Matter 2
Objectively assessed need for housing and employment land provision

November 2018
Runnymede 2030 Local Plan
Response to Inspector’s Matters and Questions for Stage 1 Hearings

Matter 2
Objectively assessed need for housing and employment land provision
Barton Willmore LLP on behalf of Crest Nicholson and CGNU

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INTRODUCTION

1.1 Barton Willmore LLP is instructed by Crest Nicholson (CN) and Commercial Union, General Accident and Norwich Union (CGNU) to submit this written Hearing Statement in response to the Inspector’s Matters and Questions for Stage 1 of the Runnymede 2030 Local Plan Examination. These representations expand upon the representations submitted on behalf of CN and CGNU in response to the consultations for Regulation 19 Parts 1 and 2.

1.2 CN and CGNU control the former DERA site at Longcross, Surrey, which is proposed for allocation and removal from the Green Belt in the Runnymede 2030 Local Plan under Policy SD10 (Longcross Garden Village). The site was designated by the DCLG (now Ministry of Housing, Communities and Local Government) as a Locally Led Garden Village (LLGV) in January 2017. Part of the north of the site to the north of M3 Motorway (the western edge, now referred to as ‘Longcross Park’) is designated as part of the EZ$^3$ Enterprise Zone.
RESPONSE TO MATTER 2 - OBJECTIVELY ASSESSED NEED FOR HOUSING AND EMPLOYMENT LAND PROVISION

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?*

2.1.1 This is principally a matter for the Council to address. We consider that, yes, they are an appropriate starting point for setting the housing requirement for the Borough.

2.1.2 The 2015 SHMA defines the OAN for Runnymede and Spelthorne and uses the 2012-based household projections (published in February 2015) as a starting point. The 2018 SHMA Update brings the 2015 SHMA up to date by taking into account the 2014-based population and household projections, and more recently published data including economic forecasts. This accords with PPG guidance which states that the latest official population and household projections should provide the starting point for identifying objectively assessed housing need.

2.1.3 The 2015 SHMA suggested an OAN range of between 466 and 535 dpa for Runnymede, in the period 2013-2033. The 2018 SHMA Update considers affordable housing need calculations and market signals evidence and concludes that the affordable housing needs evidence justifies an upward adjustment from the starting point projections. As stated at paragraph 5.41 of the SHMA, for the period 2016-2030:

“The appropriate benchmark against which to assess adjustments for market signals and affordable housing need is the starting point demographic projections, which point to a need for 415 dpa. The evidence would warrant a 20% adjustment, resulting in a need for 498 dpa.”

2.1.4 The SHMA Update therefore calculates a need for **498 dpa** in Runnymede between 2016 and 2030 based on a 20% uplift on the 2014-based SNPP starting point of 415 dpa. Policy SD2 sets out the Council’s intention to make provision for a minimum of 7,480 net
additional dwellings over the period 2015 to 2030 which responds to the identified need set out in the SHMA Update (January 2018).

2.1.5 The 2018 Update against the context of the 2015 SHMA provides an appropriate starting point as it takes into account up to date affordable housing need calculations, market signals evidence and economic forecasts.

**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?**

2.1.6 This is primarily a matter for the Council to address. However, the Council set out the justification for their approach in the Runnymede Local Plan – Rebuttal Paper (July 2018) (CD_021C) prepared by G L Hearn.

**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?**

2.1.7 This is primarily a matter for the Council to address. We agree that the factors listed under Question 2.1c) including demographic assumptions, market signals and the need for affordable housing, have been addressed and adequately considered. However, as we set out in our response to Question 1.5 of Matter 1, if the Inspector is minded to adopt the Local Plan subject to an early review, the potential impacts arising from the expansion of Heathrow, and the outcome of Brexit could be addressed through this process.

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

2.1.8 The 2016-based household projections show that projected population growth for Runnymede is some 2,800 people lower than in the 2014-based SNPP. Under the government’s standard methodology calculations, this results in a lower local housing need of 346 dpa compared to 498 dpa in the SHMA Update 2018.

