

## Academic Forum

### Meeting 26<sup>th</sup> April: notes

**Attendees** – Hamish Clifton; Chris Cobb; Melanie Loizou; William Wilson; Gareth Smith; Paresh Shah; Roland Shanks; Warren Forsyth; Robert Farnsworth; Peter Shadbolt; Simone Williams; Randall Macdonald; Sophie Donaldson; Kimberley Hopkins; Jagdeep Bhogal; Brian Welsh; David Atherton; Allan Hilton; Jonathan Seager; Kevin McCarthy; David Malcolm; John Lett; Jennifer Peters and Huma Munshi.

## 1.1 Introduction

1.1 The GLA summarised the range of current (2011) London Plan policies which bear on universities (*see Annex 1: PDF of presentation to the Forum*); the issues which arose in developing them through the London Plan EIP and through consultation on their implementation in planning terms through the subsequent Housing SPG; and the other ways in which the policies are being implemented by the GLA and partners. These latter issues are mainly economic and are being addressed by what is effectively the other half of the Academic Forum which met for the first time on 24.4.12 and is expected to report this summer.

1.2 It was noted that student housing is just one, relatively small, part of a Further Alteration to the London Plan (FALP) which will be addressing the consequences of what the 2011 Census suggests could be a doubling in the level of London's population growth relative to that anticipated in the current Plan, and the constrained supply of land available to accommodate it.

1.3 The presentation stressed the current Plan's very positive approach to supporting and maintaining London's international reputation as a centre of excellence in higher education. Though the National Planning Policy Framework (NPPF) does not require planning authorities to recognise provision for students as a form of special housing need, the London Plan does so because of London's importance as an academic centre of excellence and the sector's important role in the wider London economy.

1.4 However, this provision should be seen in the context of other special housing needs which the Mayor must address. For example, over the next two decades older Londoners are expected to grow by some 17,500 pa and over the last 17 years total student numbers have on average increased by 6,500 pa. The London Plan and its Housing SPG currently indicate that over the decade to 2021, students will require up to 2,700 specialist places while older people will require up to 2,900 places.

1.5 The EIP into the Plan, and subsequent operation of its policies have identified some sensitivities/issues associated with them including its approach to:

- addressing strategic and local need;
- identifying demonstrable need;
- stakeholders working together closely to address this;
- in doing this, not compromising capacity for conventional homes;
- while not compromising universities' growth potential;
- uncertainty over the scale of growth in student accommodation needs;
- making provision for these in ways which secure wider mixed and balanced communities;

- recognising the 'special' character of student housing as justifying exemption from affordable housing contributions providing it is secured as student housing by S.106/condition either in terms of occupation as such, or through links with specified university/ies; and
- monitoring student accommodation as part of but separate from overall housing provision

1.6 In addition, other issues were identified as a result of consultation on the draft Housing SPG, which led to a suggested draft agenda for the Forum addressing:

- Potential student growth and related factors
- Potential student accommodation requirements
- More affordable student accommodation
- Options to disperse pressure from central/inner London
- Options to address social mix issues
- Is quality an issue?
- How to address provision for disabled students
- How to get greater cooperation between HEIs, LBs, developers and other stakeholders

1.7 The Plan makes clear that it is for the Forum to decide what its agenda should be (para 3.53), indicating only that it should seek to take into account the range of planning concerns which realistically are likely to apply to development proposals, not just those which address particular constituencies of interest. This will make the Forum's recommendations more robust in planning terms.

## **2 Assessing future student numbers**

2.1 The GLA described how, in preparing the 2011 Plan, it had considered a wide range of private assessments of student numbers. While these very useful, they could not provide the longer term, consistent and transparent approach necessary to support a statutory document. The GLA therefore developed its own approach based on a range of methodologies (simple averages and rolling averages applied both to all students and only those most likely to require specialist accommodation (see Annex 1). Output from these was set in the context of a range of variables which might bear on future student numbers and the methodologies sought to capture these uncertainties through a range of sensitivity tests. The approach and output was tested more generally at the EIP into the Plan and accepted by the Inspector.

