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SOUTH STAFFORDSHIRE LOCAL PLAN EXAMINATION HEARING STATEMENT

MATTER 4: DEVELOPMENT NEEDS AND REQUIREMENT

On Behalf Of:
Redrow Homes

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A handwritten signature in black ink, appearing to read 'J Pearce', with a large, sweeping underline that extends to the right.

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Date: 11th April 2025

CONTENTS

1.0 INTRODUCTION

2.0 RESPONSE TO INSPECTOR'S MATTERS AND ISSUES

1.0 INTRODUCTION

- 1.1 We are instructed by Redrow Homes ("**RH**") to submit written responses to the Inspector's matters and issues identified in respect of Matter 4 of the South Staffordshire Local Plan examination.
- 1.2 RH are promoting land at Castlecroft Farm as a proposed residential led development to accommodate approximately 600 homes. The land at Castlecroft Farm is located in close proximity to the built up edge of Wolverhampton City and is being promoted on the basis of either meeting the needs arising within South Staffordshire or meeting unmet needs arising within the wider housing market area. Our response to the Inspector's matters and issues should be read with that objective in mind and we set out our detailed response to the questions below.

2.0 RESPONSE TO INSPECTOR'S MATTERS AND ISSUES

2.1 Question 1 – What is the minimum number of new homes needed over the plan period calculated using the Standard Method? Has the calculation of local housing need been undertaken appropriately using the Standard Method and correct inputs reflecting the methodology and advising the PPG?

2.2 The South Staffordshire Housing Market Area Partial Update (February 2024) (CD Ref: **ED26**) confirms the process the Council has gone through in using the Standard Method to calculate the number of houses required over the plan period. Paragraph 4.15 confirms the local housing need to be delivered as 227 dwellings per annum (dpa). The calculation, therefore, appears to be undertaken in accordance with the methodology and advice in the PPG.

2.3 Question 2 – Are there any circumstances where it is justified to set a housing figure that is higher than the Standard Method indicates?

2.4 The PPG confirms at Paragraph 040 Reference ID: 2a-040-20241212 that once local housing need has been assessed, authorities should make an assessment of the amount of new homes that can be provided in their area, which should be justified by evidence on land availability, constraints on development and other relevant matters. The PPG goes on to state that the Government supports ambitious authorities who want to plan for growth and that the NPPF explains that the housing requirement may be higher than the identified housing need.

2.5 Turning to the Framework, Paragraph 61 confirms that in addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the quantum of housing to be planned for. We note that the Council is proposing to make land available for 640 dwellings to help meet the unmet needs arising in the wider HMA. Notwithstanding that the Council is proposing to make this contribution to meeting unmet needs of the HMA, it recognises that the evidence underpinning what the shortfall is not yet available (paragraph 5.12 of the Pre-

Submission Plan). Meeting the unmet needs of adjoining authorities is explicitly specified in the Framework in establishing the amount of housing to be planned for. In the absence of up-to-date evidence the Council cannot feasibly be in a position to do so. If this up to date evidence confirms the extent of the shortfall this would provide a strong reason why the housing requirement should be higher.

- 2.6 RH consider that there are also other circumstances that would warrant a higher housing figure than the Standard Method to be provided. RH do not agree with the proposed contribution towards meeting the unmet needs of the HMA for the reasons that we set out below in response to Question 5.
- 2.7 RH note that the 227dpa figure identified by the Council in its updated SHMA (CD Ref: **ED26**) and response to the Inspector's question on housing land supply (CD Ref: **SST/ED7A**) confirms that this is a "policy off" figure. Paragraph 67 of the Framework confirms that the housing requirement may be higher than the identified housing need for example, it includes provision for neighbouring areas, or reflects economic growth ambitions linked to economic development or infrastructure investment. Whilst the Council is making provision for 640 homes to meet needs in neighbouring authorities no other adjustments are proposed. RH contend that the following circumstances would warrant an adjustment to the housing requirement.
- 2.8 Strategic Objective 6 of the Pre-submission plan seeks to develop an economic strategy that seeks to retain existing employment and foster sustainable economic growth, encouraging inward investment and job creation in key sectors such as advanced manufacturing and provides the skills to enable residents to access these jobs. In proceeding with the minimum housing need figure and making no upward adjustments we query whether this objective would be met in full. The housing requirement does not appear to mirror the objectives of the Plan in seeking to deliver economic growth and deliver job creation in advanced manufacturing roles as the housing requirement as proposed is not adjusted above the standard method figure which reflects local housing need only despite the PPG and Framework both advising that this would be one way in which in a higher housing

requirement would be justified. The plan is not, therefore, positively prepared in this respect.