2.1.9 The Runnymede Local Plan – Rebuttal Paper (July 2018) (CD_021C) predates the publication of the 2016-based projections but takes account of subnational population
projects (SNPP) published in May 2018, which underpinned the 2016 projected published in September and therefore provided a useful indication of the level of change. Document CD_021 acknowledges at paragraph 2.20:

"Whilst the 2016-based national population projections should not feature as part of the OAN, they do provide a very strong indication of the direction of travel for the next set of household projections”.

2.1.10 The Government has since published a technical consultation document on its proposed updates to national planning policy and guidance (dated October 2018). This includes proposed changes to PPG relating to the standard methodology calculation which is required if the Government is to meet its aspiration to deliver 300,000 homes per annum on average.

2.1.11 The Government considers that the best way to respond to the new 2016-based household projections is to first, use the 2014-based data as the basis for assessing local housing need; second, to make clear that the 2016-based downward projections to not qualify as an exception to the standard methodology; and third, in the longer term to adjust the formula and establish a new method.

2.2 a) 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?

2.2.1 The quantum of employment land to be delivered through the Plan as set out under Policy SD2 (Spatial Development Strategy) is based on the Employment Land Review (ELR) (September 2016) (SD_006C) and Functional Economic Area Analysis (June 2015). More recently the Council has updated its employment land forecasts through the 2018 SHMA Update (Chapter 8) which supersede the forecasts in the ELR 2016 (Chapter 7).

2.2.2 The assessment undertaken by G L Hearn at Chapter 8 of the SHMA Update 2018 is informed by up to date Oxford Economics employment forecasts for Runnymede. The forecasts show a growth of employment of 496 jobs per annum over the period 2016-30. Based on advice contained in the PPG regarding the approach LPAs should take in assessing demand, the assessment of employment land required in the Borough is based on three potential scenarios: labour demand, labour supply and past completion trends. The assessment concludes that it is reasonable to plan for a figure between the labour demand and supply scenarios and calculates a need for just over 15ha (c.150,000 sqm) of B1, B2 and B8 employment land between 2016 and 2030, and c.20ha (c.200,000 sqm) to 2036.
2.2.3 The ELR (paragraph 9.7) acknowledges that there is a sizeable amount of permitted floorspace in the pipeline (107,495 sqm) which largely related to unimplemented permissions for B1(a) office space.

2.2.4 Local Plan Policy SD2 seeks to deliver 80,260 sqm of net additional employment floorspace in total in the Borough comprising a 20,000 sqm business park at New Haw and a minimum of 60,260 sqm net employment floorspace in the Strategic Employment Areas, which includes approximately 7,350sqm of net employment floorspace at Longcross Enterprise Zone. Longcross Enterprise Zone is allocated under Policy SD10 (Longcross Garden Village) to deliver up to 79,025sqm of gross employment floorspace which was approved under planning reference RU.13/0856. Of the 79,025sqm approved, the net increase in employment floorspace has been calculated as 7,350sqm after taking account of existing employment space on the site that will be lost as a result of the development.

2.2.5 The evidence base supporting the provision of employment land as set out in the Local Plan is therefore based on a robust assessment of need and demand. It appears that, as a result of the quantum of permitted floorspace and the allocations proposed in the Plan, the need for employment land identified in the 2018 SHMA Update will be met within the plan period.

2.2  

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

2.2.6 No comment.

2.2  

c) 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?

2.2.7 This is principally a matter for the Council to address.

2.3  

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

2.3.1 As far as the Local Plan is concerned, we confirm that Longcross Garden Village and the requirements set out under Policy SD10 can be delivered within the plan period to 2030. Further comments regarding the delivery of Longcross Garden Village will be made in the Hearing Statements for Stage 2 of the Examination.
2.3.2 If the Inspector is minded to conclude that the Local Plan as a whole is unlikely to meet the identified housing need within the plan period, the likely outcome will be a need to identify an additional housing land supply. We address the mechanism to this approach in our response to Question 1.5 of Matter 1.