2.2 Drawing on a previously circulated paper by Dr David Euans, the GLA went on to update the historic HESA time series of trends in London students which could inform a similar approach in the FALP, distinguishing between:

- total undergraduates and postgraduates;
- changes in trends among first year students;
- highlighting how trends in London universities differed from those in other regions;
- show how the course composition of London universities' offer differed from that in the rest of the country;
- and, to try and provide an initial impression of the possible impact of changes in fees, distinguishing between groups of London universities in terms of very recent changes in trends among UK domiciled, other EU and non EU domiciled students and more generally between different levels of course in different regions.

2.3 The GLA also outlined an alternative, regression based methodology for projecting student numbers which has been developed by M Conver for POLAR (see Annex 1).

## **Discussion**

2.4 It was noted that relative to the projections used in the 2011 Plan, more recent HESA data suggested that the long term simple average increment to student numbers had increased from some 6,000 pa to some 6,500 pa. This was still significantly less than the rolling average ranges/sensitivities used by the GLA to calculate the housing requirement range in the London Plan. Subject to further discussion, the emerging consensus within the Forum was that this methodology appeared robust albeit unsophisticated. Given the potential costs, the alternative suggested regression based approach appeared to offer little added value.

2.5 However, it was noted that the approach did not appear to take account of the government imposed cap on student numbers for individual institutions. University stakeholders offered to provide more information on this and, if possible, to update the information they had already provided on students in private and 'new' universities and those on foundation degrees which are not captured by the HESA statistics. The importance of understanding universities strategic plans was also highlighted, particularly as a number of non London universities are setting up departments in London, which may not have been captured in the current figures. The GLA would be grateful if universities could make these available.

2.6 It was also noted that very recent changes in student numbers did not capture the impact of changes in tuition fees – at the very least these would not become clear for a number of years. Moreover, the historic trends clearly showed how other institutional changes had had a short term impact in reducing students but that these had not undermined London's long term attractiveness as a strategic university location. (*Roland – have I got this right?*). The universities agreed to provide further advice on the effects of government 'caps' on student numbers. The GLA would also welcome more up to date advice from all stakeholders on the proportion of students who were likely to live at home, in PRS and in purpose built accommodation either in the private or university sectors. Any background on variables which might bear on these factors eg postgrad/undergrad; first and other year students; domestic/overseas would also be appreciated.

2.7 There was also some uncertainty as to how far visa requirements would bear on long term future student numbers. It was noted that when the original projections were prepared, it was anticipated that changes in immigration policy might bear particularly on the intake of Chinese students, but subsequently it was not clear whether changes in the number of these students could be attributed to the impact of the policy or other factors eg other, competing global universities, the increased offer of China based HEIs. There is currently concern that further changes to immigration policy might bear particularly on Indian students.

2.8 The group noted that the fluctuation in overseas student numbers correlates with the exchange rate and suggested that the GLA might model that as part of the work looking at past trends. Moreover, for postgraduates, the weakness of the pound, coupled with the increased number of European universities offering English speaking Masters could lead to more British students choosing to study abroad.

2.9 Forum members were asked to consider the 'risks' to changes in historic trend outlined in the presentation (see Annex 1) and to advise on whether these were still current or if there were new factors which should be taken into account.

### 3 Assessing student housing requirements

3.1 Drawing on private sector assessments and studies carried by universities, the GLA applied assumptions on the likelihood of students requiring purpose built accommodation to the range of projected increments to student numbers. While this did not explicitly capture any unknown back log of need, the range of output was so wide and also so far above the long term average, that the inspector at EIP accepted that the resultant targets (1,800 – 2,700 bedspaces pa) were robust for planning purposes. It would be appreciated if stakeholders could make available any robust, quantified information on backlog of need so this can be compared against the ‘buffer’ provided by the range/sensitivity based approach used for the 2011 Plan.