- 2.9 The Affordable Housing and Housing Mix Topic Paper (April 2024) (CD Ref: **EB22**) sets out after paragraph 3.2 the affordability ratios between incomes and house prices in all the wards within the district. These range from 7.45 to 12.82 with the average being 7.89. Paragraph 3.3 confirms that the average lower quartile property in the District is more than 10.2 times than the average lower quartile income and that sixteen of the 25 wards exceed the district average.
- 2.10 Paragraph 3.4 goes on to confirm that the lower quartile house price to resident based earnings ratio provides a comparator between South Staffordshire and the regional and national averages. In 2022, the affordability ratio of the district was reported as 8.48, compared with the Staffordshire average of 6.82, the West Midlands average of 7.10 and the national average of 7.36. All indicate that the affordability ratios within the District are significantly worse than the county, regional and national averages, with even the ward with the best (lowest) ratio still being higher than all three of the comparators, which would indicate that there is a significant affordability issue in the District. This evidence of an affordability issue would provide sufficient reason in RH's view to raise the housing requirement above the Standard Method and housing need figure to try and address it. No such adjustment is proposed.
- 2.11 The Affordable Housing and Housing Mix Topic Paper (CD Ref: **EB22**) also confirms that between 2012 and 2023, 363 social rented properties were completed but also that 197 social rented properties were lost through right to buy or other means over this period. To guard against the continual loss of affordable properties, increasing the housing requirement above the basic Standard Method housing need figure would allow additional affordable housing to come forward and contribute to the overall supply of affordable properties within the District. Should there be a continued uptake of right to buy, over providing affordable housing against the identified need would help

ameliorate future losses and thereby maintain the supply of affordable homes in the District.

2.12 Question 3 – In policy DS4 the Local Plan identifies a minimum housing requirement of 4,726 homes over the period 2023 to 2041. Is this justified? If not, what should the housing requirement be?

2.13 The housing requirement of 4,726 is made up of housing needed to meet South Staffordshire's needs ($227 \times 18 = 4,086$) plus the 640 dwellings that are proposed to contribute to meeting the unmet needs of the HMA. As noted in our response to Question 1, we do not object to the South Staffordshire figure. We do not, however, agree that the 640 contribution to meeting the needs of the HMA is justified. Please see our response to Question 5 below.

2.14 Question 4 – The housing requirement figure includes an approximate 10% additional number of homes to ensure plan flexibility. Is this figure justified?

2.15 No, policy DS4 states that a minimum of 4,726 homes will be delivered in the period 2023 to 2041 to meet the District's housing target, whilst providing approximately 10% additional homes to ensure plan flexibility. RH contend that if the Council were actually proposing a 10% flexibility allowance the housing requirement would in fact be 5,199 dwellings i.e. 10% higher than it is stated. The housing requirement in the plan is, however, stated as 4,726 dwellings. A 10% non-implementation or flexibility allowance has generally been accepted elsewhere as a means of quantifying what the fall off in delivery would be from allocated sites. Such an approach is considered appropriate in South Staffordshire.

2.16 Question 5 – The housing requirement includes an additional 640 dwellings to contribute towards the unmet needs of the Greater Birmingham and Black Country Housing Market Area. Is this justified? If not, what should the figure be and why?

