

Home Builders Federation

ID:1913

Matter 1, 2 and 4

## RUNNYMEDE LOCAL PLAN EXAMINATION

### Matter 1: Legal requirements, the Duty to Co-operate and the Plan period

1.1 Is the Runnymede 2030 Local Plan (the Plan) compliant with the Planning and Compulsory Purchase Act (2004) (as amended) and the 2012 Regulations (as amended)? In particular, is the Plan compliant with the Local Development Scheme and the Statement of Community involvement?

No comment

1.2 Is the Habitats Regulation Assessment and the Sustainability Appraisal (SA) adequate? Does the SA demonstrate that the Plan has been tested against all reasonable alternatives?

No comment

1.3 Does the Plan as a whole accord with s19(1A) of the Act by including policies that are designed to secure that the development and use of the land in the Borough contribute to the mitigation of, and adaptation to, climate change?

No comment

1.4 Has the Council engaged constructively, actively and on an on-going basis with all relevant organisations on the strategic matters that are relevant to the Plan's preparation, as required by the Duty to Cooperate?

As we stated in our representations it would appear that the Council have fulfilled their legal duty to co-operate as set out in the 2011 Localism Act. However, it is important to recognise that the duty extends beyond these legal requirements to engage and examine whether or not the outcomes of this engagement have been effective. Planning Practice Guidance states in paragraph 9-001-20140306 that co-operation should produce "*effective and deliverable policies on strategic cross boundary matters*" and in relation to London that "*co-operation between Mayor, boroughs and local planning authorities bordering London will be vital to ensure that important strategic issues, such as housing delivery and economic growth, are planned effectively*". It is therefore essential that the duty shows real outcomes in terms of policies that will ensure cross boundary issues are addressed.



The Council have identified housing delivery as a key cross boundary issue and it will be important that Runnymede and Spelthorne can meet identified needs for housing in the HMA. Given that Spelthorne have only recently completed an issues and options consultation and have not made any commitment with regard to a development strategy in a future local plan it is difficult to say whether housing needs in the HMA will be met in full. Paragraph 4.5 of the Duty to Co-operate statement outlines that at present the 428 dwellings per annum (dpa) over the period of their local plan. This will fall short of meeting identified needs for Spelthorne of 590 dpa<sup>1</sup>. As such it is surprising that the Council considers it possible for Spelthorne to meet their own, admittedly very small, level of unmet housing needs.

Therefore, whilst the co-operation between Runnymede and Spelthorne has resulted in the production of a shared evidence base on housing needs (except for the most recent iteration of the SHMA) and an agreement to try and meet housing needs there would seem to be no actual policies or commitments in place that will enable this to be achieved. The question remains – what will happen should Spelthorne not be able to meet the remaining needs of the HMA?

The 2015 SHMA also highlights the strong links between Runnymede and Spelthorne to London. There is both a significant amount of commuting between these Borough and London as well as substantial level of migration. The outcomes of the national research undertaken for the Government by a consortium of academics led by the Centre for Urban and Regional Development Studies (CURDS) considered that these two Borough's formed part of the London Housing Market Area. Whilst this assessment was based on data from 2001 Census, the SHMA's consideration of the 2011 Census indicates that this strong relationship remains. However, these strong links to London and the significant difficulties that the capital has had in meeting housing needs do not seem to have been recognised. Whilst we recognise that efforts have been made a strategic level between London and the South East it would seem that both the GLA and the authorities in the rest of the South East have agreed that London will meet its own needs, at least over the next 10 years – as set out in the London Plan.

However, this does not seem to be a position shared by the London Boroughs. As outlined in our hearing statement Richmond upon Thames, which borders the HMA to the north, are one authority amongst many that have highlighted their inability to meet their housing needs as identified in the London Plan. An inability to meet this level of housing growth will inevitably lead to pressure on those Boroughs on the London fringe and beyond. Indeed, it could already be argued that the pressure of out migration from the capital, as a result of it being unable to meet needs, is a principal cause of the affordability problems seen in Runnymede and its neighbours in Surrey. The SHMA 2015 provides evidence for this position in figure 20 (page 46) with Hounslow being by far the largest net contributor to population in the HMA and London Boroughs as a whole are contributing the majority of in migration into the HMA.