#### Discussion

3.2 Monitoring 2006 – 2011/12 (see Annex 1) shows that actual net provision (c 2,500 units pa) has been within this target range. However, while need is clearly being met in these terms, such provision is well above the capacity threshold identified in the London Plan (1,700), even though this is derived from historic trends (albeit modified to take account of ‘exceptional’ occasional provision).

3.3 As, if not more important for the work of the Forum is the very uneven distribution of this provision: 70% is within 6 central Boroughs, with Islington (634 units pa) having more than half as much again as the next highest borough (Tower Hamlets 404). 2 boroughs in outer west London together account for a further 20%. The GLA agreed to share the information held on student completions with the group.

3.4 There was general consensus around the approach to identifying the proportion of students that would require purpose built accommodation, but this should take into account a more up to date understanding of how many students that were indigenous to London and thus less likely to require accommodation (see paras 2.6, 3.1 above). In addition, the university sector highlighted that while purpose built accommodation has traditionally accommodated first year students, an increased number of second and third year students now choose this type of accommodation, which could influence the overall proportions. The increasing competition for general private rented stock may also encourage more students into purpose built accommodation.

### 4 How should FALP use the new purpose built student housing requirement figures?

4.1 This was a rhetorical question with prompts as to answers suggested by the GLA through four possible alternative approaches (see Annex 1 and para 6.3.3.i-iv below). It gave rise to a wide ranging discussion covering the points highlighted in paras 4.2 – 4.20 below, some of which clearly overlapped with other issues on the Forum’s draft Agenda. Those associated with ‘affordability’ and ‘brand’ have been summarised here because the balance of Forum opinion indicated that the way future accommodation was distributed might very well be affected by the approach taken to them.

4.2 **Brand:** it was suggested that in coming to a view on dispersal, the Forum should take into account the importance of the central London ‘brand’, especially for overseas students: some thought that unis which cater particularly for this market want to be in central London (and if the unis will not move the students will not want to either. The GLA should check if this is true of say UEL, Middlesex: how many overseas students do they have, rather than %: how

important are they in uni business plans?). However, it was also noted that two universities with strong central London brands were considering moving: UCL to Stratford, Imperial to Shepherds Bush.

4.3 **Affordability:** the Forum agreed that tackling this can be one of the levers to encourage dispersal – in terms of fundamentals, there is potential for cheaper accommodation further out in middle and outer London. It was noted that this was already happening eg Ealing and Newham, though in ‘relatively remote’ Finsbury Park there had been some problems in filling places (it was unclear whether this was a result of pricing policy or location relative to student preferences).

4.4 More generally it was thought that the price sensitivity of university controlled accommodation (and internal university allocation policies eg a place in hall for first years) and budget constraints on UK students might make them more amenable to non central locations (the cost of being in London, especially accommodation costs, were thought to be a much more important constraint on its attractiveness to students than the increase in fees). To address this, the benefits of cheaper accommodation could be reinforced by lower cost student fares (GLA to check extent/uptake of student discounted travel cards).

4.5 Affordability might be improved if Universities were exempt from CIL – if they became charitable institutions would that lead to exemption? Private suppliers might then benefit from this if they had a formal allocation link to universities through the mechanism below suggested by the boroughs. GLA will check CIL regs on this. The GLA was also asked by a borough to check whether rents can be limited through S106. A private provider suggested that this might not necessarily be a bad thing – the private sector needed to minimise risk, so having certainty over rents (subject to viability assessment) enabled them to be incorporated in a long term investment package.

4.6 However, uncertainties over universities’ long term funding arrangements meant that they were reluctant to sign up to long term agreements with private providers. They may still do this, but would be unlikely to do so if there was a rent cap in place. Overall, they try to make accommodation arrangements which are cost neutral – even being out by as little as 2% could have serious, wider budgetary implications.

