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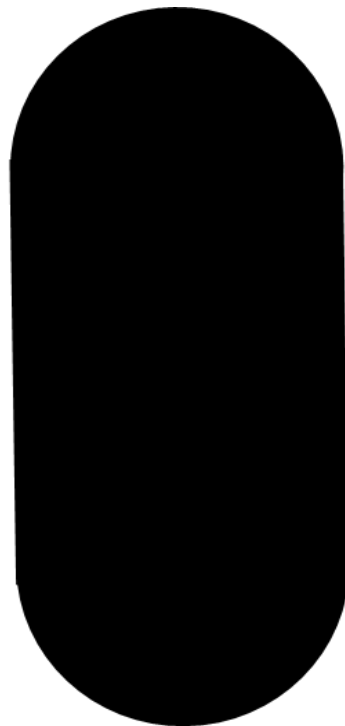
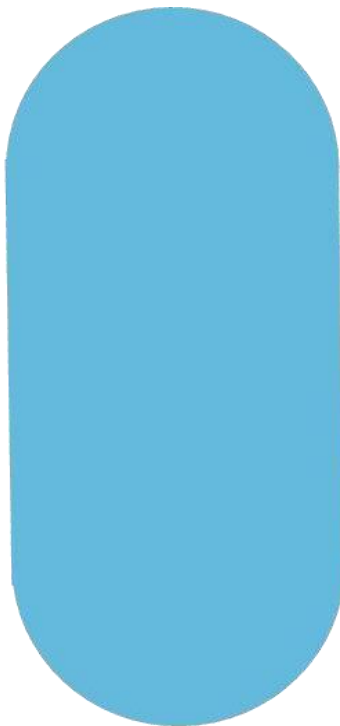
South Staffordshire Local Plan

Examination in Public

Matter 4 – Development Needs and Requirements

Boningale Group Ltd

April 2024



Contents

| | | |
|-----------|--|----------|
| 1. | Introduction..... | 3 |
| 2. | Issue 1: Housing development needs and requirements | 5 |

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| Document Management | | | | |
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| Matter Number | Author | | Checked/Approved | |
| Draft | MW | 01-04-2025 | Client | |
| Final | MW | | Client | |
| Revision | | | | |

1. Introduction

- 1.1. This response to Matter 4 of the Inspectors' MIQs in respect of the South Staffordshire Local Plan (SSLP) Examination in Public has been prepared by Marrons on behalf of Boningale Group Ltd. Marrons have been instructed to appear at the Examination on behalf of Boningale Group Ltd.
- 1.2. This hearing statement should be read alongside previous representation to the Regulation 19 Consultation submitted by Marrons on behalf of Boningale Homes Ltd and should be considered in the context of support for a plan led system.
- 1.3. Acting on behalf of our clients, Marrons will attend the Matter 4 Hearing Sessions along with Paul Tucker KC and will make further oral submission on behalf of our client. This statement outlines Boningale Group's comments in respect of Matter 4, with responses to the Inspectors' MIQs (Matter 4) set out below.
- 1.4. Boningale Group are a SME local housebuilder and land promoter based in Shropshire and are currently building out a high-quality development at 'Millfields' in Albrighton, in neighbouring Shropshire. They are actively promoting the following sites in South Staffordshire;
 - Codsall South (Appendix A)
 - Hockerhill Farm, Brewood (Appendix B)
 - Coven Road, Brewood (Appendix C)
 - Boscobel Lane, Bishops Wood (Appendix D)
 - Clive Road, Pattingham (Appendix E)
 - Bridgnorth Road, Stourton (Appendix F)
- 1.5. The Hockerhill Farm, Brewood site is subject to a live planning application for up to 100 residential dwellings. The Boscobel Lane, Bishops Wood site is subject to a Section 78 Appeal against the refusal of planning permission for up to 100 residential dwellings and a community shop.
- 1.6. In order to assist the Inspectors', the contents of this submission and the submissions made in respect of other Matters, demonstrate that the submission version of the Plan is not, in our assessment, capable of being found sound, without significant additional evidence and the identification of additional sites to accommodate housing growth over the Plan period.
- 1.7. These submissions reflect the recent position outlined by Housing Minister Matthew Pennycook and the Chief Executive of the Planning Inspectorate with regard to the continued use of 'pragmatism' in the Examination of Plans and the recognition that any fundamental issues or areas of additional work that require a pause of more than

six-months in the Examination process, should indicate that a Plan is not capable of being found sound. As such aligned with the above consideration, in the current context, we do not believe that the Plan is capable of being found sound noting that the degree of additional work we consider to be required to make the Plan sound would likely require a pause in the Examination in excess of 6-months.

- 1.8. We consider that the Sustainability Appraisal process is totally flawed, to the extent that it is unlawful, as it does not meet the requirements of the Environmental Assessment of Plans and Programmes Regulations 2004 (“the SEA Regulations”). There has been a failure to consistently and robustly consider reasonable alternatives contrary to Regulation 12 and Schedule 2, paragraph 8. As such we do not consider that the Plan is capable of being found sound.

2. Issue 1: Whether the identified future housing development needs and requirement set out in the Plan are justified, effective and consistent with national policy.

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 advice in the PPG?

- 2.1. Para 61 of the NPPF2023 states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method.
- 2.2. The method by which housing need should be established, and an explanation of the 'Standard Method' (SM) referred to in the NPPF is set out in detail in the HENA section of Planning Practice Guidance (PPG) (section ID2a).
- 2.3. At the outset the PPG states, "Housing need is an unconstrained assessment of the minimum number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations"¹.
- 2.4. The calculation under the standard method therefore presents the minimum housing need figure as the starting point.
- 2.5. Planning Practice Guidance is clear that housing need figures can change, and this should be taken into consideration as part of Plan making. Where a Plan is submitted for Examination an authority can rely on the standard method calculation for a period of 2 years from the time of submission (ref. Paragraph: 008 Reference ID: 2a-008-20241212
- 2.6. The minimum housing need figure calculated under the standard method is 227 dwellings per annum. This is reflective of the standard method calculation at the time of submission of the Plan on 11 December 2024
- 2.7. Whilst this is consistent with national policy, it is material the standard method calculation has subsequently (12 December 2024, the day after submission of the Plan) been updated now applying a stock and affordability-based approach. This identifies a minimum housing need figure of 651 dwellings per annum i.e. housing need is significantly increasing, rather than decreasing.

¹ Paragraph: 001 Reference ID: 2a-001-20241212 (12 December 2024)

- 2.8. Under the transitional provisions set out at para 236 of the NPPF2024, should the Plan be adopted there will be an immediate requirement to begin work on a new Plan to address the shortfall in housing needs.

2. Are there any circumstances where it is justified to set a housing figure that is higher than the standard method indicates?

- 2.9. Yes. There are circumstances which justify a housing requirement above the minimum housing need figure.
- 2.10. As set out in Para 11 b) of the NPPF2023, strategic policies should, seek to meet identified needs as well as any needs that cannot be met within neighbouring areas, unless:
- i. the application of policies in this Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed; or**
 - ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.**
- 2.11. Further, Para 67 states:

Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.

- 2.12. After considering a “policy off” minimum housing need figure, setting the housing requirement is effectively the second stage in process. In accordance with the NPPF2023 this should look to address minimum housing needs plus any needs that cannot be met within neighbouring area or a reflection of growth ambitions.

- 2.13. In addition, the PPG identifies, in respect of affordable need, an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes².
- 2.14. Therefore, there are a range of circumstances set out in national policy and guidance which need to be considered to determining whether the housing figure should be set at a level above that of minimum housing needs.
- 2.15. Our Regulation 19 Representations (May 2024) included a Housing Need Assessment report which reviewed these circumstances in detail. This is re-provided at **Appendix A** of this Matter statement.
- 2.16. As detailed in the Housing Needs Assessment, in respect of economic growth, a strategy focused on minimum housing needs alone would not support the Council's forecasted job growth. There would be a need for between 364 and 441 dwellings per annum to achieve this.
- 2.17. In respect of affordable housing need, there is a persistent and growing disparity between affordable needs and delivery. Whilst the Council has identified, within the Plan, that increasing provision of affordable housing is a key priority, the existing situation is only likely to worsen without greater intervention i.e. delivery of more affordable homes.
- 2.18. The Council's SHMA (2022) and the Housing Needs Assessment identify an affordable need which could exceed local housing needs if affordable housing needs were to be met in full.
- 2.19. In accordance with the PPG, an increase in the housing figure should be explored, above minimum housing needs, to help address this critical issue.
- 2.20. Most critically, there is a substantial level of unmet need in the Greater Birmingham and Black Country Housing Market Area which is not being addressed. This is well established, however the Plan does not effectively reflect this in how the housing figure has been formulated.
- 2.21. The Housing Needs Assessment undertakes an analysis which shows there to be an outstanding need of over 100,000 dwellings in the Housing Market Area against the minimum housing needs.
- 2.22. The unmet need contribution of 4,000 dwellings set out in the November 2022 Publication Plan (Regulation 19) for South Staffordshire remains justified and Marrons consider this should be the minimum contribution considered.

