



WOKINGHAM BOROUGH COUNCIL

A Meeting of an **INDIVIDUAL EXECUTIVE MEMBER DECISION** will be held in First Floor 13 - Civic Offices on **THURSDAY 12 JULY 2018 AT 3.00 PM**

A handwritten signature in black ink, appearing to read 'Manjeet Gill', is positioned above the printed name.

Manjeet Gill
Interim Chief Executive
Published on 4 July 2018

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WOKINGHAM BOROUGH COUNCIL

Our Vision

A great place to live, an even better place to do business

Our Priorities

Improve educational attainment and focus on every child achieving their potential

Invest in regenerating towns and villages, support social and economic prosperity, whilst encouraging business growth

Ensure strong sustainable communities that are vibrant and supported by well designed development

Tackle traffic congestion in specific areas of the Borough

Improve the customer experience when accessing Council services

The Underpinning Principles

Offer excellent value for your Council Tax

Provide affordable homes

Look after the vulnerable

Improve health, wellbeing and quality of life

Maintain and improve the waste collection, recycling and fuel efficiency

Deliver quality in all that we do

For consideration by

Stuart Munro, Executive Member for Business, Economic Development and Strategic Planning

Officers Present

Ian Bellinger, Category Manager, Growth and Delivery

Callum Wernham, Democratic & Electoral Services Specialist

IMD NO.	WARD	SUBJECT	
IMD 2018/28	None Specific	DUTY TO COOPERATE: SHMA METHODOLOGY	5 - 12

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Agenda Item IMD28

INDIVIDUAL EXECUTIVE MEMBER DECISION

REFERENCE IMD:

TITLE	Duty to Cooperate: SHMA Methodology
DECISION TO BE MADE BY	Executive Member for Business, Economic Development and Strategic Planning - Stuart Munro
DATE, MEETING ROOM and TIME	9 July 2018 FF13, 3pm 9 July 2018
WARD	(All Wards);
DIRECTOR	Interim Director of Environment - Josie Wragg

OUTCOME / BENEFITS TO THE COMMUNITY

To ensure that the strategic planning of housing reflects evidenced functional geography and all reasonable opportunities to sustainably meet needs.

RECOMMENDATION

The Executive Member for Business, Economic Development and Strategic Planning agrees that Wokingham Borough Council:

- a) Agrees to the Memorandum of Understanding on the SHMA methodology as contained in Appendix A.

SUMMARY OF REPORT

The Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA) identified two identified two Housing Market Areas (HMA) relevant to the Berkshire local authorities – a Western Berkshire HMA focused on Reading (which includes Wokingham Borough), and an Eastern Berkshire HMA focused on Slough.

The Berkshire local authorities have accepted the recommendation of the SHMA and have agreed in principle that strategic planning of housing should be based on the two HMA. Government planning policy expects housing need to be met within the relevant HMA.

For clarity, the MoU does not consider housing numbers. We expect the government to introduce a standardised methodology for calculating housing need across England shortly. This will supersede any previous calculation.

To formally record this agreement of the two HMA, each of the Berkshire local authorities has been asked to sign a Memorandum of Understanding (see Appendix A). It is recommended that Wokingham Borough Council sign the proposed Memorandum of Understanding between the Berkshire authorities (see Appendix A). Signing assists meeting the Duty to Cooperate by transparently demonstrating this area of agreement. The Memorandum of Understanding is not legally binding and can be reviewed at anytime.

Background

The Berkshire (including South Bucks) Strategic Housing Market Assessment (SHMA) was published in 2016. The study was joint commissioned by the six Berkshire local authorities¹ in partnership with the Thames Valley Berkshire Local Enterprise Partnership (LEP). The SHMA identified two HMA relevant to the Berkshire local authorities – a Western Berkshire HMA focused on Reading, and an Eastern Berkshire HMA focused on Slough (see Table 1)

HMA	Local Authorities
Western Berkshire HMA	<ul style="list-style-type: none">• Bracknell Forest Council• Reading Borough Council• West Berkshire Council• Wokingham Borough Council
Eastern Berkshire HMA	<ul style="list-style-type: none">• Slough Borough Council• South Bucks District Council• Royal Borough of Windsor and Maidenhead

The Berkshire local authorities have accepted the recommendation of the SHMA and have agreed in principle that the strategic planning of housing should be based on the two HMA. To formally record this, each of the Berkshire local authorities has been asked to sign a Memorandum of Understanding (see Appendix A). A Memorandum of Understanding is not legally binding, but provides a way of recording agreement. It can be reviewed at anytime.

It should be noted that South Bucks District Council and Chiltern District Council disagree with the SHMA analysis. It is their position that Berkshire comprises a single HMA including all six local authorities, and that on a best-fit basis that South Bucks District Council does not form part of a Berkshire HMA but is part of the Central Buckinghamshire HMA. The best-fit position is advanced on the basis that South Bucks District Council and Chiltern District Council have agreed to produce a single, joint local plan.

The Berkshire local authorities are content that the SHMA provides robust analysis of the principal functional links and is fit for purpose based on currently available information.

Analysis of Issues

Government planning policy expects housing need to be met within the relevant HMA. For Wokingham Borough Council, the SHMA identified the relevant HMA to comprise Bracknell Forest Council, Reading Borough Council, and West Berkshire Council in addition to Wokingham Borough.

Whilst South Bucks District Council / Chiltern District Council take a different view towards the definition of HMA and the interpretation of 'best fit', the SHMA is considered robust,

¹ Bracknell Forest Council, Reading Borough Council, Royal Borough of Windsor and Maidenhead, Slough Borough Council, West Berkshire Council and Wokingham Borough Council.

having taken into account an analysis of house price, migration, and commuting data. Best fit being applied to local authority boundaries is supported by advice by the Planning Advisory Service. This MoU reflects the facts of how places in Berkshire relation to each other as recommended in a study which has been in the public realm since 2015 and was widely consulted on.