It would appear that this evidence has been dismissed and that co-operation has not been at the level that would be expected given this concern regarding the inability of London to meet its own housing needs. We recognise that there are significant difficulties due to the different local planning frameworks between London and the rest of the south east but there would appear to be very little being done to try and resolve the clear cross border issues relating to housing delivery at a local level. We would therefore consider the Council to have failed the policy tests relating to the duty to co-

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<sup>1</sup> Based on standard methodology and 2014 based household projection.

operate as set out in both the NPPF and PPG. In the 2015 SHMA some recognition was given to this cross boundary issue and an adjustment was made to the demographic starting point to reflect a return to the higher levels of outmigration seen before the recession in 2008. Alignment between methodologies has meant the Council consider this to be no longer required. However, the level of unmet needs in London and the continued migration from the capital and its consequential impacts on affordability would suggest that a higher uplift than is being proposed is necessary. A further uplift to the OAN and housing requirement would be a clear response to this particular cross boundary issue.

#### 1.5 Is the Plan period (2015-2030) justified? If not, how should this be rectified?

Whilst the plan period covers a 15-year time-frame as required by paragraph 157 of the NPPF the effective span of the Local Plan will be a little over 10 years should the plan be adopted in 2019. This period is insufficient to take account of “longer term requirements” as established in the NPPF. The justification for this decision is set out in paragraph 5.2, 5.3 and 5.4 of the Local Plan. However, it would appear from the Local Plan that consideration was only given as whether or not to contemplate meeting needs in full. The decision was taken not to contemplate meeting needs in full through a further release of Green Belt. Instead a reduction in the plan period was considered more appropriate. However, it cannot be considered appropriate to amend a plan period in order to reduce its OAN to a level that meets its identified capacity where it would mean planning for less than a 15 year period. The Plan should look, as required by the NPPF, to meet longer term needs. If it cannot then it should set out how these needs will be met using the duty to co-operate or the allocation of additional sites. It would also seem that the Council decided not to even contemplate releasing further land to meet longer term needs despite having identified the exceptional circumstances required to amend Green Belt boundaries.

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

#### 2.1 Does the objectively assessed housing needs figure of 7,507 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?

No. We have concerns regarding the uplift in response to market signals and whether this will increase housing provision sufficiently to improve affordability.

##### 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?

The lack of a comprehensive evidence base on housing needs for both authorities in the housing market area raises concerns as to the level of co-operation and the shared commitment to meeting this housing needs of the housing market area (HMA). It would be expected that the Council in an HMA would collectively commission any new evidence and then agree as to how the needs established in this evidence would be addressed. Paragraph 47 of the 2012 NPPF is clear that housing needs should be assessed for the housing market area. In this case that is considered to be Runnymede and Spelthorne and the updated SHMA should have considered the position for both areas.

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?

As set out in our representation our main concern with regard to the Council's SHMA is whether or not the uplift that has been made to the demographic starting point is sufficient to improve affordability as required by paragraph 2a-020-20140306 of PPG. The Council's evidence shows that Runnymede has become increasingly unaffordable over the last decade. Table 50 of the SHMA update shows that median house prices increased by 52% (£130,000) between 2006 and 2016 – significantly higher than the change experienced across the south east region (38%) and the Country as a whole (24%). A similar situation can also be seen in the lower quartile house prices which provide a clear picture as to affordability at borough level. Lower quartile house prices during the same period increased by 47% rising from £195,000 to £288,000. Compared to lower quartile work place based incomes this results in the lower quartile affordability ratio increasing from 9.04 to 12.07. What is also concerning is that this trend is worsening with the most recent data published by ONS showing lower quartile work place based affordability ratios rise to 13.53.

Part of the reason for this worsening affordability trend is the fact that housing delivery has not been meeting needs. The SHMA update outlines the level of delivery between 2006 and 2016 in figure 10 on page 66. This shows that the Council considers itself to have met its housing targets as established in the South East Plan. What is not considered in this section is the fact that the South East Plan set out a constrained housing target for Runnymede. However, when considered against projected household growth during the same period, set out in table 1 below, delivery is far lower overall and will have led not only to the suppression of household formation within the Borough but also the poor affordability seen in the Borough.