² Paragraph: 024 Reference ID: 2a-024-20190220

2.23. For these reasons we consider it would be justified, effective and consistent with national policy for a housing figure in the region of 585 to 663 dwellings per annum.

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

2.24. No, as set out above we consider there to be justification for a housing figure above that of minimum housing needs.

2.25. Whilst the Plan acknowledges there are unmet needs in the wider region, and adopts a 640 dwelling contribution towards this, this is an extremely limited provision in the context of the unmet needs identified. Further, this a significant step-back from the unmet need provision of 4,000 dwellings proposed in the November 2022 Publication Plan (Regulation 19).

2.26. Para 5.12 – 5.17 justify this on the basis of NPPF changes between 2022 and 2023, and the chosen “capacity-led approach focusing growth to sustainable non-Green Belt sites and limited Green Belt development in Tier 1 settlements well served by public transport”.

2.27. As set out in our Matter 1 Statement, we consider this approach is not justified and flawed on an assumption that it is only sustainable to release Green Belt land around tier 1 settlements.

2.28. This is the wrong starting point. It is not justified or effective for the Council to rule out higher growth options. The Council’s chosen strategy has been pre-determined with further testing of reasonable alternatives seemingly dismissed.

2.29. At the very least, the unmet need provision should be maximised through a more positively prepared and justified strategy which looks to all sustainable locations across the District, beyond just tier 1 settlements.

2.30. We consider there is potential for the 4,000 dwelling unmet need provision to be re-introduced through additional site allocations, including my clients land in Brewood, Bishops Wood, Pattingham, Stourton and Codsall.

2.31. However, as set out above, we consider a housing figure in the region of 585 to 663 dwellings per annum should be adopted. This would equate to a minimum housing requirement of between 10,530 and 11,934 dwellings across the Plan period.

2.32. This would not be an unrealistic requirement for the Council, noting housing delivery has been at a level of circa. 500 dwellings per annum on average across the past 3 monitoring years.

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

- 2.33. For the reasons set out above, we consider the housing requirement figure is not sound. Whilst the provision of a 10% buffer to ensure flexibility is welcomed and supported, this would not be sufficient to ensure a positively prepared or justified Plan which addresses economic and unmet needs.

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?

- 2.34. For the reasons set out above, we consider the approach is not justified.
- 2.35. The Housing Needs Assessment (Appendix A) demonstrates there to be an outstanding need of over 100,000 dwellings in the Housing Market Area against the minimum housing needs.
- 2.36. The Council's approach to housing has not sufficiently explored the option of making a meaningful contribution towards addressing this. This is a significant step-back from the Council's Regulation 19 consultation Plan in November 2022.
- 2.37. Whilst every effort should be made to maximise the Plan contribution towards addressing this critical issue, we consider the contribution of 4,000 dwellings set out in the November 2022 Plan remains justified and should be the minimum contribution considered.

6. In terms of the capacity of housing site allocations is the approach to calculating the minimum capacity for each housing allocation sound?

- 2.38. For the Council to answer.

Appendix 1 – Housing Needs Assessment



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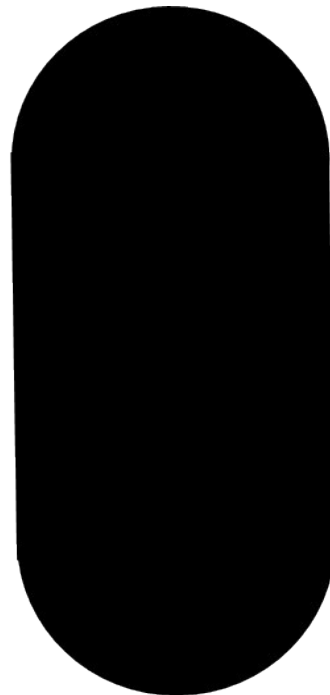
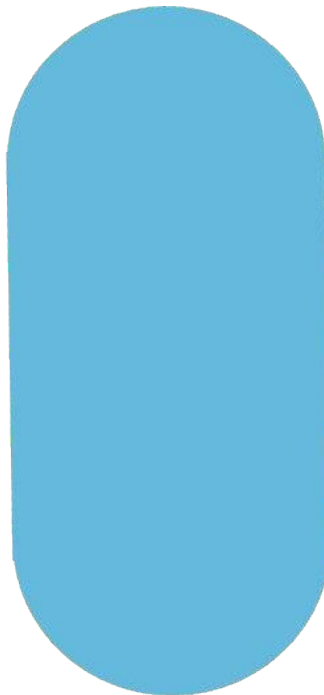


Think before you print



SOUTH STAFFORDSHIRE HOUSING NEED ASSESSMENT

**PREPARED ON BEHALF OF BONINGDALE HOMES
MAY 2024**



CONTENTS

Executive Summary

| | | |
|----|---|----|
| 1. | Introduction and National Planning Policy Context..... | 1 |
| 2. | Local Planning Policy..... | 7 |
| 3. | Economic-Led Housing Need..... | 11 |
| 4. | Affordable Housing Need | 15 |
| 5. | Affordability Analysis | 23 |
| 6. | Demographic Forecasting | 28 |
| 7. | Unmet Housing Need from the Greater Birmingham and Black Country HMA..... | 33 |
| 8. | Summary and Conclusions..... | 38 |

EXECUTIVE SUMMARY

- i. Planning Practice Guidance (PPG) requires local planning authorities to undertake an assessment of housing need. This assessment of housing need should be unconstrained and undertaken before considering constraints and land availability, and establishing a housing requirement.
- ii. The PPG provides a 'standard method' for calculating housing need. But the PPG is clear that the Standard Method provides a minimum starting point for assessing unconstrained housing need, and there could be circumstances which mean unconstrained housing need is higher. The National Planning Policy Framework (NPPF, December 2023) also states how the standard method is an 'advisory' starting point for assessing need, and is not compulsory.
- iii. The South Staffordshire Council (SSC) Publication Plan (Regulation 19) sets a housing requirement of 4,726 dwellings 2023-2041 (263 dwellings per annum – dpa). This is formed of South Staffordshire's requirement (4,086 dwellings, 227 dpa) and a contribution of 640 dwellings to the unmet housing need from the Greater Birmingham & Black Country Housing Market Area (GB&BCHMA) in which South Staffordshire is located.
- iv. The requirement for South Staffordshire (4,086 dwellings) corresponds with the NPPF's minimum calculation of housing need determined by the NPPF's standard method. This is set out in the Council's Strategic Housing Market Assessment Partial Update – February 2024 (2024 SHMA).
- v. Marrons analysis shows unconstrained housing need exceeds the standard method minimum.
- vi. The 2024 SHMA does not consider the level of housing need generated by the employment forecast (5,326 jobs 2020-2041) of the Council's March 2024 South Staffordshire Economic Development Needs Assessment Update (2024 EDNA).
- vii. Strategic Objective 6 of the Draft Plan emphasises the Draft Plan's commitment to economic growth, stating the Draft Plan *"seeks to retain existing employment and fosters sustainable economic growth, encouraging inward investment and job creation in key sectors such as advanced manufacturing and providing the skills to enable residents to access these jobs."*¹
- viii. It is therefore imperative to understand whether housing need in excess of the standard method minimum is required to support the labour force generated by the EDNA's job forecast. Marrons demographic modelling shows the standard method minimum will only support between 51 and 111 jobs 2023-2041.

¹ Page 22, South Staffordshire Publication Plan (Regulation 19), April 2024

- ix. To support the EDNA's job forecast and address household formation suppression, Marrons demographic modelling shows need of between 6,552 and 7,932 dwellings over the Plan period (364 dpa to 441 dpa).
 - x. Increasing affordable housing delivery is described as a key priority of the Council in the Draft Plan. The Council's 2022 SHMA determined affordable need to be 67 affordable dpa (adpa, 35% affordability threshold), 111 adpa (30% threshold), and 156 adpa (25% threshold). It also determined affordable need of 304 dpa if home ownership was the market access point.
 - xi. Net affordable delivery has been 67 adpa since 2011/12. Need appears to have been met based on a rent affordability threshold of 35%. However need increases to 111 adpa based on a 30% affordability ratio and delivery against need would be lacking on this basis.
 - xii. A housing waiting list which has increased by 73% since 2014 to 936 households, and the most recent monitoring year (2022/23) recording the highest number of households owed a relief duty for homelessness, indicates a 35% affordability threshold is too high.
 - xiii. South Staffordshire is one of the least affordable local authorities in the West Midlands. Its lower quartile affordability ratio in 2022 was the 4th highest in the region at 9.98. This means that the cheapest lower quartile market homes cost 9.98x the income of lower quartile
 - xiv. This deterioration in affordability has occurred despite the Council delivering their housing requirement between 2011 and 2023 indicating the requirement was too low to improve affordability, particularly for the lowest earners reflected by the lower quartile affordability.
 - xv. Outstanding unmet housing need from the Greater Birmingham & Black Country Housing Market Area (GB&BCHMA) is shown in this report to exceed 100,000 homes, despite what is planned in the local plans of the HMA authorities.
 - xvi. SSC's Draft Plan aims to contribute 640 homes to the unmet need in the GB&BCHMA, less than 1% of the need. This is a reduction from SSC's November 2022 Draft Plan which targeted the provision of 4,000 homes and is not considered justified on the basis of the need which Marrons have identified.
 - xvii. Marrons conclude that SSC's unconstrained housing need is at least 6,552 to 7,932 dwellings over the Plan period (364 dpa to 441 dpa) to meet forecast employment growth in the Council's evidence base. The reintroduction of the 4,000 home contribution unmet need from the GB&BCHMA increases this to between 586 and 663 dpa which is considered entirely realistic on the basis of the 2021/22 and 2022/23 monitoring years achieving delivery of 530 and 622 dwellings.
-

