

SLOUGH BOROUGH COUNCIL

REPORT TO: Planning Committee **DATE:** 26th November 2015

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WARD(S): All

PART I **FOR DECISION**

STRATEGIC HOUSING MARKET ASSESSMENT AND REVIEW OF THE LOCAL PLAN FOR SLOUGH

1. **Purpose of Report**

The purpose of the report is to update Members on the results of the Berkshire Strategic Housing Market Assessment and the proposed time table for the Review of the Local Plan for Slough.

2. **Recommendation(s)/Proposed Action**

The Committee is requested to resolve:

- a) That the results of the Strategic Housing Market Assessment, which includes an “objectively assessed” housing need figure for Slough, be noted.
- b) That Slough’s housing target be increased from 315 dwellings a year to 550 dwellings a year for a five year period in line with the Council’s Five Year Plan.
- c) That the Council should continue to work with the Royal Borough of Windsor & Maidenhead and South Bucks District Council to consider how new housing could be distributed within the Housing Market Area.
- d) That the proposed time table for the Review of the Local Plan for Slough be noted.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

3a. **Slough Joint Wellbeing Strategy Priorities –**

Meeting local housing needs and developing Local Plan policies will have an impact upon the following SJWS priorities:

- *Health*
- *Economy and Skills*
- *Regeneration and Environment*
- *Housing*
- *Safer Communities*

3b. **Five Year Plan Outcomes**

One of the key elements of the Five Year Plan is the Review of the Local Plan for Slough. This will contribute to the following Outcomes:

- 1 *Slough will be the premier location in the South East for businesses of all sizes to locate, start, grow and stay.*
- 2 *There will be more homes in the borough with the quality improving across all tenures to support our ambition for Slough.*
- 3 *The centre of Slough will be vibrant, providing business, living and cultural opportunities.*

4. **Other Implications**

(a) Financial

The proposed work can be carried out within existing budgets and so there are no financial implications of the proposed action.

(b) Risk Management

It is considered that the risks can be managed as follows:

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
That we carry out a Review of the Local Plan which will seek to deliver more housing.	Not reviewing the Local Plan would mean that development would either not come forward or would do so in an unplanned and unsustainable way.	Agree the recommendations.

(c) Human Rights Act and Other Legal Implications (*compulsory section to be included in **all** reports*)

There are no Human Rights Act Implications as a result of this report.

(d) Equalities Impact Assessment

There are no equality impact issues.

5. **Supporting Information**

Strategic Housing Market Assessment

- 5.1 The Council, together with the other authorities and the LEP, commissioned a Strategic Housing Market Assessment (SHMA) for Berkshire and South Bucks. This is an important part of the evidence needed to prepare the Local Plan because it determines which Housing Market Area Slough sits in and calculates what the “objectively assessed” housing need is for the Borough.

Housing Market Areas

- 5.2 The first part of the Strategic Housing Market Assessment involved defining what the Housing Market Area (HMA) or areas are within the sub region. This is a technical exercise which has to be undertaken using established guidance. It also has to take account of the results of the various other studies that have been undertaken in surrounding areas to ensure that there is some compatibility between them.
- 5.3 In this case the study took particular account of the work done by the local authorities in Buckinghamshire which had excluded South Bucks from the Central Buckinghamshire HMA. It also took account of the work done by the GLA for the Further Alterations to the London Plan which assumed that Greater London was a single Housing Market Area.
- 5.4 The study looked at house prices, commuting patterns and where people moved. It then sought to define Housing Market Areas by calculating the extent to which these activities were contained within the area.
- 5.5 It is inevitable that housing patterns and trends do not follow Local Authority boundaries. In order to make the concept of Housing Market Areas as useful as possible for plan making purposes, the study sought to find the best fit with Council boundaries.
- 5.6 The SHMA has identified two Housing Market Areas. The eastern one consists of Slough, Windsor & Maidenhead and South Bucks and the western one consists of Bracknell, Wokingham, Reading and West Berks.
- 5.7 The main purpose of defining Housing Market Areas is to help decide how housing should be distributed. Districts should first of all try to meet their housing needs within their own area. If that is not possible the housing needs should be met within the Housing Market Area. Only if this is not possible should alternative locations be looked at elsewhere. This means that there is a particular onus upon Districts within a Housing Market Area to work together as part of the Duty to Cooperate.
- 5.8 It should be noted that South Bucks District Council has declined to be part of the SHMA and so far has not accepted that there should be two Housing Market Areas. It is accepted that the geography to the west of London is very complicated because of the competing draws of central London, Heathrow and the Thames Valley corridor. Nevertheless it is considered that the proposed Housing Markets are the “best fit” within the overall jigsaw of areas that have been defined so far.

- 5.9 The situation is further complicated by the latest proposal by South Bucks and Chiltern districts to prepare a joint Local Plan even though they have consistently been identified as being in two different Housing Market Areas.
- 5.10 The preparation of a joint plan will not however alter the geography of the area or housing needs. As a result it is proposed that we should continue to work with the Royal Borough of Windsor & Maidenhead and South Bucks District Council to consider how new housing could be distributed within the Housing Market Area.
- 5.11 It will also be necessary to work with all of the other Councils in the area as part of the Duty to Cooperate.

