

Agenda Item IMD25

NOTICE OF INDIVIDUAL EXECUTIVE MEMBER DECISION

ITEM NO.	IMD 2015/25
TITLE	Considering response to consultation of the Spelthorne & Runnymede Draft SHMA
DECISION TO BE MADE BY	Councillor John Kaiser, Executive Member for Planning & Highways
DATE AND TIME OF DECISION	Monday 10 August 2015 at 11.05 am
VENUE	Room FF12, Shute End offices
REPORT TO BE PUBLISHED ON	Friday 31 July 2015

INDIVIDUAL EXECUTIVE MEMBER DECISION
REFERENCE IMD: 2015/25

TITLE:	Considering response to the consultation on the Spelthorne & Runnymede Draft SHMA
FOR CONSIDERATION BY	Councillor John Kaiser, Executive Member for Planning & Highways
ON	Monday 10 August 2015
TIME	11.05 am
WARD	None specific
DIRECTOR	Heather Thwaites, Director for the Environment

OUTCOME / BENEFITS TO THE COMMUNITY

That the final Spelthorne & Runnymede SHMA has minimal negative impacts upon Wokingham Borough and that any positive benefits are maximised.

RECOMMENDATION

The Executive Member for Planning and Highways:

- 1) approves the comments outlined in the report; and
- 2) that the comments be submitted as a formal response to the Runnymede District and Spelthorne Borough Council's on their Draft Strategic Housing Market Assessment consultation.

SUMMARY OF REPORT

The National Planning Policy Framework (NPPF) (paragraph 159) indicates that a Strategic Housing Market Assessment (SHMA) will assess the full need for housing within a housing market area. This includes consideration of household and population projections together with the needs of different groups in the community i.e. families, older people, people with disabilities, people wishing to build their own. Runnymede and Spelthorne Councils are consulting on a Draft SHMA for their authorities between 1 July and 3 August 2015.

The proposed Wokingham Borough Council response to the consultation is:

- a) This Council notes and agrees that there are no strong relationships in terms of commuting, migration and house prices as explained in the draft SHMA (paragraph 2.86) between Runnymede, Spelthorne and Wokingham;
- b) This Council notes and agrees that the defined HMA does not include Wokingham Borough (Wokingham Borough is within the Reading - M4 West Housing Market area (figure 4 of draft SHMA));
- c) This Council suggests that the Runnymede and Spelthorne SHMA takes into account the expansion of Heathrow Airport if the Government endorses the Airport Commission's recommendation; and
- d) This Council expects Spelthorne and Runnymede Borough Councils through their

Local Plans to meet their currently assessed need in the SHMA, as envisaged in paragraph 47 of the NPPF.

As the consultation period ended before Wokingham Borough Council was able to formally agree its response, a holding response has been sent to Runnymede and Spelthorne Council's informing them of the provisional position of the authority as set out in this report. Once this report has been considered by the Executive Member, Runnymede and Spelthorne Council's will be notified of Wokingham Borough Council's formal response.

Background

Runnymede and Spelthorne have published a Draft Strategic Housing Market Assessment (SHMA) for consultation. The draft SHMA details the extent of the Housing Market Area (HMA) covering their administrative areas and the number and type of homes needed from 2013 to 2033.

The Draft SHMA (paragraph 2.86) indicates that Runnymede and Spelthorne lie within a North-West Surrey Housing Market Area. The Table 1 compares the annual housing requirements in the former South East Plan for Spelthorne and Runnymede compared to that within their draft SHMA and how this compares to annual dwelling completion rates 2006-14. The draft SHMA therefore indicates an increased housing requirement from that in the former South East Plans and the authorities' recent performance.

Table 1. Comparison of annual housing requirements from former South East Plan and the Runnymede & Spelthorne Draft SHMA together with delivery performance 2006-14

Authority	Former South East Plan (2006-26) requirement	Annual average dwelling completions 2006/07 – 2013/14	Draft SHMA (2013-33)
Runnymede	161	208.8	459 – 525
Spelthorne	166	177.6	543 - 725

The NPPF (paragraph 47) indicates that “*local planning authorities should ... ensure their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area.*”

It is important to note that the two authorities are not located directly adjacent to Wokingham Borough. They geographically adjoin the eastern local authority boundaries of Bracknell Forest and Windsor and Maidenhead.

Analysis of Issues

What is the Housing Market Area?

Housing Market Areas (HMA) are defined by the proportion of residents commuting to and within the area together with migration (referred to as self-containment).

The analysis within the draft SHMA indicates that Greater London is important for both travel to work and migration for Runnymede and Spelthorne. Outside of London, there are also links for work and migration with neighbouring authorities including Elmbridge, Woking, Slough and Windsor & Maidenhead. It is however clear that Wokingham Borough is not within the same housing market area as Runnymede and Spelthorne.