1. INTRODUCTION AND NATIONAL PLANNING POLICY CONTEXT

- 1.1 This Housing Need Assessment of South Staffordshire has been prepared by Marrons National Socio Economics Team on behalf of Boningdale Homes.
- 1.2 The assessment is made in response to the public consultation of the South Staffordshire Council Publication Plan: A New Development Strategy for South Staffordshire 2023-2041 (Regulation 19) April 2024 (hereafter referred to as the Draft Plan).
- 1.3 The objective of the report is to determine whether unconstrained housing need in South Staffordshire has been determined by the Council in the Draft Plan's supporting evidence base, and what unconstrained housing need is for the administrative area.
- 1.4 The policy and guidance which should be considered when assessing the housing need for local authorities is set out in the December 2023 National Planning Policy Framework (NPPF) and its accompanying Planning Practice Guidance (PPG).
- 1.5 The PPG's Housing and Economic Needs Assessment (HENA) section is very clear that the assessment of housing need should be unconstrained and undertaken prior to and independently from the consideration of constraints and the determination of a housing requirement. It is therefore important that full unconstrained housing need is established before the process of determining a requirement begins.
- 1.6 In this section we summarise the policies of the NPPF and PPG which cover the assessment.

National Planning Policy Framework (NPPF, December 2023)

- 1.7 At paragraph 11, the NPPF states how *"Plans and decisions should apply a presumption in favour of sustainable development."*
- 1.8 Paragraph 11 moves on to state *"For plan-making this means that strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas."* (our emphasis)
- 1.9 Furthermore paragraph 35 a) states that Local Plans are 'sound' if they are *"positively prepared", i.e., "providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development."* (our emphasis)

- 1.10 These policies make it clear that meeting objectively assessed needs is the minimum expectation of a Local Plan.
- 1.11 What this means for housing need is explained in section 5 of the NPPF, 'Delivering a sufficient supply of homes'.
- 1.12 Under this heading, paragraph 60 of the NPPF states, *"The overall aim should be to meet as much of an area's identified housing need as possible, including with an appropriate mix of housing types for the local community."* (our emphasis)
- 1.13 Paragraph 61 moves on to state how the minimum number of homes needed in an area should be determined. It states *"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance."*
- 1.14 However paragraph 61 moves on to state *"The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area. There may be exceptional circumstances, including relating to the particular demographic characteristics of an area which justify an alternative approach to assessing housing need; in which case the alternative approach should also reflect current and future demographic trends and market signals."* (our emphasis)
- 1.15 Furthermore in respect of neighbouring areas which may not be able to meet their own need, paragraph 61 states *"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 amount of housing to be planned for."* (our emphasis)
- 1.16 It is therefore clear that the assessment of need in any given area should include unmet need from neighbouring local authorities if it exists.
- 1.17 The December 2023 NPPF also introduces the link between economic growth aspirations and housing need, paragraph 67 stating *"Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment."* (our emphasis)
- 1.18 This is also reflected in section 6 of the NPPF, 'Building a strong, competitive economy' and specifically in paragraph 86 c) which states that planning policies should *"seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor*

environment.”

- 1.19 These policies relating to housing need are then addressed in more detail in the ‘Housing and Economic Needs Assessment’ (HENA) section of the Planning Practice Guidance (PPG) which is discussed below.

Planning Practice Guidance (PPG)

- 1.20 The method by which housing need should be established, and an explanation of the ‘Standard Method’ (SM) referred to in the NPPF is set out in detail in the HENA section of PPG (section ID2a).
- 1.21 At the outset the PPG states, *“Housing need is an unconstrained assessment of the number of homes needed in an area”* and goes on to state *“Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations.* ² (Our emphasis).
- 1.22 The PPG is very clear that the assessment of need should be unconstrained and is an entirely separate exercise from establishing the housing requirement.
- 1.23 The PPG then moves on to explain what the SM provides. It states *“The standard method uses a formula to identify the minimum number of homes expected to be planned for. The standard method...identifies a minimum annual housing need figure. It does not produce a housing requirement figure.”* ³ (Our emphasis).
- 1.24 This section emphasises how the SM provides the minimum housing need figure and highlights how the SM does not produce a housing requirement figure. A separate part of PPG addresses housing requirement.
- 1.25 The PPG also makes a very clear distinction as to the tests which will be applied if local authorities seek to justify housing need higher or lower than the SM minimum.
- 1.26 In respect of a housing need figure lower than the standard method minimum, the PPG states *“where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that*

² Paragraph ID:2a-001, PPG, 2019

³ Paragraph ID:2a-001, PPG, 2019

the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.”⁴ (Our emphasis).

- 1.27 In contrast, in terms of establishing housing need which is above the Standard Method, PPG states “Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.”⁵ (Our emphasis).
- 1.28 Having established that SM represents minimum need, and that actual housing need may be higher, the PPG moves to discuss when it might be appropriate to plan for a higher housing need figure than the SM indicates.
- 1.29 PPG therefore states that “there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.”⁶ (Our emphasis)
- 1.30 In discussing these circumstances PPG reiterates how the standard method only represents minimum need, stating “The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.”⁷ (Our emphasis)
- 1.31 The PPG then moves on to discuss what circumstances might lead to an increase in housing need, but confirms at the outset that the circumstances it refers to are not exhaustive and there may be other reasons as to why overall housing need exceeds the Standard Method’s minimum calculation:

“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- **growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);**
- **strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or**

⁴ Paragraph ID:2a-015, PPG, 2019

⁵ Paragraph ID:2a-015, PPG, 2019

⁶ Paragraph ID:2a-010, PPG, 2019

⁷ Paragraph ID:2a-010, PPG, 2019

- an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities and urban centres uplift may strive to plan for more homes. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”⁸

- 1.32 The delivery of much needed affordable housing can also have an impact on the assessment of overall need. In this respect the Planning Practice Guidance (PPG) states *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”*⁹
- 1.33 The PPG also reiterates that this assessment of need is separate to the process of establishing a housing requirement, stating that the circumstances which may lead to a higher need figure *“will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan)*”¹⁰ (Our emphasis).

Summary

- 1.34 Therefore, to summarise, both the NPPF and PPG emphasise that the SM determines the minimum number of homes needed for each local authority. Consideration must be given to whether other circumstances warrant an increase to the minimum need, and in this context and to comply with PPG the assessment of need must be unconstrained as explained in PPG.
- 1.35 Furthermore the PPG emphasises throughout how the assessment of need must be carried out separately and prior to the determination of a housing requirement.
- 1.36 Furthermore, the PPG refers to exceptional circumstances being required to justify housing need which is below the Standard Method minimum.
- 1.37 In contrast the PPG states how a range of circumstances may justify the determination of housing need which exceeds the SM minimum, and that an assessment of need which establishes a figure

⁸ Ibid

⁹ Paragraph ID2a:024, PPG, 2019

¹⁰ Paragraph ID:2a-010, PPG, 2019

which is higher than the SM minimum will be considered sound if it “*adequately reflects current and future demographic trends and market signals.*”

- 1.38 It is therefore important to consider whether any factors justify an increase in the SM minimum when determining housing need, particularly growth related to economic growth ambitions and unmet need from neighbouring authorities as referred to in the December 2023 NPPF.

2.0 LOCAL PLANNING POLICY

Introduction

- 2.1 The previous section of this report outlined the national policy and guidance context for determining unconstrained housing need in a local authority area.
- 2.2 This section considers how the proposed planning policies for South Staffordshire Council (WNC) set out in the Draft Plan address this national policy and guidance.
- 2.3 We therefore summarise the relevant sections of the Draft Plan below.