The MoU does not consider housing numbers. On this we expect the government to introduce a standardised methodology for calculating housing need across England shortly. This will supersede any previous calculation.

It is recommended that Wokingham Borough Council sign the proposed Memorandum of Understanding between the Berkshire authorities (see Appendix A). Signing assists meet the Duty to Cooperate by transparently demonstrating this area of agreement.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	N/A	N/A	N/A
Next Financial Year (Year 2)	N/A	N/A	N/A
Following Financial Year (Year 3)	N/A	N/A	N/A

Other financial information relevant to the Recommendation/Decision

None anticipated.

Cross-Council Implications (how does this decision impact on other Council services, including property and priorities?)

None anticipated.

SUMMARY OF CONSULTATION RESPONSES

Director – Corporate Services	No comments received.
Monitoring Officer	No specific comments on the report.
Leader of the Council	No comments received.

List of Background Papers

1. National Planning Policy Framework (MHCLG, March 2012).
2. Berkshire (including South Bucks) Strategic Housing Market Assessment (2016).

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Duty to Cooperate:
SHMA Methodology –
Memorandum of understanding
between the Berkshire local authorities

April 2018

1.0 Introduction

1.1 The National Planning Policy Framework (NPPF) (published 2012) requires local planning authorities to have a clear understanding of housing needs in their area. To achieve this, they should prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries.

2.0 The Berkshire (including South Bucks) Strategic Housing Market Assessment

2.1 The six Berkshire authorities have constructively collaborated over several years to meet the requirements of the NPPF.

2.2 This collaboration has resulted in the "*Berkshire (including South Bucks) SHMA*", published in February 2016 (the 2016 SHMA), which identified the housing market areas in which the Berkshire authorities are situated and the scale and mix of housing needed between 2013 and 2036.

3.0 Housing Market Areas

3.1 The 2016 SHMA identified two best fit housing market areas for Berkshire and South Bucks authorities. These best fit housing market areas are:

- The Western Berkshire Housing Market Area which consists of the boroughs of Bracknell Forest Borough Council, Reading Borough Council, West Berkshire District Council and Wokingham Borough Council.
- The Eastern Berkshire and South Bucks Housing Market Area which consists of Slough Borough Council, the Royal Borough of Windsor and Maidenhead and South Bucks District Council.

3.2 The 2016 SHMA definition of the above best fit housing market areas is strongly supported by the Berkshire authorities as the appropriate geography to consider housing provision in the Berkshire and South Bucks area.

4.0 Demonstrating the Duty to Cooperate

4.1 The Berkshire authorities have agreed to work within their respective best fit housing market areas to develop close duty to cooperate working relationships with their housing market area partners.

4.2 The Berkshire authorities will use their best endeavours to ensure that the full objectively assessed need for housing, identified by the 2016 SHMA, is met, as far as is consistent with the policies set out in the NPPF, within each respective housing market area that generates the need.

5.0 Review

5.1 This document will be reviewed, as required, to take account of relevant changes to national policy and guidance.

6.0 Appendix

- 6.1 The appendix to this document sets out the position of Chiltern District Council and South Bucks District Council. Its content does not reflect the views of the signatory authorities to this Memorandum of Understanding.

Signed:

Appendix

This appendix sets out **Chiltern and South Bucks District Councils' Position on the Berkshire (Including South Bucks) Strategic Housing Market Assessment**. The signatories to this Memorandum of Understanding do not agree with this position. It has been included for completeness given that the Berkshire SHMA includes South Bucks.

1. Chiltern District Council and South Bucks District Council are undertaking a joint Local Plan. The Councils do not agree with the Berkshire SHMA as:
 - a) it does not define functional HMAs;
 - b) does not appropriately take into account the functional market relationships across the Eastern and Western Berkshire defined HMAs;
 - c) incorrectly includes South Bucks District in the Eastern Berkshire HMA through 'best fit' principles;
 - d) does not use the latest data to inform its definitions; and
 - e) is inconsistent with the Functional Economic Market Area definitions used in Berkshire.
2. In addition the South Bucks housing need is being met through co-operative working in the Buckinghamshire HMA and to include provision for South Bucks housing in the Eastern Berkshire HMA will result in double counting of need.
3. As a result the Councils consider the Berkshire SHMA to be an unsound approach to plan-making and is preventing at worst or hindering at best essential duty to co-operate discussions across the Eastern and Western HMAs in the context of the emerging Slough Local Plan anticipating having a significant unmet housing need.
4. The Berkshire authorities in agreeing this Memorandum of Understanding (MofU) have made amendments to an earlier Berkshire MofU of May 2017 where cross-working across the Eastern and Western HMAs on meeting collective housing needs has been specifically removed (paragraph 5.1). This is considered to amount to a failure across Berkshire in meeting the Duty to Co-operate for a key strategic planning matter – meeting objectively assessed housing need arising in Berkshire.
5. The Councils are seeking to resolve concerns under the Duty to Co-operate with the Berkshire authorities (e.g. reference, "Buckinghamshire Local, Planning Authorities and Bucks Thames Valley LEP Duty to Co-operate Position Statement in relation to Slough Borough Councils' Emerging Slough Local Plan, June 2017") and are promoting a Sub-Regional Growth Study based on Slough with the first outcome being the definition of the functional HMA which Slough forms part.
6. Until the above matters have been satisfactorily addressed the Councils will need to continue to raise Duty to Co-operate failure and soundness concerns for all emerging Berkshire local plans.