4.7 A university stakeholder noted that there were voids in private provision because rents were too high, especially for UK students (the presence of voids was confirmed by a private sector representative). University research suggested that while 80% of newbuild was on offer at over £200/week, only 8% of students considered they could afford this. In reply, a private provider noted that voids tend to be in the older private properties. The university stakeholder said that there were no voids in university accommodation.

4.8 The universities recognised that some private providers did discount rents but, to ‘cream’ those willing to pay higher/initial asking rents, the discounts were offered on remaining voids after the beginning of term. In terms of contributing to the overall attractiveness of London as a university location the ‘damage’ of high initial rents was already done – potential students had seen these headline rents earlier in the year and had come to a view that they could not afford them and this would contribute to their decisions not come to London universities. Overall, students want to know their total likely costs: not just fees, but also accommodation.

4.9 It was noted that all major private providers subscribe to a common code of standards on pricing and other tenancy matters – consideration could be given to extending this.

4.10 There was also some discussion of the potential implications of not delivering affordable student accommodation on the affordability and availability of the private rented stock for the general population; if an area is an attractive one for students and there is no purpose built accommodation, students will access private rented housing. This is likely to reduce the availability of this stock to people on lower incomes.

4.11 **Current student accommodation locations:** it was noted that one borough had significantly higher levels of provision than all others – while its unique experience could not be applied directly elsewhere, it did provide some general pointers/issues. The high level of provision was thought to be partly a result of its previous, positive approach to student accommodation in line with the London Plan. From its own experience this had become self-reinforcing and was now constraining capacity for conventional homes. However, more generally, it suggested that strategic policy should be applied consistently, possibly using the monitoring benchmarks as targets backed by a stronger line on Local Plan general conformity (a view echoed by another central borough).

4.12 Several boroughs suggested reconsidering current LP policy which requires providers to demonstrate either that provision is secured through condition/S106 for occupation by students or through links with a named university (ies). Boroughs would be encouraged to work more proactively with universities if the policy reverted to that in the draft Plan which required private providers to demonstrate to LBs only that they had formal links with a university (otherwise they would be susceptible to affordable housing requirements).

4.13 However, it was noted by both boroughs and private providers that it could be problematic securing legally sound agreements with universities to this end. A university rep pointed out that, nevertheless, this would result in more occupied student housing rather than having the level of voids reported in some private provision. A borough reported anecdotal evidence of surplus specialist student provision being occupied by non-students. Legal/planning issues apart it was said that this also raised issues with regard to paying VAT.

4.14 A ‘middle London’ borough with good access to the centre reported that it was subject to significant pressure from private providers. While it had got substantial housing capacity the potential of this for conventional homes (the borough’s clear priority) was being eroded contrary to strategic policy. From a local perspective it would be useful if the Mayor’s Housing SPG could provide guidance on LP policy to meet both strategic and local student need – how this was supposed to be calculated to provide local targets which could be used to constrain provision for strategic rather than local need. It would also be useful if the monitoring benchmarks could be used as maximum benchmarks as a basis for refusal.

4.15 The principle of using targets to constrain supply (rather than increase output) generated wider debate across the Forum – the balance of opinion was that it would be against the London Plan’s general principle of using housing targets as minima to maximise provision and would raise tensions with the overall thrust of the NPPF.

4.16 **New student locations:** an alternative to using targets to constrain supply might be to identify locations where provision was not being made and explore whether a methodology could be developed to encourage development there. More generally, the GLA should explore where students live at present – not just those in new build/specialist accommodation but those in PRS and/or living at home relative to the location of universities. There was considerable anecdotal evidence that the latter two groups might be more flexible as to location in a broad swathe of ‘middle London’ than the ‘30 minute’ travelling time suggested in

the draft Housing SPG, and as illustrated during the presentation (see Annex 1 map). HESA data or applications for Council Tax exemptions may provide this information (the GLA would welcome advice on this). It would be useful if the GLA could arrange for a borough with currently low provision (but in accessibility terms, with some apparent potential to increase this) to attend the Forum to give views on why output was low and how it might respond to an increase.