- 2.17 No, this figure is not justified. It is an arbitrary and nominal amount that is not based on an up to date evidence base or informed by the Duty to Cooperate.
- 2.18 The issue of unmet need arising within the HMA has been a long standing issue, brought to the fore when Birmingham City Council sought to adopt its current Birmingham Development Plan in 2017. At the time of adoption the City had a housing need of 89,000 dwellings but only had capacity of 51,100 dwellings, leaving a shortfall of 37,900 homes that were needed but which could not be accommodated within the City. The Birmingham Development Plan was adopted on the basis that this unmet need would be accommodated by the other authorities in the HMA, via the Duty to Cooperate, as and when Local Plans were prepared and adopted. However, only North Warwickshire has made land available for 3,790 dwellings to help Birmingham meet its unmet needs. This only covered the period to 2031.
- 2.19 Table 1 of the GBBCHMA Statement of Common Ground (CD Ref: **SST/ED11**) regarding housing shortfall position as at 29th November 2024 summarises the latest available information within the evidence base presented regarding the position of the authorities producing Local Plans in the HMA and whether they have any shortfall in needs against their supply or whether they are proposing to make a contribution to help address the unmet needs across the wider HMA.
- 2.20 Paragraph 5.1 confirms that the current shortfall is 76,427 homes to 2042.
- 2.21 Table 2 summarises the contributions that Cannock Chase, Shropshire, South Staffordshire and Telford and Wrekin Councils are proposing to make to help address the shortfall. Since the report was published Shropshire Council has withdrawn its Local Plan so the 1,500 homes that were proposed by Shropshire are no longer available. Furthermore, Telford and Wrekin are currently consulting on its pre-submission Local Plan and the proposed contribution is still not confirmed and subject to change.
- 2.22 The Statement of Common Ground states that the methodology for how the contributions are to be shared between the various authorities who seek to

benefit from the contributions is agreed, which is helpful. However, Table 2 then goes on to confirm that now only 2,750 homes (now the 1,500 Shropshire's contribution is excluded) are to be made available to meet the unmet needs of the other authorities in the HMA. The contributions equate to 3.6% of the overall unmet need of which South Staffordshire's contribution is less than 1%. The contribution from South Staffordshire is not supported by any objective assessment and should be significantly higher.

- 2.23 Previously the Council had proposed a contribution of 4,000 dwellings in the first Pre-submission version of the Local Plan (CD Ref: **PC1**). This would have equated to just over 5% of the total unmet need and said to be the smallest number they thought they could propose. There are more than sufficient sites around the edge of the conurbation in highly sustainable locations that could deliver this number of homes (i.e. next to where the need is arising) along with new facilities, public open space and BNG such as the land at Castlecroft Farm, which would not have a detrimental impact of the purpose of the West Midlands Green Belt. These sites would also help deliver a much larger contribution toward the unmet need, which is absolutely needed to even get close to meeting the unmet need. Not addressing this now only compounds this long established and significant issue.
- 2.24 In conclusion, RH consider that the proposed contribution from South Staffordshire should be substantially higher than the 640 dwellings currently proposed.
- 2.25 It places increased and unrealistic pressure on other authorities in the HMA to make a greater contribution to meeting this unmet need. Of the 13 other HMA authorities, Birmingham and the Black Country authorities all have unmet needs they cannot accommodate. Tamworth and Redditch had to look to their adjoining neighbours last time for them to accommodate their needs. It is unlikely they will be able to meet their own needs in full when they come to prepare new plans. North Warwickshire has provided its contribution and Cannock is proposing a modest contribution. That leaves Bromsgrove, North Solihull, Lichfield and Stratford to make up the remaining 73,677 dwellings. Stratford and North Warwickshire straddle the Birmingham and Coventry and

Warwickshire HMAs so it is unlikely they will be able to contribute significantly to meet this need. That then leaves Bromsgrove and Lichfield and it is just not realistic to think they can accommodate the remaining unmet need.

- 2.26 We have set out our response to Matter 2 on how discussions through the Duty to Cooperate have not been based on an up to date evidence basis and that the figure of 640 dwellings has not been subject to any meaningful engagement, let alone agreement with the other authorities in the HMA. Instead South Staffordshire have ploughed ahead with the objective of benefitting from what they see as an opportunity to reduce their Green Belt release as a result of the changes in the December 2023 NPPF.
- 2.27 The position above highlights that a contribution of just 640 dwellings will result in significant housing need across the HMA going unmet as a result. The plan is unsound on the basis that it is not positively prepared nor justified.

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