

Swindon and Wiltshire Local Enterprise Partnership

Joint Strategic Economic Committee

28 April 2016

Strategic Housing Market Assessment and Functional Economic Market Area Update

1. Purpose

- 1.1 To provide an update on progress with the Joint Strategic Housing Market Assessment (SHMA) and Functional Economic Market Assessment (FEMA) for Wiltshire and Swindon.

2. Background

- 2.1 Progress on the Joint SHMA and FEMA and joint working arrangements was reported to the Joint Strategic Economic Committee (JSEC) in February 2016.

3. Project Progress

- 3.1 The consultants undertaking the SHMA and FEMA work, Opinion Research Services and Hardisty Jones Associates respectively, have provided their initial findings regarding the emerging geographical extent of the Housing Market Areas (HMAs) and Functional Economic Market Areas across the Wiltshire and Swindon area. This has been presented to members of the Joint Working Group.

Housing Market Areas

- 3.2 Following established Planning Practice Guidance (PPG) and using a variety of data, including 2011 Census commuting and migration data, and Valuation Office Agency Rental Market information, an initial set of emerging HMAs have been devised. However, consideration needs to be given as to how the HMAs within the Wiltshire and Swindon area should be defined given the relationships with other local authority areas.
- 3.3 There are inevitably overlaps between adjoining local authority areas when defining HMAs for the Swindon and Wiltshire area, particularly given the proximity of settlements close to its boundaries e.g. Bath, Frome and Andover. The principle of how HMAs should be defined has therefore been discussed with duty to cooperate stakeholders through the meeting on 21 January and the Joint Working Group.
- 3.4 As a result, it is proposed that the HMAs covering the Swindon and Wiltshire area should be 'snapped' to within the Swindon and Wiltshire boundary, which is also the extent of the Swindon and Wiltshire Local Enterprise Partnership (LEP). This ensures that a practical and pragmatic approach is taken to the definition of the HMAs, ensuring that Local Plans for the Wiltshire and Swindon area as well as in adjoining local authorities can progress in a timely manner. Both authorities will continue to carry out their duty to cooperate with adjacent authorities in accordance with the Planning Practice Guidance (PPG):
The duty to cooperate seeks to ensure that local planning authorities lead strategic planning effectively through their Local Plans, addressing social, environmental and

economic issues that can only be addressed effectively by working with other local planning authorities beyond their own administrative boundaries. For example, housing market and travel to work areas, river catchments and ecological networks may represent a more effective basis on which to plan for housing, transport, infrastructure, flood risk management, climate change mitigation and adaptation, and biodiversity. The aim is to encourage positive, partnership working on issues that go beyond a single local planning authority's area.

(Paragraph: 009 Reference ID: 9-009-20140306)

Functional Economic Market Areas

3.5 In determining FEMAs, the guidance given in PPG states:

The geography of commercial property markets should be thought of in terms of the requirements of the market in terms of the location of premises, and the spatial factors used in analysing demand and supply - often referred to as the functional economic market area.

(Paragraph: 013 Reference ID: 2a-013-20140306)

3.6 It goes on to recognise that patterns of economic activity vary from place to place and as such, there is no standard approach to defining a functional economic market area. However, it is possible to define them taking account factors including:

- Extent of any Local Enterprise Partnership within the area;
- Travel to work areas;
- Housing market areas;
- Flow of goods, services and information within the local economy;
- Service markets for consumers;
- Administrative areas;
- Catchment areas for facilities providing cultural and social well-being;
- Transport network

3.7 The nature of FEMAs is such that the economic links are generally wider than those for HMAs and more difficult to clearly define due to the overlapping nature of economic areas. The initial findings suggest there are three FEMAs for the Wiltshire and Swindon area, which are broadly consistent with the three economic zones of the Strategic Economic Plan. This is not surprising given the functional relationships including transport linkages that exist within Wiltshire and Swindon.

4. Next Stages

4.1 The HMAs and FEMAs will form the geographical basis for determining the Objectively Assessed Need (OAN) for housing and forecasting of economic need respectively in the Swindon and Wiltshire area.

4.2 The next Joint Working Group will consider the extent of the emerging HMAs in the area and the relationship of these with the emerging FEMA boundaries together with the approach to defining the OAN and economic needs, which will include a range of forecasts.

4.3 The current focus of stakeholder involvement has been with the duty to cooperate bodies and through the structured and 1-2-1 interviews as reported to the previous Committee. This is consistent with the PPG which states that:

Local communities, partner organisations, Local Enterprise Partnerships, businesses and business representative organisations, universities and higher education establishments, house builders (including those specialising in older people's housing), parish and town councils, designated neighbourhood forums preparing neighbourhood plans and housing associations should be involved from the earliest stages of plan preparation, which includes the preparation of the evidence base in relation to development needs.

(Paragraph: 007 Reference ID: 2a-007-20150320)

- 4.4 The next steps in terms of engagement will be for a further workshop with the duty to cooperate stakeholders on the approach to defining OAN for housing and employment following the meeting of the Joint Working Group; before wider engagement takes place.
- 4.5 Officers are also proposing to approach the Planning Advisory Service and the Planning Inspectorate to request support and advice regarding joint strategic planning and examination process. The outcomes of this will inform the discussion for the Joint Working Group and JSEC over the appropriate strategic plan-making route for Swindon and Wiltshire once the SHMA and FEMA processes are complete. Swindon Borough and Wiltshire Councils will then need to update their respective Local Development Schemes.

5. Recommendation

To:

Note the content of the report and progress being made on the Strategic Housing Market Assessment and Functional Economic Market Assessment.

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