as drafted? Does the supporting text support Policy H8 effectively?

3.16.1 Policy H8 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust and proportionate evidence.

3.16.2 Much of the content of policy H8 remains from the existing Local Plan, which was examined and found to be justified and consistent with national policy. The Local Plan Review 2023 [LP011] at paragraphs 3.420-3.431 (pp 69-71) assesses the need for update in the context of changes since adoption, and identifies the following updates as being required.

- Work undertaken on the Residential Conversions SPD, which has particularly identified the need to formalise the approach outside the Article 4 area; and
 - Issues arising in appeal decisions including regarding stacking and the application of the threshold approach.
- 3.16.3 The background to the amendments is that the need for changes arose through the production of a new Residential Conversions SPD [PP011] adopted in March 2023. This supplements policy H8 and would continue to apply under the updated policy and sets out how certain requirements will be applied including with worked examples. It forms the primary justification for the updates proposed to H8, and it also forms a key part of ensuring that policy H8 will be effectively applied. The level of detail in that SPD is not capable of being reflected in the policy itself, but the key headlines need to be captured. The SPD is already in operation and is being applied effectively, and would work alongside the updated policy H8.
- 3.16.4 Reading has had an Article 4 direction in place to control changes of use to C4 small HMOs since 2012. This is centred on the area around the University, as many (but not all) of these HMOs are occupied by students. The policy approach outlined in H8 for within the Article 4 area, i.e. a 25% threshold within a 50m radius, has been in place for as long as the direction. However, more recently it became clear that there was a policy gap for proposals for HMOs outside the Article 4 area which still needed to comply with the policy statement that *“The proposal would not, either individually or cumulatively, unduly dilute or harm an existing mixed and sustainable community through the significant loss of single family housing”*, and against that background the policy approach for within the Article 4 area was on occasion being applied outside it, including at appeal.
- 3.16.5 However, the character of areas within and outside the Article 4 area are different. The Article 4 area covers most of the main hotspots for HMOs, but much of the dwelling stock in the area is very small which means that there are many fewer flat conversions within the area. In those areas where proposals are generally received outside the Article 4 area the opposite is true in that HMOs tend to be larger sui generis properties and there are a greater number of flat conversions. This means that attempting to apply the policy approach from the Article 4 area outside it was not effective and was in any case very difficult to assess because any C3 to C4 conversions outside the area would not necessarily have been recorded as they do not require planning permission.
- 3.16.6 The SPD and the proposed update were therefore designed to:
- a) Retain the existing approach within the Article 4 area; and
 - b) Develop a new approach outside the Article 4 area focused on the more prevalent threat to mixed and sustainable communities in that area which is the combined effect of HMOs and flat conversions.
- 3.16.7 This would require a restructure of the policy to remove the separation between criteria for flat conversions and HMOs.
- 3.16.8 The figure of 50% outside the Article 4 area was chosen as this is the tipping point between a majority of dwellinghouses and a majority of converted properties and

HMOs. An additional criterion was included to avoid HMO proposals arising within the most deprived areas of Reading where they would be likely to act to exacerbate deprivation that already exists.

3.16.9 In terms of the supporting text, we appreciate that this is a difficult matter to communicate in full. We have considered whether improvements can be made to ensure that the policy is effective and have proposed main modifications in Appendix 3. These seek to improve clarity by introducing headings and rearranging and amending text so that it is better structured and key information can be located more effectively. We consider that, subject to these main modifications, the policy supported by the SPD will be effective.

3.16.10 The options considered for this policy were as follows:

- H8(i) – To incorporate guidance within Residential Conversions SPD outside Article 4 areas, e.g., clarification on threshold, considerations of deprivation levels, and impact on communities. Clarifications on threshold applying to residential buildings, consideration of ‘sandwiching’ of a dwelling, and inappropriate stacking, supporting text offer protection against loss of family housing. (proposed option)
- H8(ii) – Rely on the guidance contained within the Residential Conversions SPD
- H8(iii) – To apply the same threshold approach outside the Article 4 direction area.
- H8(iv) – To apply a lower threshold outside the Article 4 direction area
- H8(v) – To use a criteria based approach outside the Article 4 direction area

3.17 Is Policy H12 justified and based on robust and up-to-date evidence?

3.17.1 Policy H12 was not listed as being within the scope of the update, as confirmed in Table A1.1 of the Council's Response to Initial Questions [EX002]. However, as representations have been submitted that seek main modifications which the Council agrees would be appropriate for soundness, the Council agrees that this policy should be within the scope of the examination.

3.17.2 Policy H12 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust, proportionate and up-to-date evidence.

3.17.3 The key point to make is that student accommodation needs are driven by the plans of the University of Reading (UoR). At the time the now-adopted Local Plan was examined, the UoR had ambitious expansion plans set out in documents submitted to that examination that would have resulted in 5,000 additional students between 2018 and 2028. However, this related heavily to university funding arrangements at the time, and since that point Covid had a significant impact on student numbers attending in person. The Council is awaiting a final Estates Management Strategy for the UoR but based on documentation that the Council has seen there is no expansion planned along the lines of the increases previously highlighted and the focus is more on consolidation and better use of existing space. The representations from the UoR at Regulation 19 stage do not mention planning for this level of growth, but do raise some other issues dealt with below.