South Staffordshire Council Publication Plan: A New Development Strategy for South Staffordshire 2023-2041 (Regulation 19) April 2024

- 2.4 The Draft Plan being consulted on is intended to replace the Core Strategy which was adopted in 2012 and accompanying Site Allocations Document (SAD) which was adopted in 2018 as the Local Plan for the district.
- 2.5 The introduction to the Draft Plan states *“The SAD committed us to review our Local Plan to respond to the increasing need for development, both within South Staffordshire and in our neighbouring authorities, and it helped frame some of the key issues that this Local Plan needs to consider. The plan period for this Local Plan will be 2023-2041, although national policy requires the plan to be reviewed in whole or part every five years.”*¹¹
- 2.6 The Draft Plan’s ‘Vision and strategic objectives’ section includes ‘Strategic Objective 2’ which states how the Draft Plan will *“Meet the housing and employment needs of the district whilst making a proportionate contribution towards the unmet needs of Greater Birmingham and Black Country Housing Market Area and wider Functional Economic Market Area.”*¹²
- 2.7 The importance of the Draft Plan assisting in meeting unmet housing need from the wider housing market area is therefore acknowledged.
- 2.8 In terms of the economy, ‘Strategic Objective 6’ states how the Draft Plan’s vision is to *“Develop an economic strategy that seeks to retain existing employment and fosters sustainable economic growth, encouraging inward investment and job creation in key sectors such as advanced manufacturing and*

¹¹ Paragraph 1.2, page 2, South Staffordshire Publication Plan (Regulation 19), April 2024

¹² Page 21, South Staffordshire Publication Plan (Regulation 19), April 2024

providing the skills to enable residents to access these jobs.”¹³

Overall Housing Need

- 2.9 The Draft Plan outlines the housing target required to achieve these objectives as follows; *“The government requires that Local Plans cover a 15 year period post adoption of the plan and will cover the period 2023-2041. The district’s future housing need is then calculated using the government’s standard method. This currently requires the district to deliver a minimum annual average of **227 dwellings per annum** starting from the 2023/24 monitoring year until the end of the plan period (2041). This equates to 4086 new homes over the plan period.”¹⁴*
- 2.10 As we have referred to above, the Draft Plan identifies unmet housing needs from the Greater Birmingham and Black Country Housing Market Area (GBBCHMA) throughout the Draft Plan, and under the ‘Cross boundary Issues and the Duty to Cooperate’ section states *“Unmet housing need across the GBBCHMA, our own unmet needs for Gypsy and Traveller pitches and unmet employment land needs from the Black Country authorities are key cross boundary issue to be considered with neighbouring authorities through plan preparation.”¹⁵*
- 2.11 The Draft Plan targets the provision of 640 homes 2023-2041 (36 per annum) towards the GBBCHMA’s unmet housing needs.
- 2.12 Draft Policy DS4: Development Needs subsequently states at point (a) that the council will promote the delivery of a minimum of *“4,726 homes over the period 2023-2041 to meet the district’s housing target, whilst providing approximately 10% additional homes to ensure plan flexibility. This housing target includes the district’s own housing requirement of 4,086 homes, plus a 640-home contribution towards unmet housing needs of the Greater Birmingham and Black Country Housing Market Area.”¹⁶*
- 2.13 However this should be considered in the context of the previous Regulation 19 Publication Plan (November 2022) which planned to accommodate 4,000 dwellings of the GBBCHMA’s unmet housing needs.
- 2.14 This significant reduction is based on the Council’s decision to follow *“a capacity-led approach focusing growth to sustainable non-Green Belt sites and limited Green Belt development in Tier 1 settlements well served by public transport.”¹⁷*

¹³ Page 22, South Staffordshire Publication Plan (Regulation 19), April 2024

¹⁴ Paragraph 5.8, page 27, South Staffordshire Publication Plan (Regulation 19), April 2024

¹⁵ Paragraph 3.6, page 11, South Staffordshire Publication Plan (Regulation 19), April 2024

¹⁶ Policy DS4(a), page 46, South Staffordshire Publication Plan (Regulation 19), April 2024

¹⁷ Paragraph 5.14, page 28, South Staffordshire Publication Plan (Regulation 19), April 2024

- 2.15 The decision of the Council to follow this approach is two-fold. The first reason is set out in the Draft Plan as follows; *“In December 2023 the updated NPPF was published and confirmed that there is no requirement for Green Belt boundaries to be reviewed or changed when Local Plans are being prepared and that it is within authorities’ gift to choose to review Green Belt boundaries through the Local Plan where they feel that exceptional circumstances for doing so exist and these can be fully evidenced and justified.”*¹⁸
- 2.16 The second reason stated is *“the delay to preparation of the Local Plan means that the Strategic Growth Study (2018) on which the previous 4,000 home contribution was based is no longer up to date.”*¹⁹
- 2.17 Marrons consider an updated assessment of unmet housing need in the GBBCHMA later in this report.

Affordable Housing

- 2.18 Paragraph 7.6 of the Draft Plan states *“Increasing the provision of affordable housing is a key priority of the council, as expressed in the adopted Housing and Homelessness Strategy. South Staffordshire’s housing market is characterised by rising house prices, with the average lower quartile priced house costing over 9.8 times the average lower quartile income (Hometrack, 2024). This leaves home ownership out of reach for many residents, and with private rental prices also increasing, this means there is a substantial need for affordable homes throughout the district which must be addressed through the council’s affordable housing policy.”*²⁰ (our emphasis)
- 2.19 The Draft Plan refers to the 2024 Housing Market Assessment in respect of affordable housing, but does not set out the need determined by the assessment. We therefore consider affordable housing need in more depth later in this report.

Economic Growth and Employment Need

- 2.20 Policy DS4: Development Needs also sets out the employment need which is planned for between 2023-2041 as follows; *“107.45ha of employment land over the period 2023-2041 to ensure that South Staffordshire’s identified need for employment land of 62.4ha is met, as well as making available a potential contribution of 45.2ha to the unmet employment land needs of the Black Country authorities.”*²¹
- 2.21 The Policy goes on to state, *“18.8ha of West Midlands Interchange will contribute towards South*

¹⁸ Paragraph 5.12, page 28, South Staffordshire Publication Plan (Regulation 19), April 2024

¹⁹ Paragraph 5.12, page 28, South Staffordshire Publication Plan (Regulation 19), April 2024

²⁰ Paragraph 7.6, page 77, South Staffordshire Publication Plan (Regulation 19), April 2024

²¹ Policy DS4(b), page 46, South Staffordshire Publication Plan (Regulation 19), April 2024

*Staffordshire's employment land supply with an additional minimum 67ha available towards the unmet employment land needs of the Black Country authorities, and which may increase depending on the employment land position of other local authorities in the site's market area. 10ha at WMI will also contribute towards Cannock Chase council meeting their employment land needs. The remaining land supply of West Midlands Interchange (WMI) will be considered with related authorities through the Duty to Co-operate."*²²

- 2.22 Two of the documents included in the 'key evidence' for employment needs are the Economic Development Needs Assessment (EDNA) update 2024 and the 2022 EDNA.
- 2.23 Furthermore, Policy EC1 'Sustainable Economic Growth' confirms South Staffordshire's commitment to the Staffordshire and Stoke Local Enterprise Partnership, listing the Staffordshire and Stoke Local Enterprise Partnership: Strategic Economic Plan (2018) as key evidence. The Policy states "*The council, working in partnership with businesses, Staffordshire County Council, the Staffordshire and Stoke Local Enterprise Partnership and other key stakeholders, will support measures to sustain and develop the local economy of South Staffordshire and encourage opportunities for inward investment and further economic development of the district.*"²³
- 2.24 We consider these documents in more detail in terms of the number of jobs expected to be created in South Staffordshire over the Plan period, and how the housing target proposed in the Draft Plan aligns with this employment growth.
- 2.25 This is an important consideration in the context of the NPPF stating how a lack of homes should not create a barrier to investment.

Summary

- 2.26 This section of our report has summarised the policies of the Draft Plan relating to housing need being consulted on by South Staffordshire Council as part of their Draft Plan.
- 2.27 The Draft Plan has clear priorities to address affordable housing need and provide economic growth in line with the Staffordshire and Stoke Local Enterprise Partnership.
- 2.28 The Draft Plan is underpinned by the housing need calculated using the NPPF's standard method. This provides minimum housing need of 4,086 dpa, 2023-2041. The following sections of this report consider whether this represents fully unconstrained housing need for South Staffordshire.

²² Policy DS4(b), page 46, South Staffordshire Publication Plan (Regulation 19), April 2024

²³ Policy EC1, page 109, South Staffordshire Publication Plan (Regulation 19), April 2024

3. ECONOMIC GROWTH AND HOUSING NEED

Introduction

- 3.1 The 2023 National Planning Policy Framework (NPPF) includes a section titled 'Building a strong, competitive economy' which states the following in its introduction:

“Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential”²⁴ (our emphasis).