Objectively Assessed Housing Need

- 5.12 The other important outcome from the Strategic Housing Market Assessment is the calculation of the “Objectively Assessed Need” for housing within each Local Authority area.
- 5.13 The data for Slough shows that it has the most diverse population in Berkshire which has grown by 18% between 2001 and 2013. It also has a very young age profile with 9.2% pre-school and 20.3% at school. Slough also has a comparatively high birth rate and high levels of overcrowding with 14.9% households having five or more residents. All of these factors point to increased pressure for housing from the existing population.
- 5.14 The methodology for calculating what the “Objectively Assessed Housing Need” states that the starting point should be the household projections that are produced by the DCLG. These projections are then compared to the projected economic growth and the need for affordable housing in an area. They are also tested against a number of market signals such as house price inflation and affordability ratios to see if additional housing is needed.
- 5.15 The results of all of this are set out in Table 1 below.

Table 1: Objectively Assessed Housing Needs

<u>District</u>	<u>Annual Need</u>
Bracknell Forest	635
Reading	699
West Berkshire	665
Wokingham	856
Slough	927
South Bucks	376
Windsor & Maidenhead	712

- 5.16 This shows that Slough has an objectively assess housing need of 927 a year which is the highest in Berkshire. This reflects the high level of population growth that we have had in recent years and predictions for the future as explained above.

- 5.17 The high level of population growth in Slough is sufficient to meet the projected need for employment growth. As a result, unlike Districts in the eastern Housing Market Area, Slough's figure has not been adjusted for this.
- 5.18 The figure does, however, include a small upward adjustment which is necessary to try to improve affordability in the Borough.
- 5.19 It is important to note that the "Objectively Assessed" need calculation does not take into account whether there are any constraints to meeting this need. The figures are not therefore the same as the housing targets that we currently use which are derived the South East Plan because these took into account the ability of individual districts to actually build new houses.
- 5.20 A comparison of the housing targets in the South East Plan and the new objectively assessed housing need figures are set out in Table 2 below.

Table 2: Comparison of Objectively Assessed Housing Needs and Current Housing Targets

<u>District</u>	<u>Housing Targets</u>	<u>Objectively Assessed Need</u>
Bracknell Forest	639	635
Reading	611	699
West Berkshire	525	665
Wokingham	623	856
Slough	315	927
South Bucks	94	376
Windsor & Maidenhead	346	712

- 5.21 This shows that Slough, which currently has a target of 315 per annum, has the largest gap between the number of houses it is currently planning for and it's objectively assessed need.
- 5.22 The average number of net completions in Slough since 2006 has been 410. There has, however, been a wide variation in performance of between 182 and 849 dwellings per annum. In 2014/15 we actually built 608 dwellings which produced a net figure of 516 dwellings when demolitions, including those at Britwell, were taken into account. Whilst it is likely that we can sustain this level of house building in the short term it is fairly clear that we will not be able to build sufficient dwellings to meet all of our needs because of a shortage of land.
- 5.23 The Planning Minister, Brandon Lewis, has made it clear that the publication of the objectively assessed needs figure does not instantly change planning policy. His letter of December 2015 stated that:

".... the outcome of a Strategic Housing Market Assessment is untested and should not automatically be seen as a proxy for a final housing requirement in Local Plans. It does not immediately or in itself invalidates housing numbers in existing Local Plans.

Councils will need to consider Strategic Housing Market Assessment evidence

carefully and take adequate time to consider whether there are environmental and policy constraints, such as Green Belt, which will impact on their overall final housing requirement. They also need to consider whether there are opportunities to co-operate with neighbouring planning authorities to meet needs across housing market areas. Only after these considerations are complete will the council's approach be tested at examination by an Inspector. Clearly each council will need to work through this process to take account of particular local circumstances in responding to Strategic Housing Market Assessments."

- 5.24 As a result we now have the opportunity to consider how we should respond to the publication of the new housing need figures.
- 5.25 The Council's Five Year Plan has already adopted an unofficial target of building 550 dwellings a year. It is considered that we should respond to the need for more houses by formally adopting this as the planning target to be used in calculating the 5 Year Land Supply. This would mean increasing the figure from 315 to 550 per annum for the next five years. This should help to ensure that we meet more of our housing needs in the short term.
- 5.26 At the same time we will also have to consider other initiatives which will increase the supply of housing coming forward in Slough.
- 5.27 The publication of the objectively assessed needs figure means that it is now even more important that we continue with the work on reviewing the Local Plan for Slough. This will allow us to consider all the available options for the provision of housing in the Borough within the context of all of the other competing needs. It will also be important that we work with our neighbours within the Housing Market Area to see how we can collectively deliver housing over the next twenty years.
- 5.28 The latest proposed timescale for reviewing the Local Plan is set out in the relevant section below.
- 5.29 As part of this Council is in the process of carrying out a Housing Capacity Study which will take account of the results of the "Call for Sites" exercise which will take place in January. It is, however, extremely unlikely that sufficient land will be found to achieve the sort of building rate suggested by the objectively assessed needs work over the new plan period up to 2036.
- 5.30 This means that the Review of the Local Plan will have to look at a number of options. One of these would be to promote the northern expansion of Slough through the development of a "Garden Suburb" in South Bucks. The implications of this are discussed in more detail below.
- 5.31 In the meantime it is important to stress that all of the Council's existing planning policies will remain in place until they are replaced by the new Local Plan.