- 3.17.4 In the absence of firm student numbers from the UoR on the basis of which to plan, the evidence assembled in the Local Plan Review [LP011] and in the Housing Needs Assessment [EV011] draws on data from the Higher Education Statistics Authority (HESA). In summary, this points towards recent student growth being driven by postgraduate and part-time students who are less likely to require accommodation in Reading. For this reason, the Council does not consider that the need for student accommodation is likely to have risen from the point at which the existing Local Plan was examined. These matters are dealt with in greater depth in the Council's Response to Initial Questions Part 1 [EV002] in answering IQ32.
- 3.17.5 At Regulation 19 stage, the UoR submitted representations that were broadly supportive and considered the updated policy sound, but did request main modifications around keeping the scale of student accommodation need under review and the 1,000 bedspace figure. The Council agrees that main modifications would be required as requested to ensure that the plan is both justified (in the case of the 1,000 bedspace figure) and effective (in the case of keeping numbers under review). These are shown in Appendix 3. The scale of the agreed student accommodation need is a particularly significant matter that impacts on the overall housing need and supply balance and has been reflected in the new version of the Housing Trajectory (see answer to question 3.2) as both an identified need and an allowance for provision for any remainder not already covered by the pipeline. The Regulation 19 response from UoR did not give an alternative figure, and subsequent communication has identified that the 1,000 bedspace figure remains broadly accurate. No changes are therefore proposed to this figure.
- 3.17.6 In terms of other representations, there is an objection to the sequential approach to PBSA provision on the basis that students need access to other services. The Council recognises that this is the case, but would continue to emphasise, as we did at Local Plan examination stage, that PBSA is competing with general housing for many of the same sites, and PBSA provision in place of general needs housing including an affordable element will have a detrimental impact on meeting those needs. This remains the Council's position, particularly given that in our view there is capacity within the pipeline and the campus itself to deliver student accommodation needs.
- 3.17.7 As the policy was not in scope previously and only a factual update was proposed, alternative options were not considered. The options considered at Local Plan stage were as follows:
- No policy
 - Locate student accommodation throughout the Borough
 - Focus student accommodation close to the university and on campus if possible

3.18 *Is the approach taken to renewal and regeneration of residential areas in Policy H14 justified and effective?*

- 3.18.1 Policy H14 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust and proportionate evidence. It is effective in that it is deliverable over the plan period.

- 3.18.2 Much of the text of policy H14 remains unchanged from the existing Local Plan, which was examined and found to be justified and consistent with national policy. The Local Plan Review 2023 [LP011] at paragraphs 3.561-3.570 (pp 76-77) assesses the need for update in the context of changes since adoption, and identifies no updates as being required. However, the potential for an update was subsequently raised at Regulation 18 stage (see p54 of the Consultation on Scope and Content [LP008]) and the policy was subsequently brought into the scope of the update in the Local Development Scheme. The reason for this was the intention to identify specific opportunities.
- 3.18.3 The work that has been done regarding opportunities for suburban regeneration and renewal in the Council's ownership has been described in answer to question 3.2 (see paragraph 3.2.6). This did not lead to specific locations being able to be identified in the policy, but it was nevertheless considered necessary to identify an allowance of 400 dwellings based on the work already described if the LPPU seeks to rely on this as a portion of the overall housing provision.
- 3.18.4 It is considered that the allowance of 400 dwellings is deliverable over the plan period based on the work described in paragraph 3.2.6, and subject to continued collection of financial contributions from small sites (and major sites where this has been agreed in place of on-site provision) which partly funds the Local Authority New Build programme. However, it is considered that a main modification would further support effectiveness by ensuring that progress against this allowance is monitored to allow delivery concerns to be addressed at the 5-year review stage based on data that is already available. This is addressed further in the Hearing Statement for Matter 12.
- 3.19 With regard to purpose-built shared living accommodation, is Policy H15 justified, consistent with national policy, and supported by a robust, up-to-date evidence base?*
- 3.19.1 Policy H15 is justified in that it is an appropriate strategy, taking into account the reasonable alternatives, and based on robust and proportionate evidence. It is effective in that it is deliverable over the plan period. It is consistent with national policy.
- 3.19.2 Purpose-built shared living accommodation is a relatively new form of residential accommodation in the UK, and it is certainly new to Reading, with the first proposal having only recently been granted planning permission. This means that there is very little in the way of evidence of impacts and issues on which to draw, but it is nevertheless essential to develop a policy to deal with the anticipated increase in such proposals.
- 3.19.3 In the absence of such evidence, the appropriate position for the LPPU to take is to avoid strong encouragement or discouragement and instead set out a criteria-based policy. The LPPU takes a lead from the Policy H16 in the London Plan where there is much greater experience of dealing with such proposals. This policy is reproduced in Appendix 2, but the following elements informed and were incorporated into the LPPU policy:
- Located in an accessible area
 - Minimum three month tenancies

- Under single management
- Provision of a management plan at application stage
- Communal facilities including communal kitchen, internal communal amenity space, laundry and drying facilities, concierge, cleaning services
- Rooms not to be capable of operating as a self-contained dwelling

3.19.4 The London Plan Guidance on Large-Scale Purpose-Built Shared Living⁵ (February 2024) supplements the London Plan policy and is more specific on standards. Its table 3.2 contains a benchmark of 4 sq m communal amenity space per resident up to 100 residents, with 3 sq m per additional resident up to 400 and 2 sq m per additional resident from 401 upwards. This was reflected in LPPU policy H14 albeit without the requirements for 400 plus as the Council does not anticipate developments of this scale in Reading.

