

Reading Borough Local Plan Partial Update

Housing Need and Requirement Position – Update on Cross-Boundary Implications

Purpose

This note has been prepared to provide an update to the position recorded in DUC07 December 2024 Statement of Common Ground (SoCG) between Reading Borough Council (Reading), South Oxfordshire District Council (South) and Vale of White Horse District Council (Vale) regarding housing need and any potential requirement for neighbouring authorities to assist in accommodating unmet housing need arising from Reading.

The note has been shared and discussed with Reading Borough Council.

1. Position at the Time of the December 2024 Statement of Common Ground

The bilateral SoCG between South and Vale and Reading was signed in December 2024 during preparation of both authorities' emerging plans and prior to the submission of the Reading Borough Local Plan Partial Update (LPPU).

At that point, Reading was proposing to depart from the standard method and rely on a locally assessed housing need identified through its Housing Needs Assessment (HNA) 2024.

The HNA identified a housing need of **735** dwellings per annum (dpa) for the period 2023-2041. Reading considered there to be exceptional circumstances justifying an alternative approach to the standard method, principally relating to the effect of Unattributable Population Change (UPC) on demographic projections and Reading's unique circumstances as an urban uplift authority with a relatively small administrative boundary compared to the wider Reading urban area.

Reading's Housing Provision Background Paper prepared for Regulation 19 consultation reported that the applicable standard method figure was **878** dpa, whilst the HELAA identified capacity for approximately **825** dpa.

The bilateral SoCG recorded:

"4.5 The published Housing and Economic Land Availability Assessment confirms that the identified need will be met in full and that Reading BC will deliver 825 homes per year over that period."

and

"4.14 There is no expectation of unmet need needing to be planned for by neighbouring local authorities."

However, the SoCG also acknowledged (para 4.4) that Reading had undertaken engagement under the Duty to Cooperate regarding a potential alternative scenario based on the standard method. Reading had advised neighbouring authorities that, if the standard method figure were ultimately applied, there could be an unmet need of approximately 954 dwellings across the plan period, and asked whether neighbouring authorities would be in a position to accommodate any of this unmet need if the standard method figure was used.

At the time the SoCG was agreed, it was therefore not clear whether examination would find Reading's locally assessed need figure sound or require use of the standard method figure.

2. Readings current Local Housing Need (Pre-2024 Methodology)

The calculations below set out the 2025 (as in the current version of Reading’s emerging Plan) and the 2026 (most up to date) local housing need figures for Reading. This has been calculated using the methodology used prior to the December 2024 NPPF changes. This reflects the fact that the LPPU completed its Regulation 19 pre-submission publication in November/December 2024, was submitted for examination in May 2025, and it is being examined against the December 2023 version of the NPPF, as recorded in para 4 of the LPPU Inspector’s Initial Letter dated 19 June 2025 (LPPU Examination Library ref EX001).

2025 Calculation

Step 1 - Setting the Baseline

2025 Households	70,402
2035 Households	75,413
Difference	5,011
Annual Average	501.1

Step 2 - Affordability Adjustment

Median Affordability Ratio 2024	7.45	Taken from October 2025 ONS release
Adjustment Factor	1.22	
Annual Household growth adjusted for affordability	609	

Step 3 - Capping any increase

Existing housing requirement	689
Cap Result	No cap required

Step 4 - Cities and Urban Centres Uplift

35% uplift to annual household growth	822
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2026 Calculation

Step 1 - Setting the Baseline

2026 Households	70,922
2036 Households	75,901
Difference	4,979
Annual Average	497.9

Step 2 - Affordability Adjustment

Median Affordability Ratio 2025	7.13	Taken from March 2026 ONS release
Adjustment Factor	1.20	
Annual Household adjusted for affordability	595	

Step 3 - Capping any increase

Existing requirement	689
Result	No cap required

Step 4 - Cities and Urban Centres Uplift

35% uplift to annual household growth	804
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The most recent calculation is lower.

3. Changes Prior to Submission of the Local Plan

A change occurred between publication of the Regulation 19 LPPU in November 2024 and submission of the LPPU for examination in May 2025. In April 2025 Reading published the Housing Provision Background Paper Addendum (EV013). This updated the standard method calculation using the latest affordability data published in March 2025. The revised calculation showed that the applicable standard method figure had reduced from **878** dpa to **822** dpa. The addendum confirmed:

Measure	Dwellings per annum
Locally assessed housing need (HNA)	735
Standard method (updated April 2025)	822
HELAA capacity	825
Proposed Policy H1 housing requirement	825

Unlike the previous position, Reading's proposed housing requirement of **825** dpa was now slightly higher than the applicable standard method figure.

