Runnymede Local Plan Examination – Main Matters Issues and Questions

*Matter 2: Objectively assessed need for housing and employment land provision*

*Representor reference number: 2288*

*WYG on behalf of Kitewood Estates Limited*
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(PolicySD2 and paragraphs 5.22-5.27)

1. This statement has been prepared by WYG on behalf of our client, Kitewood Estates Ltd (Kitewood). It should be read in conjunction with representations upon the submitted plan, dated June 2018 (Representation ID: 2288).

2. Kitewood’s concerns from previous representations remain unaddressed. These relate to an inadequate supply of housing to meet identified needs, the spatial strategy particularly the lack of provision within Woodham/New Haw and the methodology used for the Green Belt Review.

3. Kitewood are particularly concerned about the omission of the 12.8 hectare site under their control at Wey Manor Farm, New Haw (SHLAA Ref: 129). The site can deliver a minimum of 220 dwellings, including a significant proportion of affordable housing. The additional uses could include; Employment (B-Classes), retail and leisure-uses (Classes A1-A4 and D1), alongside complementary Class C2 and D1 residential and non-residential institutions (i.e. Care Homes, Doctor’s Surgeries and Nurseries). Kitewood retain a flexible approach to the additional uses provided on site and are keen to work with the Council to identify and deliver uses which would assist in meeting any shortfall or deficiency identified in the submitted plan. The site can also deliver, as a minimum, policy compliant SANG and open space. A context plan and Concept Masterplan for the development of this site are enclosed at Appendix 1 of our Matter 3 hearing statement.

4. In conformity with the Inspector’s Guidance Note (ID-01) we have framed our response within the context of the 2012 version of the NPPF against which the plan should be assessed, paragraph 214 2018 NPPF. We do, however, reference the 2018 NPPF to explain the Government’s desired direction of travel upon certain issues.

2.1 Does the objectively assessed housing needs figure of 7507 dwellings (2015-2030) (500dpa) form a justified, positively prepared basis for setting the Plan’s housing requirement figure? In particular:

a) Taken together, are the Runnymede-Spelthorne Strategic Housing Market Assessment (SHMA) 2015 and the 2018 Partial Update an appropriate starting point for setting the housing requirement for Runnymede?

5. I refer the Inspector to our comments upon the submitted plan, dated June 2018 (Representation ID: 2288).
b) Does the fact that an update of the SHMA 2015 has not been requested by Spelthorne Borough Council at this time give rise to any substantive difficulty in considering the evidence base for Runnymede’s OAN figure?

6. I refer the Inspector to our comments upon the submitted plan, dated June 2018 (Representation ID: 2288).

c) Are the demographic assumptions (including future trends in household formation and migration), the account taken of affordability and market signals, forecast growth in employment, commuting patterns, the need for affordable housing, the role of students in the local housing market, the potential impact of Heathrow expansion, Brexit and any other relevant factors adequately considered, and are the conclusions justified?

7. I refer the Inspector to our comments upon the submitted plan, dated June 2018 (Representation ID: 2288).

d) What are the implications for the Plan of the 2016-based household projections, published in September 2018?

8. None. On 26th October 2018 the Government released ‘Technical consultation on updates to national planning policy and guidance’. This consultation is focused upon a review of the standard method for assessing local housing need, which was formally introduced by paragraph 60 of the 2018 NPPF. The Government’s response to the consultation upon the 2018 NPPF clearly articulates that the standard method should lead to more homes being built.

9. The 2016-based household projections were published on 20 September 2018. These reduce the projected rate of household formation compared to the previous projections by 53,000 a year between 2018 and 2028. The result is a significant fall in the national minimum annual housing need calculated using the standard method; from approximately 269,000 homes prior to the publication of the updated household projections, to approximately 213,000 based on the updated data. This is below the 217,000 homes delivered last year and 83,000 homes short of the Government’s target to deliver 300,000 new homes by the mid-2020s. The reason for this decrease is two-fold: lower population projections and lower rates of household formation, the latter issue being largely due to methodological changes by ONS.

10. Within its consultation, paragraph 11, the Government makes clear that methodological changes by ONS are not a reason to change its aspirations. The Government further recognises that rates of household formation are hampered by supply (i.e. households cannot form if new houses are not built for them to move into). The methodological changes made by ONS utilise just two historic reference points 2001 and 2011 to project forward headship
rates until 2021, after which they are held constant. The DCLG (now MHCLG), who produced the 2014-based projections, utilised trends going back to 1971. The implication of this is that the 2016-based household projections now ‘lock-in’ the period which saw dramatic falls in house building, reaching its lowest levels in modern history. They, therefore project forward a scenario which typifies low levels of house building and increasing affordability problems. This does not appear consistent with an approach to positive planning.

11. To overcome this problem, the Government proposes the following:

- In the short-term, the 2014 data will provide the demographic baseline for assessment of local housing need; otherwise, the current method remains unaltered.
- In the long-term, a review of the formula will be undertaken to identify a new method, to be completed prior to release of the 2018-based household projections in 2020.

12. The Government has made it clear that local authorities will not be able to use the 2016-based projections to argue for lower housing requirements when applying the standard method. Given the Government’s position on the 2016-based household projections it is not considered that any weight should be applied to their outputs in relation to the Runnymede Local Plan.

13. This approach would be consistent with the 2012 NPPF and its associated guidance. The former PPG, in its interpretation of paragraph 47, advises:

"...The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing..." (our emphasis, ID 2a-015)

"...A meaningful change in the housing situation should be considered in this context, but this does not automatically mean that housing assessments are rendered outdated every time new projections are issued...” (our emphasis, ID 2a-016).

2.2 Are the Borough-wide targets for the provision of employment land as set out in Policy SD2 based on robust evidence of need and demand?

a) Are they consistent with the proposed level of growth in housing?

14. I refer the Inspector to our comments upon the submitted plan, dated June 2018 (Representation ID: 2288).
b) In terms of the proposed quantity and type of provision, would they make an appropriate contribution to meeting overall economic development needs in the wider area that includes Runnymede?

15. I refer the Inspector to our comments upon the submitted plan, dated June 2018 (Representation ID: 2288).

2.3 If the Plan is unlikely to meet the identified needs within the relevant time period, how should this be addressed?

16. I refer the Inspector to our comments upon the submitted plan, dated June 2018 (Representation ID: 2288).