3.19.5 The Guidance also includes that units should be no less than 18 sq m, and no more than 27 sq m to avoid them being used as substandard self-contained units. The minimum size was reflected in LPPU policy H14 but the Council considered that a statement around not being capable of being used as self-contained dwellings was more effective than an arbitrary cap that might be difficult to justify.

3.19.6 For clarity, following the London Plan Guidance so closely was not the initial LPPU position. The Consultation on Scope and Content at Regulation 18 stage [LP008] initially suggested 5 sq m of communal space per resident and a minimum room size of 20 sq m. However, representations received strongly advised aligning with the London standards, and, in the absence of any particular evidence to justify higher standards, the LPPU was aligned more with the London Plan Guidance.

3.19.7 There are however elements of the policy that have been added based on local circumstances. The first of these is criterion 1, that it would be *“located on a site that has not been identified for general residential (as plan allocations or extant permissions), unless the purpose-built shared living accommodation element would be in addition to the planned residential”*. This is due to the high importance Reading places on meeting its general housing and affordable housing needs. We consider that where a site is planned for general residential, in particular where it would deliver on-site affordable which is not generally a feature of purpose-built shared accommodation, this is what should be delivered. Allowing other forms of accommodation would risk increasing the difficulty in meeting general housing and affordable housing needs.

3.19.8 The requirement for a security strategy in criterion 7 is also additional to what is sought in London and elsewhere. At Regulation 18 stage, the Council received a response from Thames Valley Police highlighting their concerns around this form of accommodation and advocating a requirement for submission of an access and security strategy. This is summarised on p211 of the Statement of Consultation [LP010]. The Council agrees with these concerns and considers that this should not represent an unduly onerous requirement and should ultimately benefit residents.

⁵ [Large-scale purpose-built shared living London Plan Guidance - Feb 24](#)

- 3.19.9 The other local element is the approach to affordable housing in criterion 9, i.e. seeking a financial contribution rather than on-site provision. This is a policy stance that is already in operation in Reading as a result of the statement to this effect in the Affordable Housing SPD [PP010] in paragraph 5.21 (p24). The reason for this is that the Council strongly believes that purpose-built shared living accommodation should be a lifestyle choice that residents make willingly, and they should not essentially be forced into that lifestyle due to being in need of affordable housing. It is in the Council's view far better to take a contribution to fund provision elsewhere than seek a portion of on-site communal units, unless the development is able to provide these as independent self-contained dwellings within the same site.
- 3.19.10 The options considered for this policy were as follows:
- H15(i) – No policy
 - H15(ii) – New policy for co-living (proposed option)
 - H15(iii) – Criteria-based policy: omit any preference in terms of location
 - H15(iv) – Negative approach to co-living: discouraging co-living overall
 - H15(v) – Positive approach to co-living: encourage co-living proposals
- 3.19.11 The policy approach complies with national policy. The NPPF is currently silent on this form of accommodation, but paragraph 60 does state that it is important that *“the needs of groups with specific housing requirements are addressed”* and paragraph 63 requires that *“the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies”*. Residents of purpose-built shared living were not among those whose needs were assessed in the Housing Needs Assessment [EV011] as this is very much an emerging area. However, a criteria-based policy approach is considered to provide an appropriate response to this situation. The approach to affordable housing is considered to fulfil paragraph 64 on expecting on-site affordable housing because on-site provision in this case would not contribute to mixed and balanced communities as this form of accommodation does not deliver mixed and balanced communities in the first place. This aim is much more effectively achieved through using a contribution to fund self-contained affordable dwellings elsewhere.
- 3.19.12 In terms of representations, there was disagreement with the position on use of land identified for general housing and on the position on on-site affordable. These have been justified above. The other main comment was from the Integrated Care Board around seeking an additional criterion around health impacts. The Council's position is that this is better dealt with in a dedicated policy that applies to multiple forms of development (i.e. CC10) rather than repeating similar statements in a number of policies.

Appendix 1: Existing density analysis

Town centre

A1.1 Table A1.1 shows the assessment of the density of existing primarily residential sites in the town centre.