Review of the Local Plan for Slough

- 5.32 It was formally agreed to carry out a Review of the Local Plan for Slough in February 2015. Work to date has concentrated upon compiling the evidence base that will be needed to compile the plan.

- 5.33 The production of the Strategic Housing Market Assessment has been a key part of the work that has been carried out so far.
- 5.34 It is also important that the Local Plan takes into account other factors such as the continuing need for economic development. As a result we have also joined with the other Berkshire authorities and the LEP to commission a Functional Economic Market Area (FEMA) study. This will be carried out in two parts. The first stage involves defining what the Economic Market Areas are and the second involves carrying out an Economic Development Needs Assessment.
- 5.35 It is anticipated that the results of this study will be available in the new year so that by then we will have the technical evidence to show what our housing and employment needs will be over the plan period.
- 5.36 Neither of these studies take account of the ability of Slough to actually accommodate these and all of the other competing needs for the very limited amount of land that we have in Slough. As a result we will have to carry out a Housing Capacity Study and an Employment Land Review.
- 5.37 In order to help with this exercise we will be carrying out a “Call for Sites” exercise in January which will invite members of the public, land owners, developers and any other interested parties to put forward suggestions for the redevelopment or re-use of land or property in Slough. All of the suggestions that we receive will then be put out for public consultation in order to obtain wider views about the proposals.
- 5.38 There are a number of other important work strands that will have to be carried out. Members will be aware that the Cabinet has approved a Centre of Slough Strategy. Although this is not a planning document it covers a number of planning related matters that can be taken forward in the review of the Local Plan. The main thrust of the strategy was that there is a need for a housing led regeneration of the centre which also allowed for attracting more businesses, re-shaping the shopping centre and developing new attractions.
- 5.39 We will now have to carry out more work as part of the Review of the Local Plan to consider these issues. An important part of this is identifying major opportunity sites which can be developed in and around the centre.
- 5.40 We have already contacted the relevant bodies about how they want to work with the Council under the Duty to Cooperate. It is now proposed that we should engage with the wider public about how they want to get involved starting with the “Call for Sites” exercise.
- 5.41 We will also have to publish a new Local Development Scheme setting out a time table for the Review of the Local Plan for Slough. There are, however, two major factors which we need to take into account.
- 5.42 The first is the timing of the Government’s decision on the proposal to build a third runway at Heathrow. It has stated that it will formally respond to the recommendations of the Airports Commission by the end of the year but we don’t know how the decision making process will actually take place. Whether or not the third runway goes ahead will obviously have significant implications for the review of the Local Plan and so the timetable may have to be adjusted accordingly.

- 5.43 The Local Plan for Slough cannot be prepared in isolation from the plans that are being prepared by adjoining authorities. As explained above one of the options that will have to be considered for meeting the housing needs that arise within the Housing Market Area is to have a northern expansion of Slough into South Bucks which could take the form of a new “garden suburb”. We have already made representations to South Bucks that they need to consider this in the technical work that they are carrying out as part of the review of their plan. It is not clear whether or not this will be considered in the review of South Bucks/Chiltern Local Plan but it is an issue that will have to be debated at the Local Plan Inquiry.
- 5.44 This will have implications for the timetable for the Review of the Local Plan for Slough because it may not be possible to determine what the overall strategy will be for the town until we know whether or not there is going to be an urban extension to the north.
- 5.45 It is also important that we continue to work with Windsor & Maidenhead on the preparation of their plan under the Duty to Cooperate but this should not affect the timetable for the review of the Slough Plan.
- 5.46 In the recent Housing and Planning Bill the Government has stated that all Local Plans should be reviewed by 2017 and it is considered that we should work towards this by producing an Issues and Options consultation and a draft plan. The actual timetable will depend upon a number of factors as explained above and so it is proposed that we should produce a Local Development Scheme setting out what this is likely to be in the new year.

6. **Conclusion**

- 6.1 The publication of the Strategic Housing Market Assessment with the “objectively assessed” housing needs figure for Slough is an important part of the evidence base that we need for the future planning of Slough. The identification of a much higher housing need does not alter existing planning policies but makes it all the more important that we proceed with the Review of the Local Plan for Slough.

7. **Background Papers**

- ‘1’ - Berkshire and South Bucks Strategic Housing Market Assessment GL Hearn 2015
- ‘2’ - South Bucks District Council Local Plan 2014 – 2036 Initial Consultation (Regulation 18) – February 2015