Table 1: Delivery compared to projected household growth

Year	Total Households	Growth in Households	Homes delivered
2007	32,134	430	203
2008	32,328	194	251

2009	32,511	183	231
2010	32,687	176	312
2011	32,677	-10	179
2012	33,070	393	186
2013	33,561	491	168
2014	34,019	458	70
2015	34,486	467	124
2016	34,946	460	422
2017	35,379	433	160
Total	n/a	3,675	2,306

ONS 2014 based household projections/Runnymede BC AMR 2016/17

The Council evidently considers this issue not to be a concern as at paragraph 9.9 the SHMA states:

*“However, as housing delivery exceeded the need over both the five year period feeding into the official projections and over the 2006-2016 period then examining longer term trends becomes largely redundant as there was clearly no constraint on delivery.”*

Delivery did not exceed needs, it only exceeded the constrained housing requirement set out in the South East Plan. Needs were evidently significantly higher and past delivery will have clearly contributed to rising house prices and poor affordability and would support the need for a higher uplift than is being proposed.

As to what is an appropriate uplift, recent decision at Waverley, Guildford and Aylesbury Vale provide some indication that there is recognition that such uplifts need to be substantially higher than they have been in the past in order to improve affordability. The most recent decision by the inspector examining the Vale of Aylesbury Local Plan suggested in his interim report<sup>2</sup> an uplift of “*at least 20% and probably 25%*” was required to improve affordability. Considering this was in a Borough where the lower quartile affordability ratio was 11.96, significantly lower than in Runnymede, suggests that a minimum uplift of 25% would be appropriate.

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

The 2016 based household projections see a reduction in the level of household growth across the Country. This is a result of changes in the subnational population projections upon which the household projections are based, and adjustments in the approach taken in the household projections to considering household formation rates. These are considered in turn below.

<sup>2</sup>[https://www.aylesburyvaledc.gov.uk/sites/default/files/page\\_downloads/ED166%20Interim%20findings%2029%20August%202018%20.pdf](https://www.aylesburyvaledc.gov.uk/sites/default/files/page_downloads/ED166%20Interim%20findings%2029%20August%202018%20.pdf)

In May 2018 the ONS published the 2016 based population projections. These showed a significant reduction in the level of population growth for the majority of Boroughs across the country. These reductions were a result of two key changes to the inputs into these projections. Firstly, the projections reflect the anticipation that life expectancy will not increase at the same rate as before. This will mean that the numbers of older people are not set to increase as expected. Secondly, the level of international in-migration is not expected to continue at the same rate as previously. These adjustments have meant a reduction in population growth that inevitably lead to a reduction in the household growth.

Another key part of the household projections are the household formation rates. These rates determine the number of households that are likely to form based on the sub national population projections. In previous iterations of the household projections these rates have been derived from household formation data going back to 1971. However, the latest household projections use a much more limited data series between 2001 and 2011. This has led to a significantly lower household formation rate than would have been expected in the past. In particular it reflects the fact that due to higher house prices and lower wages increases due to the recession in 2008 household formation amongst younger people is lower than it was in the past.

The major concern with regard to the latest household projections is that they will continue the trend of younger people forming households much later in life than in previous years. This posed a serious question for the Government as to whether it wants to see these trends continue or whether housing delivery needs to be at a level that will improve affordability and deliver homes that will improve the trend in household formation amongst younger people.

The Government have now provided some clarity on its position regarding the latest household projections in the latest consultation on its revised approach to the standard methodology<sup>3</sup>. This consultation continues to state the Government's aspiration to increase delivery to 300,000 dwellings per annum by the mid-2020s. The document also recognises that this will not be achieved if the Government uses the latest household projections. It is proposed in the consultation that when assessing housing needs:

- the 2014 based projections will provide the demographic baseline;
- that the lower numbers in the 2016 based projections do not qualify as exceptional circumstances to depart from the standard methodology

Whilst we recognise that the principles set out in the consultation document have been made in relation to the standard method they provide a clear statement from Government that the 2016 based projections should not be used for assessing housing needs. Indeed, bullet point 2 of paragraph 27 of the consultation document recognises that whilst the Government generally recommends the use of the latest data in producing assessments of housing need, in this case there are such significant

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<sup>3</sup> [www.gov.uk/government/consultations/changes-to-planning-policy-and-guidance-including-the-standard-method-for-assessing-local-housing-need](http://www.gov.uk/government/consultations/changes-to-planning-policy-and-guidance-including-the-standard-method-for-assessing-local-housing-need)

changes to the method that suggest these should not be used in the short term. The Government state in paragraph 27 of the consultation document that they:

*“...would like to see the new method settling down before making a decision on whether this data provides the best basis for planning.”*

Therefore, the only approach we consider to be sound, given the Government's position as set out in the consultation on the standard methodology, is for the continued use of 2014 household projections.