Table A1.1: Town centre existing density analysis

Site	Dwellings	Residential land (ha)	Density
Chatham Place	316	0.69	458.0
The Chatham, Weldale Street	23	0.05	460.0
Lion Court, Great Knollys Street	14	0.09	155.6
Regents Court and Malcolm Place	89	0.43	207.0
Tudor Road & Stanshawe Road North	42	0.24	175.0
Stanshawe Road South & Vachel Road North	59	0.3	196.7
Vachel Road South & Sackville Street North	81	0.35	231.4
Sackville Street South	9	0.09	100.0
53-54 St Marys Butts	2	0.01	200.0
Fobney Street area	446	3.68	121.2
St Lawrences House, Abbey Square	32	0.04	800.0
Mayflower Court & Kings Reach Court	35	0.13	269.2
Crane Wharf	23	0.12	191.7
Blakes Cottages & St James Wharf	43	0.33	130.3
Queens Cottages & Kings Oak Court	73	0.47	155.3
Osprey Court	11	0.09	122.2
Queens Wharf & Grantley Heights	103	0.44	234.1
Kennet Street (Q & Q2)	169	0.37	456.8
Royal Court, Kings Road	35	0.13	269.2
Blakes Quay & Harry Tee Court	104	0.66	157.6
The Meridian, Kenavon Drive	113	0.6	188.3
10-12 Abbots Walk	8	0.07	114.3
Thames Court, Norman Place	24	0.29	82.8
Projection West & Projection East	115	0.22	522.7
Overall	1969	9.89	199.1

Urban sites

A1.2 Table A1.2 shows the assessment of the density of a sample of 45 urban sites.

Table A1.2: Urban sites existing density analysis

	Dwellings	Residential land (ha)	Density
Abbey 1	98	0.84	116.7
Abbey 2	100	0.75	133.3

Battle 1	52	0.76	68.4
Battle 2	58	0.52	111.5
Battle 3	74	0.84	88.1
Battle 4	80	0.78	102.6
Caversham 1	34	0.82	41.5
Caversham 2	22	0.74	29.7
Caversham 3	55	0.67	82.1
Coley 1	53	0.78	67.9
Coley 2	24	0.87	27.6
Coley 3	22	0.5	44.0
Katesgrove 1	61	0.72	84.7
Katesgrove 2	82	0.76	107.9
Katesgrove 3	76	0.85	89.4
Katesgrove 4	14	0.37	37.8
Katesgrove 5	54	0.72	75.0
Kentwood 5	34	0.71	47.9
Kentwood 6	32	0.71	45.1
Norcot 1	103	0.8	128.8
Norcot 2	36	0.49	73.5
Norcot 3	19	0.8	23.8
Norcot 4	12	0.33	36.4
Norcot 5	19	0.31	61.3
Park 1	68	0.79	86.1
Park 2	83	0.7	118.6
Park 3	26	0.91	28.6
Park 4	75	0.75	100.0
Redlands 1	27	0.47	57.4
Redlands 2	67	0.83	80.7
Redlands 3	54	0.62	87.1
Redlands 4	27	0.75	36.0
Redlands 6	44	0.74	59.5
Southcote 1	44	0.82	53.7
Southcote 2	36	0.63	57.1
Southcote 5	54	0.77	70.1
Southcote 6	92	0.72	127.8
Thames 1	55	0.66	83.3
Thames 2	72	0.82	87.8
Thames 3	44	0.46	95.7
Thames 4	96	0.79	121.5
Thames 5	74	0.69	107.2
Tilehurst 3	30	0.74	40.5

Whitley 4	43	0.78	55.1
Whitley 5	111	0.78	142.3
Overall	2436	31.66	76.9

Suburban sites

A1.3 Table A1.3 shows the assessment of the density of a sample of 55 suburban sites.

Table A1.3: Suburban sites existing density analysis

Site	Res dwellings	Res land (ha)	Density
Caversham 4	20	0.78	25.6
Caversham 5	18	0.75	24.0
Caversham 6	12	0.82	14.6
Caversham 7	22	0.89	24.7
Caversham Heights 1	14	0.81	17.3
Caversham Heights 2	19	0.72	26.4
Caversham Heights 3	27	0.71	38.0
Caversham Heights 4	20	0.77	26.0
Caversham Heights 5	16	0.9	17.8
Caversham Heights 6	17	0.89	19.1
Caversham Heights 7	11	0.87	12.6
Caversham Heights 8	13	0.84	15.5
Caversham Heights 9	26	0.87	29.9
Church 1	11	0.9	12.2
Church 2	31	0.79	39.2
Church 3	27	0.9	30.0
Church 4	30	0.9	33.3
Church 5	30	0.82	36.6
Church 6	31	0.91	34.1
Church 7	32	0.84	38.1
Church 8	30	0.85	35.3
Coley 4	15	0.85	17.6
Coley 5	14	0.37	37.8
Coley 6	191	0.81	235.8
Coley 7	36	0.82	43.9
Emmer Green 1	15	0.82	18.3
Emmer Green 2	15	0.74	20.3
Emmer Green 3	19	0.76	25.0
Emmer Green 4	26	0.63	41.3
Emmer Green 5	6	0.46	13.0
Emmer Green 6	9	0.72	12.5
Emmer Green 7	14	0.87	16.1
Emmer Green 8	18	0.74	24.3