4.17 Boroughs in such locations would still need to be incentivised to take a positive approach to new specialist provision – one way of doing this might be to highlight potential CIL contributions from student accommodation. Another could be to demonstrate how it could relieve pressure on local PRS. It was noted by one central borough that, because of its cost, new specialist provision was unlikely to take pressure off PRS.

4.18 There is already some evidence that new student accommodation locations are emerging. Newham, for example, has a number of recent approvals for student accommodation and there is also activity in Ealing, Enfield and Wandsworth. Infrastructure improvements, such as Cross Rail, may open up more opportunities for dispersal, both in terms of students but also the university campus themselves. Although universities often keep plans for expansion or relocation confidential, representatives agreed that there could be potential in encouraging universities to relocate to opportunity areas or other regeneration areas.

4.19 There was agreement that for a new student location to be successful, a critical mass is needed (around 300 bed spaces was a suggested threshold). Private developers of student accommodation suggested that they would no longer build speculatively.

4.20 While currently Universities do not tend to build new student accommodation, forthcoming changes in accounting policies will increase the amount of money that universities can borrow, this may mean that universities start building accommodation again and could also increase the ability of universities to relocate elements of their campuses. Unfortunately it is not yet clear when this change will be implemented.

## 5 Other issues

5.1 In addressing this section of its draft agenda the Forum also raised a number of other related points. These are summarised below.

5.2 **Engagement:** it is not just unis which need to engage with local communities, communities also need to engage positively with unis – local political leadership is needed on this to reconcile all parts of the community and the processes of change. It is recognised that students do not pay council tax and do not vote, but most are British and London is in any case a cosmopolitan and socially dynamic city: that is one of its strategic strengths, though the Plan explicitly recognises that it can also give rise to local tensions.

5.3 A private provider underscored the importance of the sector working closely with uni's in the first instance, then engaging as a partnership with LBs. It is noted above (Affordability) that forging such partnerships with unis can also be problematic.

5.7 **Social mix:** the unis pointed out that they already seek a broad social mix within their own accommodation (GLA would appreciate a private provider view on this). This is a key element of the student experience and one which unis promote actively.

5.8 The idea that concentrations of students in London would give rise to behaviour which was unacceptable for other local residents was strongly rebutted by the unis and specialist providers. It was recognised that in some provincial cities there was concern about 'student ghettos' (usually associated with PRS), but this did not happen in London because of the general dynamism of the housing market, and student behaviour in specialist accommodation was managed firmly. Moreover, many UK based students can no longer afford 'traditional' pursuits which gave rise to historic perceptions over behaviour, and such behaviour is not usually part of the culture of overseas students.

#### 5.9 **Disabled access provision**

The private providers noted that relative to 10% wheelchair access requirements there was actually very little specific demand for this type of provision – it appeared to be a standard derived for the population as a whole rather than for the younger cohorts. Moreover, able bodied students, and in particular those from overseas, actively eschewed such provision. Against this, a borough pointed out that this was a 'chicken and egg' argument – if specialist provision was not made then potential students who have disabilities would not be attracted to universities.

## 6 **Next Steps**

6.1 The GLA summarised the emerging programme for the proposed Further Alterations to the London Plan (FALP) which the Forum should input to (see Annex 1). Though the programme has yet to be finalised it is anticipated that under almost any scenario a working draft will have to be finalised by this autumn. The Forum's recommendations could be made most usefully no later than late this summer.

6.2 With that in mind, the Forum considered both the suggested revised agenda for its work (see below) and the way it might undertake this.