- 3.2 In this context the NPPF moves on to state *“Planning policies should seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment”²⁵* (our emphasis).
- 3.3 An unconstrained assessment of need to establish how many homes would be needed to support economic growth aspirations in South Staffordshire is therefore imperative, particularly in the context of Policy EC1 'Sustainable Development' of the Draft Plan which states how the Council will *“sustain and develop the local economy of South Staffordshire and encourage opportunities for inward investment and further economic development of the district.”*
- 3.4 In this section we review the key evidence base documents identified in the Draft Plan in terms of how they address economic growth and its links to housing need.

South Staffordshire Draft Plan Evidence Base

Strategic Housing Market Assessment (SHMA) – 2022 Update and 2024 Partial Update

- 3.5 The 2022 SHMA (October 2022) was based on the previous Regulation 19 Draft Plan (November 2022) approach to delivering 4,000 dwellings 2018-2040 for unmet need in the wider Greater Birmingham and Black Country Housing Market Area (GBBCHMA), alongside the National Planning

²⁴ Paragraph 85, page 24, National Planning Policy Framework, 2023

²⁵ Paragraph 86c, page 24, National Planning Policy Framework, 2023

Policy Framework's (NPPF's) calculation of minimum housing need for South Staffordshire District (241 dpa). This led to an overall requirement of 9,330 dwellings in the District, 2018-2040 (424 dpa).

- 3.6 In terms of how this aligned with employment growth, the 2022 SHMA referred to the June 2022 Economic Development Needs Assessment (EDNA) and its forecast of 4,824 new jobs, 2020-2040.²⁶
- 3.7 The 2022 SHMA determined that the housing requirement of 9,330 dwellings 2018-2040 would generate growth of 6,618 people aged 16-64, and that 4,877 would be economically active.²⁷ Furthermore based on commuting patterns the 2022 SHMA concluded only 1,640 working age residents would be needed to fill the jobs and there would be a surplus of additional labour force locally.²⁸
- 3.8 The 2022 SHMA therefore determined that there would be no requirement to exceed 9,330 dwellings 2018-2040 to support 4,824 new jobs 2020-2040.
- 3.9 However as we have identified in the previous section of this report the 2024 Draft Plan now being consulted on is based on a housing target of 4,726 dpa, approximately half the number of dwellings proposed in the November 2022 Draft Plan.
- 3.10 The 2024 SHMA Partial Update prepared to support the 2024 Draft Plan being consulted on determines there would be an increase of only 1,012 people of working age (18-64) between 2023 and 2041. However there is no consideration of whether this will support projected job growth, based either on the previous 2022 EDNA (as done so in the 2022 SHMA), or the 2024 EDNA Update.
- 3.11 Instead the 2024 SHMA Partial Update states *"The Economic Development Needs Assessment (EDNA) undertaken for South Staffordshire indicated that the District has a very low level of self-containment and high gross commuting flows as a proportion of the workforce total, and thus a very high commuting ratio. South Staffordshire is within a Functional Economic Market Area with the four Black Country areas and so significant cross-boundary flows are to be expected. The additional working age people projected to be resident in South Staffordshire are not necessarily likely to work in the District (based on current trends). The fact that additional housing does not have a good correlation with employment within the District means that providing further additional housing to try and achieve a balance with jobs would be inappropriate and would likely perpetuate the unsustainable current commuting patterns."*²⁹ (Our emphasis)

²⁶ Paragraph 5.9, page 61, South Staffordshire District Council Strategic Housing Market Assessment – October 2022

²⁷ Paragraphs 5.10-5.11, pages 61-62, South Staffordshire District Council Strategic Housing Market Assessment – October 2022

²⁸ Paragraph 5.12, page 62, South Staffordshire District Council Strategic Housing Market Assessment – October 2022

²⁹ Paragraphs 5.9-5.10, pages 17-18, South Staffordshire Strategic Housing Market Assessment Partial Update – February 2024

- 3.12 Marrons consider that the number of jobs which the revised Draft Plan housing requirement is likely to support should be determined, to be consistent with the 2022 SHMA's approach. Marrons provide demographic modelling which determines this later in the report. Furthermore we use the 2011 Census commuting ratio and maintain it throughout the modelling period to ensure unsustainable commuting patterns are not exacerbated. This is a common approach used by a range of consultants when undertaking modelling scenarios and we do not agree with the statement of the 2024 SHMA set out above which contradicts evidence presented only two years before in the 2022 SHMA.
- 3.13 Marrons conclude that the 2024 SHMA Update's approach to employment-led housing need means that a full unconstrained assessment of housing need has not been undertaken.

South Staffordshire Economic Development Needs Assessment (EDNA) – 2022 and 2024 Update

- 3.14 As we have set out above, the 2022 SHMA considered whether the November 2022 Draft Plan housing requirement (9,330 dwellings 2018-2040) would support forecast employment growth from the 2022 EDNA (4,824 jobs 2020-2040).
- 3.15 However the 2024 SHMA Partial Update does not replicate the approach of the 2022 equivalent as we have also set out above.
- 3.16 The 2024 EDNA Update *"updates the evidence previously published in the EDNA 2022 by presenting an up-to-date position on the employment requirements of South Staffordshire District through to 2041. This update also reviews South Staffordshire's potential contribution towards meeting the unmet employment land needs of the Black Country authorities."*³⁰
- 3.17 The 2024 EDNA Update provides the analysis of employment land need, 2023-2041, which is then taken forward in proposed Policy DS4: Development Needs of the Draft Plan. The 2024 EDNA concludes as follows, *"The requirement for future provision for land and floorspace should provide for minimum gross residual objectively assessed needs of 62.4ha for the period 2023-2041"*³¹ which is then repeated in Policy DS4.
- 3.18 It therefore follows that the employment growth aligned with this objectively assessed need for employment land informs an assessment of the housing need required to support the requisite labour force growth.

³⁰ Paragraph 10.1, page 98, South Staffordshire Economic Development Needs Assessment Update, March 2024

³¹ Paragraph 0.61, page 13, South Staffordshire Economic Development Needs Assessment Update, March 2024

- 3.19 The 2024 EDNA acknowledges this as follows; *“Planning Practice Guidance continues to provide a non-exhaustive list of conditions that may indicate that actual housing need is higher than the standard method indicates and can include changing economic circumstances. Ambitions for economic development that may support identification of a housing requirement in excess of the standard method are also now recognised at Paragraph 67 of the NPPF 2023. Demographically derived assessments of current and future local labour supply (labour supply techniques) therefore remain relevant to assessing the implications of alternative economic scenarios that should be considered as part of market signals that may affect the forecast of future needs.”*³²
- 3.20 In this regard the 2024 EDNA Update concludes as follows; *“South Staffordshire’s future employment land needs are based on a labour demand Growth Scenario, which was developed using the same methodology as set out in the EDNA 2022. This includes an adjustment to account for trends in ‘working from home’. The updated Growth Scenario forecast shows an increase of **5,326 net additional jobs** in South Staffordshire over to period 2020 to 2041.”*³³
- 3.21 This level of employment growth represents annual growth of 0.60% per annum 2020-2041.³⁴ In the demographic forecasting section of this report we consider what housing need is in South Staffordshire to support this level of employment growth.

Summary

- 3.22 In summary, this section has identified how the most recent evidence base document assessing housing need (the 2024 SHMA Partial Update) does not assess whether its own conclusion on housing need for South Staffordshire (4,086 dwellings 2023-2041), or the need plus provision for unmet need from the wider housing market area (4,726 dwellings 2023-2041) will support the employment growth (5,326 jobs 2020-2041) determined by the Council’s 2024 EDNA Update.
- 3.23 This is considered to be inconsistent with the 2022 SHMA Update (undertaken by the same author as the 2024 Partial Update) which did consider this issue and concluded how the significantly higher housing target proposed in the November 2023 Regulation 19 Local Plan (9,330 dwellings 2018-2040) would support the employment growth of the 2022 EDNA.
- 3.24 Marrons therefore consider this issue in the demographic forecasting section of this report.

³² Paragraph 7.7, page 64, South Staffordshire Economic Development Needs Assessment Update, March 2024

³³ Paragraph 10.2, page 98, South Staffordshire Economic Development Needs Assessment Update, March 2024

³⁴ Table 19, page 41, South Staffordshire Economic Development Needs Assessment Update, March 2024

4. AFFORDABLE HOUSING NEED

Introduction

- 4.1 Planning Practice Guidance (PPG) states that *“an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.”* Local authorities should therefore consider if the minimum housing need calculated using the standard method should be increased to accommodate more affordable housing.
- 4.2 Affordable housing need has become acute across the country as the affordability of housing has worsened over the past two decades.
- 4.3 The January 2022 House of Lords report ‘Meeting Housing Demand’ identified *“there were 1,187,641 households on local authority housing waiting lists in 2021”* and *“as of March 2021, 95,450 families had been placed into temporary accommodation by local authorities.”*³⁵
- 4.4 Research for the National Housing Federation (NHF) and Crisis in 2018 identified a need for 145,000 new affordable homes per year, of which 90,000 for the next 15 years should be for social rent, 30,000 for affordable rent and 25,000 shared ownership homes.³⁶
- 4.5 However to put this into context, only 63,605 new affordable homes were delivered across England in the most recent year for which data is available (2022/23), approximately 27.1% of all net completions (234,397).
- 4.6 However this a gross affordable delivery figure and the Government’s statistics show a loss of 27,500 affordable dwellings in 2022/23 to demolitions and sales.
- 4.7 Net affordable completions were therefore only 36,105 (i.e., 15.4% of all net completions).
- 4.8 Furthermore the House of Lords report stated, *“There has been a steady decline in social rent as a proportion of new supply, from over 75% in 1991/92 to 11% in 2019/20. In 50 local authorities, no homes for social rent were built over the five-year period from 2015/16 to 2019/20”*³⁷ (our emphasis). There is a severe lack of local authority housing

³⁵ Paragraph 69, page 36, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

³⁶ Professor Glen Bramley, Crisis and National Housing Federation Housing supply requirements across Great Britain (November 2018)

³⁷ Paragraph 65, page 33, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

as this statement summarises.