The principal concern underpinning the earlier Duty to Cooperate discussions, namely that the standard method might exceed Reading's planned housing provision, had therefore substantially fallen away before submission of the Local Plan.

4. LPPU Inspector's Initial Questions

Following submission, the LPPU Inspector issued an Initial Letter to Reading dated 19 June 2025 (EX001). Their Inspector noted that:

- the HNA figure was **735** dpa;
- the standard method figure had been updated to **822** dpa;
- the proposed housing requirement remained **825** dpa.

Their Inspector asked initial questions regarding the exceptional circumstances case, the proposed departure from the standard method, the housing requirement; and implications for any unmet need. These topics were also covered in the Inspector's Matters, Issues and Questions for the Stage 1 hearings (EX010) issued on 4 August 2025. Accordingly, the issue of housing need was tested through the examination process.

5. LPPU Inspector's Conclusions Following Stage 1 Hearings

The LPPU Inspector's post-Stage 1 hearings letter is dated 24 November 2025 (EX030). Their Inspector concluded that the examination should proceed on the basis that:

*"the minimum housing need for Reading is **822** dwellings per annum based on the standard method for local housing need applicable at the time of the LPPU's submission".*

Their Inspector found that the exceptional circumstances advanced by the Council were insufficient to justify continued reliance on the lower HNA figure of 735 dpa. Consequently, modifications would be required so that the supporting text recognised the standard method figure of **822** dpa.

Importantly, the LPPU Inspector did not conclude that a housing need figure of 878 dpa should be applied, nor that the December 2024 NPPF figure of 997 dpa should be applied, nor that neighbouring authorities should be requested to accommodate unmet need arising from Reading. Instead, the LPPU Inspector established **822** dpa as the relevant housing need figure for examination purposes.

6. Relationship Between Housing Need and Housing Requirement

Reading's LPPU is planning for housing delivery at a level slightly above the housing need figure identified by their Inspector. Accordingly, the position suggested in the December 2024 SoCG, that there could theoretically be a shortfall against the then-standard method figure of 878 dpa, no longer reflects the current evidence or examination position.

7. Housing Delivery and Supply Evidence

The examination has subsequently focused on soundness issues relating to delivery, policies and site allocations rather than unmet need. In March 2026 the LPPU Inspector's Stage 2 letter (EX101) required modifications to certain site allocations and elements of the housing trajectory but did not identify any change to the housing requirement nor any requirement for neighbouring authorities to accommodate unmet housing need. A further Stage 2 letter (EX107) in April 2026 required additional modifications to certain site allocations and an update on other matters but again did not relate to the housing requirement or unmet need.

Most recently, Reading's updated five-year housing land supply position (May 2026) confirms a housing requirement of 14,850 dwellings across the plan period, 2,644

completions already achieved between 2023 and 2026, a projected five-year housing supply of 5.06 years at adoption.

Whilst the examination remains ongoing and final conclusions await their Inspector's report, the latest evidence continues to demonstrate Reading's intention and expectation to accommodate its housing requirement within the Borough within the updated Local Plan.

8. Implications for South Oxfordshire and Vale of White Horse

The December 2024 SoCG reflected the evidence available at that time. Subsequent evidence and examination findings have clarified the position.

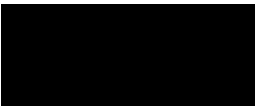
The applicable standard method figure reduced from **878** dpa to **822** dpa.

The LPPU Inspector concluded that **822** dpa is the appropriate housing need figure.

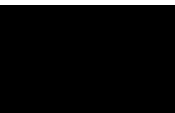
Reading's housing requirement remains **825** dpa and Reading is therefore planning for a level of housing growth which exceeds the housing need figure accepted by the Inspector, noting that the examination is still to conclude.

Conclusion

The evidence currently before the examination supports the conclusion that Reading Borough Council is planning to meet its housing needs in full and there is no identified unmet housing need requiring redistribution to neighbouring authorities.

Signed 

Mark Worringham, Planning Policy Manager, Reading Borough Council

Signed 

Tim Oruye, Director of Policy and Programmes, South Oxfordshire and Vale of White Horse District Councils