6.3 It found the suggested revised agenda an acceptable framework from which to begin its work but reserved the right to refine this as work progressed, currently along the lines of:

1. Finalise the methodology for student projections along the lines emerging from the discussion at the first meeting.
2. Provide further advice on development of a methodology which will provide a robust basis for translating these projections into requirement figures for new purpose built student housing.
3. Develop a strategic policy approach to accommodating these requirements, recognising the uneven distribution of new provision across London and the issues this poses for the minority of boroughs which accommodate it. This may include refining the GLA's initial suggested policy scenarios:
  - i. As in the current 2011 Plan: a requirement to meet identified strategic and local need but leave to boroughs to address this 'in general conformity' with the London Plan.
  - ii. As above but with more strategic direction taking particular account of the desirability for some boroughs of wider dispersal eg through the possible



- outcome of more effective partnership working; exploring the relationship between affordability and location; the bearing of transport and development eg CIL related costs on this; the different locational requirements associated with different segments of the market; the changing attitudes of boroughs in 'middle' and 'outer' London; a more geographically specific policy approach by the Mayor, either in terms of identified areas or locational criteria; a more rigorous approach by the Mayor to strategic policy implementation/conformity at the local level.
- iii. Set strategic borough level targets eg using the current trend based monitoring thresholds as provision targets; developing new targets informed by, say, a 30 minute 'reasonable travelling time', or by the desirability of securing a more 'equitable' distribution (perhaps relative to historic levels of provision)?
  - iv. Require boroughs to work with stakeholders to identify local need (possibly weighted in light of the contribution to historic provision?), set local targets and identify sites (perhaps along the lines of national guidance for Gypsies and Travellers)?
  - v. To inform discussion on these scenarios, the GLA could usefully provide maps/information on the distribution of:
    - a. HEIs
    - b. Town centres
    - c. Rail/underground lines
    - d. Public transport accessibility levels (PTALS)
    - e. Further information on the development pipeline eg student accommodation approved/under construction, and changes in trends associated with this.
    - f. Opportunity/Intensification Areas
  4. Examine if and how student accommodation could be made more affordable.
  5. Explore further whether there is a social mix issue associated with student accommodation provision in London, and if so how can it be addressed in the interests of the community as a whole.
  6. Assess whether there is an issue over the quality or type of new (or existing) student accommodation and how it should be addressed eg standards.
  7. Suggest the most effective way of ensuring that there is adequate, suitable housing for disabled students.
  8. Set out ways in which HEIs, LBs, developers and other stakeholders in student accommodation provision can work together more positively to achieve the Mayor's objectives for the academic sector and London as a whole.

6.4 The Forum noted the GLA's suggestion that the most effective way of working might be a small working group which could put draft recommendations to the full Forum for finalisation, and the two proposed structures for this (see Annex 1). However, there was a consensus that the present meeting had demonstrated that there had been considerable benefit in having all the main stakeholders in the room to share views, and in light of this, there was agreement that the GLA should:

- Invite all members to all future meetings of the Forum, and all members should receive all papers;
- Future meeting should be held at roughly monthly intervals and be completed by mid summer;
- These meetings should have an agenda focused on only small groups of the issues outlined above, so that members could choose to come to the meetings of most relevance to them;

- Provisionally these groups of issues/meetings would cover
  1. Student projections; translation to total housing requirements; policy approaches to accommodating these requirements (1 – 3 above: May);
  2. Affordability and social mix (4 – 5 above: June);
  3. Quality and type of provision; disabled student provision; joint working arrangements (6 – 8 above: July);
  4. Finalisation of recommendations to the Mayor arising from the above meetings (August);

In light of this arrangements have been made to hold the next meeting of the Academic Forum at 9:30 am on Friday 31 May 2013 in Committee Room 5 City Hall. Should you require further information please contact Zhuoya Ling: 0207 983 4622, [zhuoya.ling@london.gov.uk](mailto:zhuoya.ling@london.gov.uk)