- 4.9 The Department for Levelling Up, Housing and Communities (DLUHC) publishes data on social housing lettings in England. In its latest publication, updated on 6 March 2024, the department reported that there were 1.29 million households on local authority waiting lists as of 31 March 2023. This represented an increase of 73,000 households (6 percent) compared to 31 March 2022. It also was the highest number of households on the waiting list since 2014 when the conditions for accessing the waiting list were changed.
- 4.10 The NHF also undertook research in late 2023 which concluded that unless politicians commit to a long-term plan to fix the housing crisis, an extra 1.7 million households will be living in unaffordable homes by 2030 compared with 2020 - an increase of more than a third (35%).
- 4.11 The NHF research also found that by 2030 there will be:
- 600,000 additional households living in unaffordable private rented homes, taking the total to 2.2 million;
 - 1 million additional homeowners facing unaffordable mortgage costs, taking the total to 1.9 million - more than double current levels;
 - 1.5 million Families will be on the waiting list for social housing, a rise of 350,000 or almost a third (32%);
 - 150,000 children will be homeless and living in emergency accommodation like B&Bs and hostels by 2030 – an increase of 20,000. This is the equivalent of six children in every school in England. ³⁸
- 4.12 In April 2023 the NHF also found that more than 310,000 children were sharing a bed with their parents or siblings; and the number of homeless children stuck in temporary accommodation reached 130,000 in 2023, the highest number since records began. ³⁹
- 4.13 In this section of the report we consider the affordable housing position in South Staffordshire.

³⁸ The housing crisis: what will happen if we don't act? NHF, August 2023

³⁹ Overcrowding in England, NHF, April 2023

Affordable Housing Need in South Staffordshire

- 4.14 At the outset, Marrons do not advocate that affordable need necessarily be met in full, given the judgment of Mr Justice Dove in the Kings Lynn case (High Court Judgment)⁴⁰, which concluded that neither the NPPF nor the PPG suggest affordable housing need must be met in full.
- 4.15 However as we have stated in the introduction to this section the need should be considered in the context of PPG which states *“An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes”*⁴¹ (our emphasis).
- 4.16 This should be considered in the context of the 2022 South Staffordshire Strategic Housing Market Assessment (SHMA) which concludes there to be a net need for 67 affordable dwellings per annum (adpa) in the District.⁴²
- 4.17 However it is important to note how the 2022 SHMA considers this to be the need based on an affordability threshold whereby 35% of gross household income is spent on rent. The 2022 SHMA reports how affordable housing need increases to 111 adpa based on a 30% affordability threshold, and 156 adpa based on 25%.⁴³
- 4.18 As Table 6.4 of the SHMA indicates however, this is based on rent payable for housing. The same table assesses need based on owner-occupation and concludes *“If it was presumed that home ownership was the market access point, then there would be a need for 304 affordable homes per year.”*⁴⁴
- 4.19 Affordable housing need is clearly considered imperative in the District, as Paragraph 7.6 of the Draft Plan states *“Increasing the provision of affordable housing is a key priority of the council, as expressed in the adopted Housing and Homelessness Strategy. South Staffordshire’s housing market is characterised by rising house prices, with the average lower quartile priced house costing over 9.8 times the average lower quartile income (Hometrack, 2024*

⁴⁰ Paragraphs 34-37, pages 10-11, High Court Judgment, Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, 09 July 2015

⁴¹ Paragraph: 024 Reference ID: 2a-024-20190220

⁴² Paragraph 0.61, page 13, South Staffordshire Economic Development Needs Assessment, 2022

⁴³ Table 6.4, page 74, South Staffordshire Economic Development Needs Assessment, 2022

⁴⁴ Table 6.4 and paragraph 5.33, page 74, South Staffordshire Economic Development Needs Assessment, 2022

Past affordable housing delivery in South Staffordshire

4.20 In this section of the report we have considered affordable housing delivery against the affordable housing need set out in the 2022 SHMA.

4.21 As we have set out above the 2022 SHMA determined affordable need of between 67 and 156 adpa based on 25% - 35% affordability threshold for rent, and 304 adpa based on home ownership.

4.22 Table 4.1 sets out gross affordable housing delivery as recorded by the Department for Levelling Up, Housing & Communities (DLUHC).

Table 4.1: Gross affordable housing delivery in South Staffordshire

| 2011-12 | 2012-13 | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2011-12 to 2022-23 (per annum) |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------------------|
| 72 | 26 | 29 | 157 | 71 | 69 | 88 | 134 | 85 | 26 | 212 | 156 | 1,125 (94) |

Source: DLUHC live table 1008c

4.23 Since 2011/12 there have been 1,125 gross affordable completions, equating to 94 adpa. The 2022 SHMA considered the 2018-2040 period, and since 2018 the gross affordable delivery has been 123 adpa.

4.24 However this is based on gross affordable delivery, and losses to affordable housing stock need to be considered to determine what the net delivery has been.

Net Affordable Housing Delivery in South Staffordshire

4.25 To determine whether net affordable delivery is lower than the proportions set out above, we have consulted the Department for Levelling Up, Housing and Communities (DLUHC) live tables on social housing sales, and specifically the 'social housing sales open data'. This data is set out in Table 4.2 below.

Table 4.2: DLUHC figures on the disposal of social housing stock in South Staffordshire

| Year | Demolition | LCHO Sales | Other Sales | Other sales to sitting tenants | Right to Buy | Sales to sitting tenants | Grand Total |
|--------------|------------|------------|-------------|--------------------------------|--------------|--------------------------|-------------|
| 2011-12 | 0 | 0 | 0 | 0 | 0 | 3 | 3 |
| 2012-13 | 22 | 2 | 1 | 0 | 0 | 13 | 38 |
| 2013-14 | 0 | 2 | 6 | 0 | 0 | 13 | 21 |
| 2014-15 | 0 | 5 | 0 | 0 | 0 | 47 | 52 |
| 2015-16 | 42 | 0 | 4 | 0 | 0 | 24 | 70 |
| 2016-17 | 0 | 7 | 0 | 0 | 0 | 12 | 19 |
| 2017-18 | 1 | 3 | 1 | 0 | 0 | 6 | 11 |
| 2018-19 | 0 | 5 | 2 | 0 | 0 | 3 | 10 |
| 2019-20 | 9 | 5 | 0 | 0 | 0 | 45 | 59 |
| 2020-21 | 0 | 8 | 0 | 0 | 0 | 6 | 14 |
| 2021-22 | 0 | 4 | 0 | 0 | 0 | 6 | 10 |
| 2022-23 | 0 | 10 | 2 | 0 | 0 | 6 | 18 |
| Total | 74 | 51 | 16 | 0 | 0 | 184 | 325 |

Source: DLUHC live tables

4.26 Table 4.2 shows that there have been 325 losses to affordable housing stock (local authority and private registered providers) since 2011/12.

4.27 This means that despite 1,125 affordable completions in South Staffordshire since 2011/12, net affordable housing delivery has been 800 affordable dwellings (67 adpa).

4.28 Since 2018/19 net delivery has been 502 affordable dwellings (100 adpa).

4.29 It is also useful to consider what the net affordable housing delivery has been as a proportion of all net housing completions of all tenures.

4.30 This analysis shows how 800 net affordable completions represent 23.3% of net completions of all tenures between 2011/12 and 2022/23. Since 2018/19 the figure has been 26.9%.

Overall Housing Need and Affordable Housing

4.31 The analysis set out above should be considered in the context of the housing targets put forward in the Draft Plan.

4.32 As the analysis has shown, net affordable completions have been 23.3% of all delivery since 2011/2 and 26.9% since 2018/19.

4.33 If delivery were to continue at this rate, Table 4.3 illustrates unconstrained housing need based on delivering affordable need in full based on the need identified against the 25% to 35% affordability thresholds in the 2022 SHMA.