Kentwood 1	18	0.93	19.4
Kentwood 2	10	0.93	10.8
Kentwood 3	32	0.8	40.0
Kentwood 4	32	0.69	46.4
Kentwood 7	21	0.81	25.9
Norcot 6	27	0.84	32.1
Norcot 7	16	0.4	40.0
Park 5	37	0.84	44.0
Redlands 5	33	0.88	37.5
Southcote 3	18	0.79	22.8
Southcote 4	27	0.51	52.9
Southcote 7	13	0.87	14.9
Southcote 8	31	0.84	36.9
Southcote 9	31	0.77	40.3
Tilehurst 1	27	0.83	32.5
Tilehurst 2	28	0.87	32.2
Tilehurst 4	23	0.87	26.4
Tilehurst 5	23	0.56	41.1
Tilehurst 6	22	0.8	27.5
Whitley 1	20	0.71	28.2
Whitley 2	26	0.72	36.1
Whitley 3	29	0.76	38.2
Overall	1379	43.14	32.0

Appendix 2: Policy H16 of the London Plan 2021

Policy H16 Large-scale purpose-built shared living

- A Large-scale purpose-built shared living development⁸¹ must meet the following criteria:
- 1) it is of good quality and design
 - 2) it contributes towards mixed and inclusive neighbourhoods
 - 3) it is located in an area well-connected to local services and employment by walking, cycling and public transport, and its design does not contribute to car dependency
 - 4) it is under single management
 - 5) its units are all for rent with minimum tenancy lengths of no less than three months
 - 6) communal facilities and services are provided that are sufficient to meet the requirements of the intended number of residents and offer at least:
 - a) convenient access to a communal kitchen
 - b) outside communal amenity space (roof terrace and/or garden)
 - c) internal communal amenity space (dining rooms, lounges)
 - d) laundry and drying facilities
 - e) a concierge
 - f) bedding and linen changing and/or room cleaning services.
 - 7) the private units provide adequate functional living space and layout, and are not self-contained homes or capable of being used as self-contained homes
 - 8) a management plan is provided with the application
 - 9) it delivers a cash in lieu contribution towards conventional C3 affordable housing. Boroughs should seek this contribution for the provision of new C3 off-site affordable housing as either an:
 - a) upfront cash in lieu payment to the local authority, or
 - b) in perpetuity annual payment to the local authority
 - 10) In both cases developments are expected to provide a contribution that is equivalent to 35 per cent of the units, or 50 per cent where the development is on public sector land or industrial land appropriate for residential uses in accordance with Policy E7 Industrial intensification, co-location and substitution, to be provided at a discount of 50 per cent of the market rent. All large-scale purpose-built shared living schemes will be subject to the Viability Tested Route set out in Policy H5 Threshold approach to applications, however, developments which provide a contribution equal to 35 per cent of the units at a discount of 50 per cent of the market rent will not be subject to a Late Stage Viability Review.

⁸¹ Large-scale purpose-built shared living developments are sui generis

Appendix 3: Proposed main modifications emerging from Hearing Statement

This Schedule sets out proposed 'main modifications' to the Local Plan Partial Update as a result of the contents of this hearing statement.

For the avoidance of doubt, the modifications and references in the following table show changes to the Local Plan Partial Update Pre-Submission Draft, November 2024 [LP003b].

The above document is already in tracked changes format and shows how the adopted Local Plan (November 2019) would be amended. Please therefore be aware that there are two types of amendments shown in this schedule.

Changes already proposed to be made in the LPPU Pre-Submission Draft [LP003b]:

- Additional text that would amend the adopted Local Plan (2019) is shown in green and underlined: Example
- Deleted text that would amend the adopted Local Plan (2019) is shown in green and struck through: ~~Example~~

Changes proposed as a main modification through the examination process:

- Additional text that would amend the Pre-Submission Draft LPPU (November 2024) is shown in blue and underlined: Example
- Deleted text that would amend the Pre-Submission Draft LPPU (November 2024) is shown in blue and struck through: ~~Example~~

Amendments in blue supersede those in green, so for instance where a change proposed to the adopted Local Plan in green is proposed to be further amended or deleted, this is shown in blue only.

Table A3.1: Schedule of proposed main modifications

Modification Number	Page number [LP003b]	Policy/Paragraph [LP003b]	Main Modification	Reason for Main Modification (linked to soundness requirements)	Reference in this statement
Matter 3 - A	106	H3	<p>Amend point 3 of policy as follows.</p> <p><u>3. In the event that a policy-compliant affordable housing contribution cannot be secured at application stage, a deferred contribution mechanism will be included in a Section 106 agreement that, based on the conclusion of a later viability review required at an agreed level of occupancy, secures an appropriate proportion of any increased profits over and above those identified at application stage as a financial contribution towards affordable housing.</u></p>	To ensure that the plan sets out the terms of engagement on deferred contributions in line with Planning Practice Guidance.	Paragraph 3.11.2
Matter 3 - B	109	4.4.27 and 4.4.28	<p>Amend paragraph as follows and renumber subsequent paragraphs</p> <p><u>4.4.27 However, viability assessments are a snapshot in time. Although a viability assessment at application stage may have justified a reduced affordable housing contribution, circumstances may have improved by the time that development takes place, such that an improved affordable housing contribution would be viable. A deferred contribution mechanism will therefore be included within Section 106 agreements for developments where viability has justified a reduced affordable housing contribution to secure some of the uplifted profit towards affordable housing.</u></p> <p><u>4.4.28 The Affordable Housing SPD provides more detail on how this deferred contributions will work in practice and includes a formula for a profit share approach which will generally be used. It will be based on a late viability review undertaken on a comparable basis to the viability assessment at application stage and linked to an agreed stage of occupation of the development, generally either upon 75% occupation or at twelve months after first occupation, unless another approach is agreed between the parties. For very large or phased developments there may need to be multiple triggers.</u></p>	To ensure that the plan sets out the terms of engagement on deferred contributions in line with Planning Practice Guidance.	Paragraph 3.11.2
Matter 3 - C	113	H5	<p>Amend first sentence of criterion c of policy as follows:</p> <p><u>All other new-build housing will be required to achieve net-zero development as defined in Policy CC2 and to achieve the following (calculated using a methodology proven to accurately predict a building's actual energy performance:</u></p>	To correct an error	Paragraph 3.14.25
Matter 3 - D	113	H5	<p>Amend second paragraph of criterion c of policy as follows:</p> <p><u>Exceptional basis clause: In cases where the above points cannot be met for technical, viability or other policy reasons (such as heritage), the highest possible standards are required. In these cases, an applicant must demonstrate the extent to which the requirements can be met. For major developments of 1,000-sqm10 dwellings or more, applicants must also either:</u></p>	To correct an error	Paragraph 3.14.25