As the Mayor of London considers that Greater London is the London Housing Market Area, the Draft SHMA therefore considers which Housing Market Area Runnymede and Spelthorne are within.

Although the draft SHMA indicates that they are the two authorities within a North-West Surrey housing market (paragraph 2.86), it does not demonstrate that the guidelines for self-containment thresholds have been achieved.

Conclusion

Wokingham Borough is not within a Housing Market Area alongside Runnymede and Spelthorne. The draft SHMA should include existing levels of self-containment for commuting and migration to support the defined Housing Market Area.

What is the Objectively Assessed Need?

The analysis of housing need is based upon the evidence in the draft SHMA for Runnymede and Spelthorne. The Housing Need Assessments for Runnymede and Spelthorne are set out in Table 1.

The draft SHMA explains how sub-national household projections and affordability/market signals have informed the respective housing need forecasts. However, the interpretation of the economic forecasts for assessing housing need includes caveats (paragraphs 10.33 – 10.35 of draft SHMA).

The caveats include whether there is sufficient land to deliver the growth envisaged by the Enterprise M3 Local Enterprise Partnership (the LEP) and whether the rates used reflect past trends.

The NPPF (paragraph 160) emphasises the role of LEPs in ensuring local authorities have robust evidence on current and future business needs. If alternative economic growth scenarios are identified, these should only be appraised through the SHMA if they have been accepted by Enterprise M3 LEP.

Conclusion

That the provisional housing need assessments are appropriate, but could require revision to address Heathrow Airport expansion (see below).

What could be the implications of an expanded Heathrow Airport?

The draft SHMA (paragraph 7.28) states:

“Another key factor in longer term migration patterns in Runnymede and Spelthorne is the future of Heathrow. With considerable numbers commuting to the airport from the Borough any significant changes to the operation of the airport will have a significant impact on local employment (and housing demand).”

Therefore, if the Government endorses the third runway at Heathrow, a review of the North-West Surrey SHMA could be required.

The housing needs identified in an updated North-West Surrey SHMA which took account of Heathrow expansion should be addressed in Local Plans produced by Runnymede and/or Spelthorne Council's.

Conclusions

The analysis of commuting patterns around Heathrow Airport and the conclusions of the Airports Commission regarding the job and housing growth indicate that if the Government approves the third runway, the North-West Surrey SHMA may need to be reviewed.

How should identified housing needs be met in a Local Plan?

The NPPF (paragraph 47) requires that Local Plans produced by local authorities meet the assessed needs for market and affordable housing. Therefore, Local Plans by Spelthorne and Runnymede Council's should identify sufficient deliverable sites to achieve the need identified in their draft SHMA. This will reduce development pressure on authorities outside of the currently defined North-West Surrey Housing Market Area.

Conclusion

Wokingham Borough should confirm its expectation that Spelthorne and Runnymede Council's Local Plans will identify sufficient sites to meet the need identified in the North-West Surrey SHMA.

Other

In addition to making comments on the draft SHMA for North-West Surrey, it is appropriate to indicate to Runnymede and Spelthorne Councils that Wokingham Borough Council is willing to engage with both authorities at relevant stages in their plan making process to ensure any inter-authority issues are discussed and potentially resolved.

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)	None	Yes	N/A
Next Financial Year (Year 2)	None	Yes	N/A
Following Financial Year (Year 3)	None	Yes	N/A

Other financial information relevant to the Recommendation/Decision

The budget is based on what we know at this point in time. Further work may be required to provide officer assessment. This will be from existing resources.

Cross-Council Implications

The identification of sufficient land to meet long term development needs in Runnymede and Spelthorne will reduce the likelihood that a shortfall would have to be addressed outside of that authority and therefore minimise impacts for service delivery within Wokingham Borough.

SUMMARY OF CONSULTATION RESPONSES	
Director - Resources	Clarification of points sought but no direct comments made.
Monitoring Officer	I have no specific comments to make on the report (23/7/15)
Leader of the Council	I fully support the responses detailed in this report (26/7/15)

List of Background Papers
<p>Former South East Plan – the Regional Spatial Strategy. Available at: http://webarchive.nationalarchives.gov.uk/20080531042335/http://www.gos.gov.uk/gose/planning/regionalPlanning/.</p> <p>Airports Commission recommendations relating to increasing Airport Capacity in South East England - available at: https://www.gov.uk/government/organisations/airports-commission</p> <p>Heathrow Airport Employment Survey 2008/09. Available at: http://www.heathrowairport.com/static/Heathrow/Downloads/PDF/Employment-survey.pdf</p> <p>Draft Runnymede and Spelthorne Strategic Housing Market Assessment available at: https://www.runnymede.gov.uk/article/10102/Housing-Policy-Documents-and-Guidance--Strategic-Housing-Market-Assessment-SHMA</p>

Contact Graham Ritchie	Service Development Planning & Policy
Telephone No (0118) 974 6457	Email Graham.Ritchie@wokingham.gov.uk
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