Table 4.3: Overall housing need in South Staffordshire to meet affordable housing need based on past provision

| Affordable Need based on affordability threshold of rent paid | Overall Housing Need required to meet affordable need in full (dwelling per annum) |
|--|---|
| 67 adpa (35% affordability threshold) | 249 – 288 |
| 111 adpa (30% affordability threshold) | 413 – 476 |
| 156 adpa (25% affordability threshold) | 580 – 670 |
| Market entry based on owner-occupation | |
| 304 adpa | 1,130 – 1,305 |

4.34 As Table 4.3 illustrates, the overall housing need determined solely for South Staffordshire District (227 dwellings per annum) would not deliver affordable housing need in full whichever assumptions are assumed.

4.35 This is particularly the case if an affordability threshold of 30% is considered appropriate in South Staffordshire, as overall housing need would be between 413 and 476 dpa.

4.36 Need based on a 25% threshold and owner-occupation would result in further increases in overall housing need.

4.37 In the context of Planning Practice Guidance which states how “*An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes*”⁴⁵ it is considered that South Staffordshire should consider whether the housing *requirement* can be increased beyond the standard method minimum assessment of need to deliver more affordable housing which is clearly in need and which the Draft Plan lists as a priority over the Plan period.

Numbers of households on waiting lists

4.38 The number of households on local authority waiting lists can also provide context for the affordable need in an area, and we present the data for South Staffordshire in Table 4.4.

Table 4.4: South Staffordshire housing waiting list

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 541 | 725 | 634 | 653 | 614 | 745 | 621 | 667 | 1,029 | 936 |

Source: DLUHC, Live Table 600

⁴⁵ Paragraph: 024 Reference ID: 2a-024-20190220

4.39 As Table 4.4 illustrates, the number of households on the Council's housing register has increased quite considerably since changes to waiting list criteria changed in 2013. As 2014 there were 541 households on the register but this increased by 90% to 1,029 households in 2022.

4.40 There has been some improvement in the most recent 12-month period, with a reduction to 936 households. However this remains a 73% increase since 2014 and emphasises how the affordability of the District has deteriorated during the recent past.

Homelessness

4.41 In respect of homelessness, Table 4.5 sets out the data collected by DLUHC for the last five financial years for which data is available.

Table 4.5: Homelessness in South Staffordshire, 2019/19 to 2021/22

| Year | Number of households assessed | Total households owed a duty | Threatened with homelessness - Prevention duty owed | Homeless - Relief duty owed |
|---------|-------------------------------|------------------------------|---|-----------------------------|
| 2022/23 | 123 | 123 | 61 | 62 |
| 2021/22 | 55 | 55 | 39 | 16 |
| 2020/21 | 77 | 76 | 42 | 34 |
| 2019/20 | 128 | 128 | 94 | 34 |
| 2018/19 | 128 | 122 | 91 | 31 |

Source: DLUHC

4.42 Table 4.5 shows how the number of households assessed for homelessness and whether they are owed a prevention or relief duty had fallen quite significantly from 2019/20 to 2021/22.

4.43 However, 2022/23 has recorded the second highest number of households assessed, as well as the second highest being owed a duty.

4.44 Of those households owed a duty, 2022/23 has seen by far the highest number of households (62) who have been assessed and are homeless, double the figure of 2018/19.

Affordable Housing Summary

4.45 In summary, the key points to note from our analysis are as follows:

- The Draft Plan states *Increasing the provision of affordable housing is a key priority of the council*;
- The Council's 2022 SHMA determined affordable need to be 67 adpa (35%

affordability threshold), 111 adpa (30% threshold), and 156 adpa (25% threshold);

- Affordable need would 304 adpa if home ownership was the market access point;
- There has been net delivery of 800 affordable dwellings 2011/12 to 2022/23, or 502 since the start of the 2022 SHMA's housing need assessment period (2018-2040) which was based on the November 2022 Regulation 19 Draft Plan period;
- Net affordable completions account for 23.3% % of all net housing completions 2011/12 to 2022/23 and 26.9% 2018/19 to 2022/23;
- Continuing net affordable delivery at these rates would require overall housing need which exceeds the overall housing need for South Staffordshire (227 dpa) determined by the 2024 SHMA Partial Update;
- The housing waiting list has increased by 73% since 2014 to 936 households;
- The most recent year (2022/23) recorded the highest number of households owed a relief duty for homelessness.

4.46 This section has highlighted how overall housing need would have to be increased to deliver affordable housing need in full, particularly if an affordability threshold of less than 35% were to be applied.

4.47 As we have set out at the beginning of this section we do not advocate that the housing *requirement* be increased to unrealistic levels to meet affordable housing need in full.

4.48 However the evidence in this section suggests that unconstrained housing need (as required by PPG) exceeds the standard method minimum need being taken forward in the Draft Plan as a housing requirement.

4.49 This should also be considered in the context of the Draft Plan which lists affordable housing delivery as a key priority of the Council.

5. AFFORDABILITY ANALYSIS

- 5.1 As the January 2022 House of Lords report ‘Meeting Housing Demand’ states *“Affordability has worsened dramatically over the past 20 years: in England the ratio of median house prices to median earnings has almost doubled while in London it has more than doubled”*⁴⁶ (our emphasis).
- 5.2 In 1997, the median full-time worker in England could expect to pay about 3.5 times their annual earnings to buy a home; this had more than doubled by 2020 to 7.7. Homes in the private rented sector have become increasingly unaffordable. In 1980, the average working-age family renting privately spent 12% of its income on housing; in 2020 it spent almost three times this proportion (32%).⁴⁷
- 5.3 This trend has resulted in worsening living conditions and increases in overcrowding and the number of concealed households (where two or more households are living together) across the country.
- 5.4 Various actions are required to improve affordability, not least boosting supply across the country. The House of Lords report includes a statement from the UK Collaborative Centre for Housing Evidence which said *“It is certainly the case that large, sustained increases in housing supply are necessary if the objective is to improve affordability ... But, even then, it is most unlikely that increases in supply alone could bring house price to earnings ratios even close to a value of 4.0.”*⁴⁸
- 5.5 Furthermore, the National Planning Policy Framework’s (NPPF) standard method for calculating minimum housing need is set in the context of Government’s ambition to build 300,000 homes per annum by the mid-2020s. However, the House of Lords report includes evidence from Professor Glen Bramley. Professor Bramley’s analysis concludes that 340,000 homes per annum would be required to address *“future household projections, backlog of housing need and scale of homelessness.”*⁴⁹ This indicates a significant increase in need from that determined nationally under the standard method.
- 5.6 Below we consider the affordability position in South Staffordshire.

⁴⁶ Paragraph 1, page 11, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

⁴⁷ Paragraph 52, page 29, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

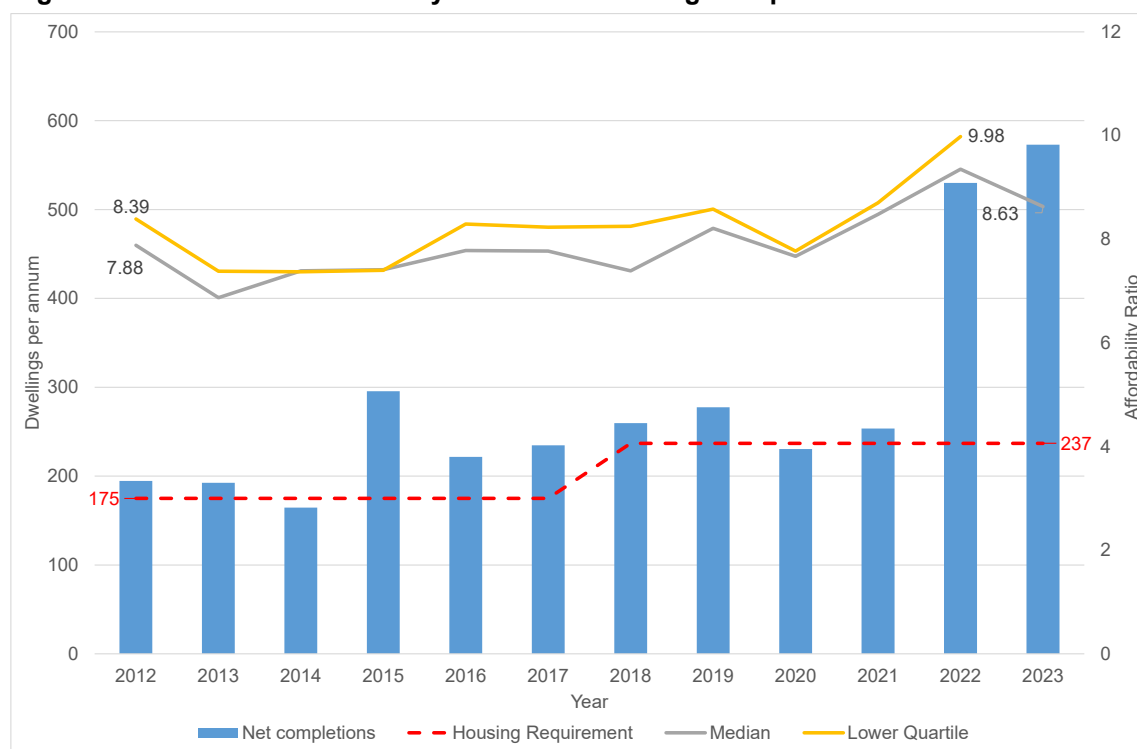
⁴⁸ Paragraph 31, page 20, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

⁴⁹ Paragraph 30, page 19, Meeting housing demand, House of Lords Built Environment Committee, 10 January 2022

Housing delivery and affordability

- 5.7 The correlation between net completions and the affordability of housing in South Staffordshire reveals an important pattern, which is summarised below.
- 5.8 The lower quartile and median affordability ratios are published every 12 months by the Office for National Statistics (ONS) and the median ratio is used to calculate the National Planning Policy Framework's (NPPF) standard method of minimum housing need.
- 5.9 Figure 5.1 presents the change in the lower quartile and median affordability ratios for South Staffordshire since 2011/12, against the housing requirement of the adopted South Staffordshire Core Strategy (up to 2017) and the NPPF's standard method for calculating minimum housing need (2018 onwards). Net overall housing completions are also included to measure performance against the requirement/need.