Modification Number	Page number [LP003b]	Policy/Paragraph [LP003b]	Main Modification	Reason for Main Modification (linked to soundness requirements)	Reference in this statement
Matter 3 - E	123-125	4.4.62-4.4.78	<p><i>Amend paragraphs as follows:</i></p> <p>4.4.60-62 Conversions, either individually or cumulatively, can also have a harmful impact on the character of the area through unduly diluting mixed and sustainable communities. In certain parts of the Borough, there are high concentrations of flat conversions and houses in multiple occupation, in part reflecting the very high student population which is especially prevalent around the University. Given that students are predominantly present during term time only, it can leave some roads and areas feeling quite dormant at other times, failing to achieve a mixed and sustainable community. In locations with already high numbers of flats or houses in multiple occupation, conversions to single family housing could help create a more mixed and sustainable community. <u>For this reason, the policy seeks to control the concentration of houses in multiple occupation (HMOs) and flat conversions by applying a limit to the amount of HMOs and/or flat conversions within close proximity of an application property.</u></p> <p>4.4.613 This policy relates to both small and large Houses in Multiple Occupation (HMOs) in addition to conversions to flats. A small HMO (those occupied by 3-6 unrelated individuals sharing one or more basic amenity/ies) falling within a C4 use class has permitted development rights to change between the C4 and C3 (general residential) use classes without the need for a planning application, unless it is subject to an Article 4 direction (see below).</p> <p>4.4.62-64 If there are more than six unrelated occupants sharing one or more basic amenities, the property is likely to be classed as a 'large HMO' (sui generis) which will be outside use class C4. Planning permission will always be required for a change to a large HMO.</p> <p>4.4.6365 In areas where there is considered to be a need to control the spread of HMOs, the Council can introduce an 'Article 4 direction', which removes the automatic right to convert a dwellinghouse to a small HMO, and means that planning permission is required. Two such directions have so far been introduced – in a large area covering much of Katesgrove, Park and Redlands wards close to the University, and in a smaller area covering Jesse Terrace in west Reading. Details of these areas can be found on the Council's website¹²¹. If any new directions are introduced after publication of this Plan, those details will also be on the website.</p> <p><u>4.4.66 It is important to ensure that conversions under this policy do not unduly harm an existing mixed and sustainable community through the significant loss of single family housing in line with the policy criterion 2 b. However, the different characteristics of areas within and outside the Article 4 areas mean that different 'threshold' approaches apply depending on whether or not a property falls within an Article 4 direction area covering small HMOs as set out in points 3 and 4 of the policy.</u></p> <p><u>Threshold approach within the Article 4 areas</u></p> <p>4.4.64-66-67 In ensuring that any change of use to a HMO within the area covered by the Article 4 Direction, either individually or cumulatively, does not unduly dilute or harm an existing mixed and sustainable community through the significant loss of single family housing in line with the policy, the following</p>	To ensure that the policy is effective by improving the structure and content of the supporting text	Paragraph 3.16.9