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

**Matter 4: Green Belt Boundaries and Exceptional Circumstances**  
(paragraphs 5.8-5.13)

4.1 Having regard to the Green Belt's purposes and subject to consideration of the implications of the Plan's specific proposals, do exceptional circumstances exist to justify changes to Green Belt boundaries in the Borough?

The Council have established that exceptional circumstances exist within the Borough to justify the amendment to Green belt boundaries. The Council rightly point out in their paper on Exceptional Circumstances that it is for the Borough to determine these circumstances. Whilst these circumstances have not been established in the NPPF or PPG, there is a growing body of case law on this matter. Some of this case law is outlined by the Council in the exceptional circumstances paper. In addition, we would also suggest that the case of *Calverton Parish Council v Nottingham City Council, Broxtowe and Gedling Borough Council* [2015] EWHC 1078 case also supports the Council's position. This case outlined that housing needs could be considered sufficient to justify amendments to the Green Belt when considered against the nature of the Green Belt and the impact of any development on its purposes. This is set out in paragraph 51 of the judgement by Mr Justice Jay which states:

*“...the planning judgments involved in the ascertainment of exceptional circumstances in the context of both national policy and the positive obligation located in section 39(2) should, at least ideally, identify and then grapple with the following matters: (i) the acuteness/intensity of the objectively assessed need (matters of degree may be important); (ii) the inherent constraints on supply/availability of land prima facie suitable for sustainable development; (iii) (on the facts of this case) the consequent difficulties in achieving sustainable development without impinging on the Green Belt; (iv) the nature and extent of the harm to this Green Belt (or those parts of it which would be lost if the boundaries were reviewed); and (v) the extent to which the consequent impacts on the purposes of the Green Belt may be ameliorated or reduced to the lowest reasonably practicable extent.”*

The Council have clearly identified that there are significant housing needs in the Borough and that these needs cannot not be met on previously developed land. These

needs are also acute given the worsening position with regard to affordability and the growing need for more affordable housing in the Borough. If needs are not met it could mean an increase in overcrowding or homelessness within the Borough due to increased housing costs and a reduced ability to deliver more affordable housing. It is also evident that there is land within the Green Belt that is making a limited contribution to the purposes of Green Belt and that the overall impact of any losses on the overall aim of the Metropolitan Green Belt will be negligible. We would therefore agree that exceptional circumstances exist to amend Green belt boundaries in the Borough.

a) Does the Plan's strategy make as much use as possible of suitable brownfield sites and underutilised land, including estates regeneration and surplus public land where appropriate? Does the strategy seek to optimise the density of development in line with national planning policy to make the most effective use of land?

Yes.

c) Is it clear that the Plan has been informed by discussions with neighbouring authorities about whether they could accommodate some of the identified need for development?

Yes

4.2 Having regard to the proposed releases of land from the Green Belt, does the Plan promote sustainable patterns of development?

No comment

4.3 Are there adequate reasons in this case for not identifying safeguarded land as part of the Green Belt review? Are the consequences for the permanence of the Green Belt boundaries acceptable?

Given that the Council are not meeting identified housing needs and have also reduced their plan period to reflect this position would suggest that the exceptional circumstances will still be present in 2030 and that further amendments to the boundary will be necessary. Further land must be identified to meet needs in full and safeguarded land identified to provide for a longer term strategic approach that will ensure that boundaries will not need to be amended at the next local plan review.

4.4 Does the proposed release of land from the Green Belt take adequate account of the effects on broader purposes that it may serve e.g. provision for outdoor sports and recreation, access to the countryside, protection and enhancement of landscapes, visual amenity and biodiversity?

No comment

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