Modification Number	Page number [LP003b]	Policy/Paragraph [LP003b]	Main Modification	Reason for Main Modification (linked to soundness requirements)	Reference in this statement
			<p>guidance will be used to determine a planning application for change of use from C3 (dwellinghouse) to a HMO within an Article 4 area that controls small HMOs.</p> <p>4.4.6567 68 Planning permission will not normally be granted for an HMO where the proportion of HMOs (either C4 or sui generis) will result in HMOs representing 25% or more of the residential properties within a circle of 50m radius measured from the application site.</p> <p><u>Threshold approach outside the Article 4 areas</u></p> <p>4.4.69 Outside an Article 4 area that controls small HMOs, the nature of the type of development that could threaten a mixed and balanced community is different and includes both HMOs and flat conversions. In these locations, planning permission will not normally be granted for HMOs or conversions to flats where the combined proportion of HMOs (either C4 or sui generis) and properties that have been converted to flats will result in HMOs and converted properties representing 50% or more of the residential properties within a circle of 50m radius measured from the application site. Planning permission will also not normally be granted where the application is for an HMO and the area falls within the 30% most deprived areas in England according to the latest Indices of Multiple Deprivation, or where there is other evidence of dilution of a mixed and balanced community.</p> <p><u>Applying the threshold approaches in practice</u></p> <p>4.4.70 For the avoidance of doubt in applying the threshold approaches outlined in this policy, residential properties in this case means residential buildings rather than residential dwellings (i.e. a dwelling that has been converted to two flats is one property for these purposes).</p> <p>4.4.666871 The centre of the radius will be the front door of the property. A 50m radius will be drawn from this point and any properties or any part of a building falling within the radius will be taken into account in the assessment. If a part of a building falls within the circle and partly without, then the property will form a part of the assessment.</p> <p>4.4.676972 Where the radius includes properties that lie outside Reading Borough's administrative boundaries (for example they fall within Wokingham Borough boundary), they will not be taken into account in the assessment and only those properties in Reading Borough will contribute to the assessment.</p> <p>4.4.687071 Where the radius includes entire buildings falling within an A, B, C1 or C2, D or sui generis use class (apart from a sui generis HMO) they will be discounted from the total number of buildings in the radius. Similarly, purpose-built flats will be discounted from the total number of buildings in the radius. Any existing flat conversions will be included in the number of C3 dwellings and will not be included in the number of HMOs for the purposes of the threshold calculation.</p> <p>4.4.6971 72 The Council will use information available to it to identify which properties are within an HMO use (either C4 or sui generis) or have been converted to flats. It is anticipated that the information to calculate the percentage will initially be based primarily on Environmental Health and Council Tax</p>		

Modification Number	Page number [LP003b]	Policy/Paragraph [LP003b]	Main Modification	Reason for Main Modification (linked to soundness requirements)	Reference in this statement
			<p>information, given data protection and other regulations preventing the use of certain information. Where there is significant doubt as to whether a property is an HMO, it will not be counted towards the threshold. For the avoidance of doubt, the application property will be taken into account in calculating this percentage of properties.</p> <p>4.4.7072 73 The applicant should also undertake their own estimate of the number of HMOs <u>and, where applicable, flat conversions</u> to accompany the planning application and provide all of their supporting data. It is advised that pre-application advice is sought prior to submitting any planning application.</p> <p>4.4.717374 Planning permission will be required to change the use of a small HMO to a large HMO, or to intensify the use of a lawful large HMO (without any physical extension or external alteration to the property) by increasing the number of occupiers. In this instance the threshold limit will not be triggered as the HMO has already been established in the street and, therefore, have no further effect on the concentration of HMOs and balance and mix of households in the local community.</p> <p>4.4.74 The same technical approach as set out above should be used when calculating the 50% threshold for proposals for HMOs or flat conversions in all areas not covered by the Article 4 direction area.</p> <p>4.4.75 In part 2.h of the policy, there is a requirement for 25% of flats resulting from a flat conversion to be two-bedroom or more. The purpose of this is to retain some larger accommodation. For clarity, the retention of a two-bedroom flat does not fully mitigate the impact of the loss of a three-bedroom dwelling or larger and does not therefore mean that other parts of the policy around a mixed and balanced community and the threshold approach have been complied with.</p> <p><u>Sandwiching</u></p> <p>4.4.76 75 'Sandwiching', as referred to in criterion 2.i, where a proposal for a conversion would result in a dwellinghouse being located directly between two HMOs should be avoided, due to the noise and disturbance issues that can arise, particularly in locations where there are thin party walls without sound insulation. Avoiding 'sandwiching' of HMOs also contributes towards maintaining a mixed and balanced community. For the avoidance of doubt, 'sandwiching' only applies where a property would directly adjoin an HMO on either side with a party wall. It would not apply where, on one side, a dwellinghouse is separated from the HMO property by a gap such as a road, pathway or side garden.</p> <p>4.4.77 76 Proposals which resolve a situation where a dwellinghouse is sandwiched between two HMOs will be given weight in planning decisions.</p> <p><u>Retaining larger dwellings within flat conversions</u></p> <p>4.4.77 In part 2.h of the policy, there is a requirement for 25% of flats resulting from a flat conversion to be two-bedroom or more. The purpose of this is to retain some larger accommodation. For clarity, the retention of a two-bedroom flat does not fully mitigate the impact of the loss of a three-bedroom dwelling or larger and does not therefore mean that other parts of the policy around a mixed and balanced community and the threshold approach have been complied with.</p>		

Modification Number	Page number [LP003b]	Policy/Paragraph [LP003b]	Main Modification	Reason for Main Modification (linked to soundness requirements)	Reference in this statement
			<p><u>Further information</u></p> <p>4.4.72-78 It is important to read this policy in conjunction with Policy CC8 on safeguarding amenity, as many of the planning issues associated with house conversions relate to impacts on neighbours. The Supplementary Planning Document (SPD) on Residential Conversions provides further guidance on these points <u>including worked examples of the threshold approaches</u>. The method for calculating nearby HMOs using a 50m radius reflects current practice, but this may be amended by any future changes to the SPD.</p>		
Matter 3 - F	132	Paragraph 4.4.104	<p><i>Amend paragraph as follows:</i></p> <p>4.4.98<u>104</u> The SHMA HNA (2016)<u>SHMA HNA (2016/2024)</u> looked at the issue of need for additional student housing. It anticipates a growth in student numbers at the University of Reading from 13,135 in 2015 to 16,095 in 2018. However, the SHMA notes that, as this is in line with historic high student numbers, that it should not result in the need for significant new accommodation. More recent evidence from the University indicates that this growth, underpinned by changes to the tuition fee system and the removal of student number controls, has indeed generated a need for new accommodation. In 2016/17, 74% of students were from outside the South East, and 28% were from outside the UK, and these groups are particularly reliant on student accommodation. It notes, based on information from the Higher Education Statistics Agency (HESA) that full-time student numbers have remained relatively unchanged at the University of Reading between 2017 and 2022. It did not identify a specific need for additional purpose built student accommodation, although it did note that the impacts of the Covid pandemic will have impacted figures over this period. Ultimately, the need for accommodation is very dependent on any growth plans at the University, and, although there are no current firm plans for expansion, this is subject to change. The University will continue to keep this under review in order to support and deliver any new buildings or student accommodation should this be required to meet the needs of the University. The University will continue to regularly engage with both the Council and Wokingham Borough Council as it implements the Estate Strategy and any successor strategy which may be prepared in the Local Plan period. There <u>It is agreed that there is a current shortfall in University accommodation of around 1,000 bed spaces for first year students and, across all years of study, for 2017/2021/1822, 5,000 students were not housed in purpose built student accommodation 3,400 students were housed in rented accommodation other than university or private halls.</u></p>	To ensure that the plan is justified and effective in response to a representation from the University of Reading.	Paragraph 3.17.5
Matter 3 - G		Appendix 1	<p><i>Insert new Housing Trajectory 2023/24 to 2040/41 as at 31st December 2025 as shown in Appendix 4 to this document to replace existing Housing Trajectory 2023/24 to 2040/41 as at 31st March 2024</i></p>	To update based on more recent monitoring to ensure that the plan is effective	Paragraphs 3.2.15 - 3.2.19

Appendix 4: Updated Housing Trajectory 2023/24 to 2040/41 as at 31 December 2025

A4.1 An Excel version of the Housing Trajectory at 31st December 2025 is included as a separate document [EX041]. It contains all of the site-by-site information. The version shown here is the version that would appear in a modified LPPU.

Table A4.1: Housing Trajectory 2023/24 to 2040/41 as at 31 December 2025

Site	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	TOTAL (2023-41)	Variance rate (%)
Small Scale unidentified windfalls (< 10 units)	91	90	96	96	96	96	91	91	91	91	91	87	87	87	87	87	82	82	1619	91
Local authority new build	0	0	0	0	0	0	52	52	52	23	23	23	27	27	27	32	32	32	400	0
Remaining student accommodation on sites in line with H12	0	0	0	0	0	0	0	0	0	0	11	11	11	11	11	11	11	11	84	0
Permitted and under constr (10+), no variance rate	N/A	N/A	539	359	258	88	94	0	0	0	0	0	0	0	0	0	0	0	1338	N/A
Permitted and not started (10+) incl variance rate	N/A	N/A	47	51	225	722	816	502	523	345	211	139	0	8	8	8	8	8	3622	N/A
Permitted subject to S106 (10+) incl variance rates	N/A	N/A	0	-1	0	81	84	368	193	229	0	0	0	0	0	0	0	0	954	N/A
Sites in Local Plan including variance rate	N/A	N/A	0	0	0	0	0	819	786	803	418	418	417	417	417	417	417	417	5749	N/A
Other identified sites (10+) incl variance rates	N/A	N/A	0	0	0	0	0	0	0	0	4	4	4	4	4	4	4	4	29	N/A
Past Completions (C3 Housing)	1021	890	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1911	N/A
Past Completions (Non-C3 residential) ⁶	7	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	52	N/A
Total Past Completions (All)	1028	935	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1963	N/A
Total Projected Completions	N/A	N/A	682	505	579	987	1136	1832	1646	1491	757	681	546	554	554	558	553	553	13615	N/A
Cumulative Completions	1028	1963	2645	3150	3729	4715	5852	7684	9330	10821	11578	12258	12804	13358	13912	14471	15024	15578	N/A	N/A
PLAN – Strategic housing allocation per annum	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	825	14850	N/A
PLAN – Strategic student accommodation allocation per annum	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	250	
MONITOR - No dwellings above or below cumulative allocation	189	285	128	-206	-466	-318	-20	973	1780	2432	2350	2192	1899	1614	1329	1049	763	478	N/A	N/A
MANAGE - Annual requirement taking account of past / projected completions	839	828	821	830	854	875	865	841	742	641	535	503	474	459	435	396	315	76	N/A	N/A

⁶ Expressed as a dwelling equivalent – see paragraph A1.3

Figure A4.1: Housing Trajectory 2023/24 to 2040/41 as at 31 December 2025 (graph)