Figure 5.1: Median affordability ratio and housing completions in South Staffordshire



Sources: ONS, South Staffordshire Annual Monitoring Reports

- 5.10 Figure 5.1 illustrates how the median affordability ratio has risen from 7.88 in 2012 to 8.63 in 2023 (10% increase), whereas the lower quartile affordability ratio has risen from 8.39 to 9.98 over the same period (19% increase).
- 5.11 These increases have occurred despite the Council's delivery remaining marginally ahead of the requirement/need up to 2021, and significantly exceeding need in 2022

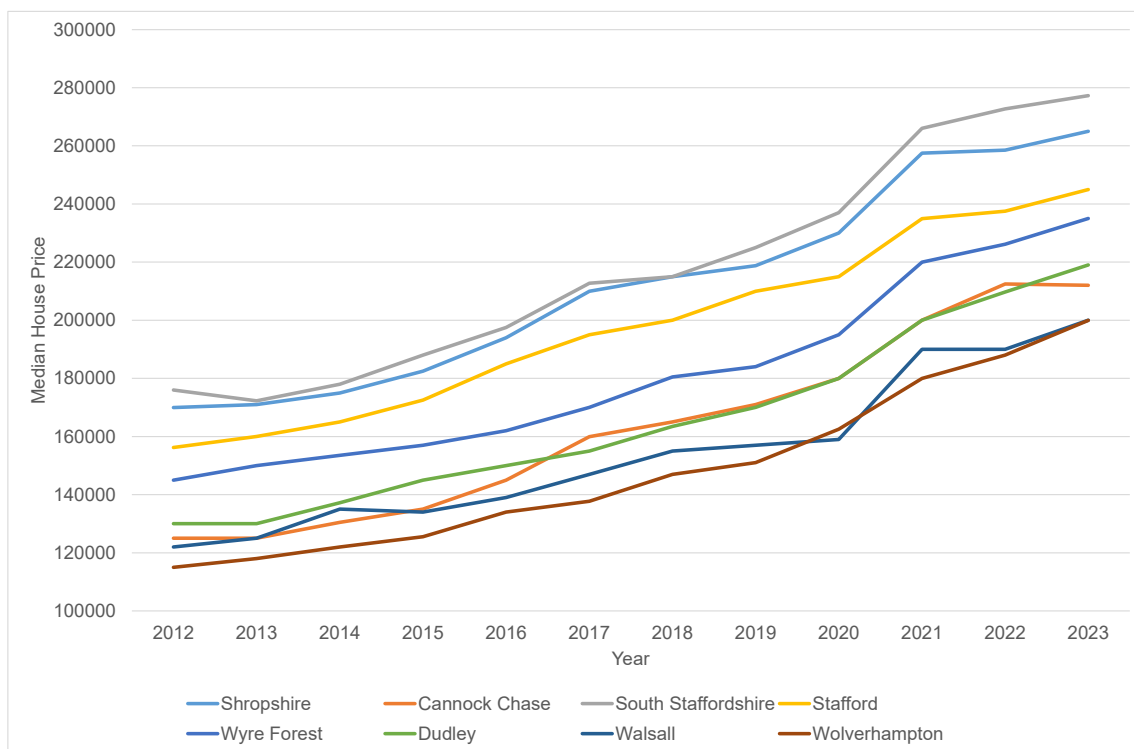
and 2023.

- 5.12 This indicates that this excess delivery above and beyond the need/requirement has failed to alleviate affordability issues in the District. Indeed, the 19% increase in the lower quartile ratio means South Staffordshire has experienced the 14th highest increase of 30 local authorities in the West Midlands.
- 5.13 The 2022 lower quartile ratio of 9.98 was the 4th highest ratio of the 30 authorities in the West Midlands, and significantly higher than the West Midlands average (7.05) and the England average (7.37).
- 5.14 The lower quartile ratio concerns those properties which are the most reasonable. The fact that residents on a lower quartile income would need 9.98x their income to afford a lower quartile priced home emphasises the affordability challenges faced by those who are most vulnerable in South Staffordshire.

House Prices in South Staffordshire

- 5.15 The increase in house prices across the country over the recent past has been significant. South Staffordshire has experienced a 51% increase in median house prices since 2011/12. We have compared this with the figures for the other authorities which share a boundary with South Staffordshire (see Figure 5.2).

Figure 5.2: Median House Price Change 2012-2023



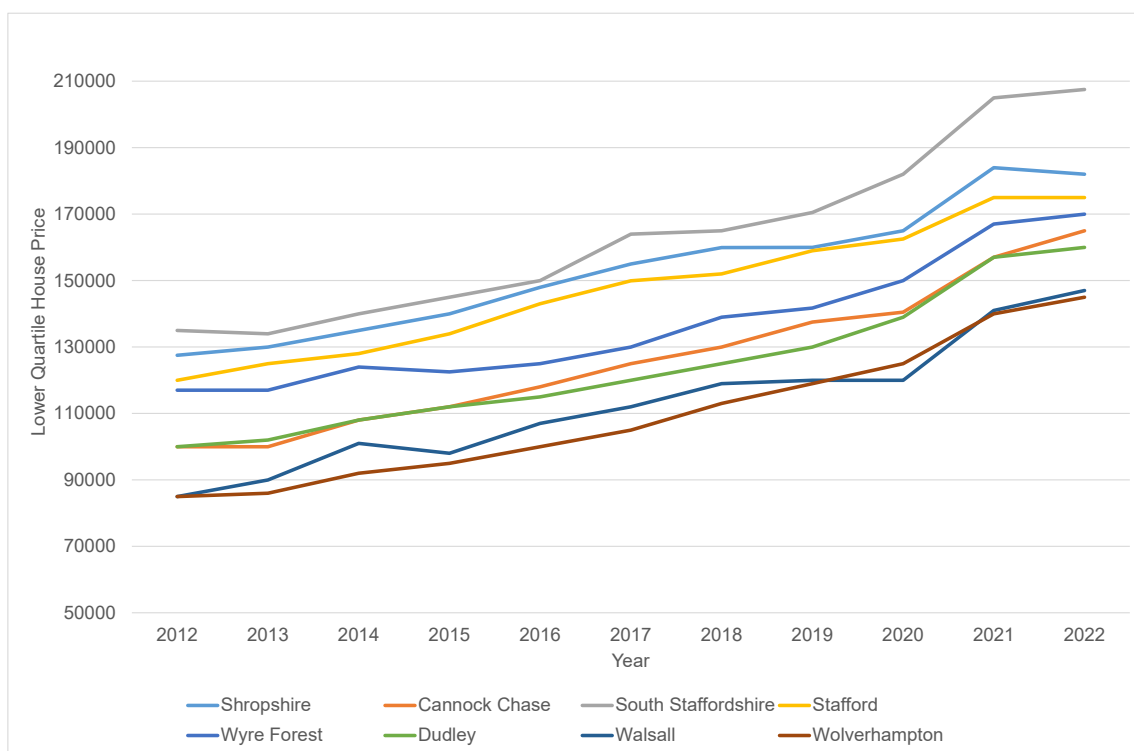
Source: ONS 2023 Median Affordability Ratios, 25 March 2024

5.16 This analysis shows how the increase of 58% in South Staffordshire has been higher than Shropshire (56%) and Stafford (57%), but lower than Cannock Chase (70%), Wyre Forest (62%), Dudley (68%), Walsall (64%), and Wolverhampton (74%) albeit some of these are broadly comparable with South Staffordshire.

5.17 However as of 2023 South Staffordshire's median house price is the highest of all eight local authorities at £277,250 and the only authority to have experienced an increase of £100,000 or more since 2012.

5.18 Table 5.3 (below) presents the lower quartile house price change over the 2012-2022 period (2023 is not yet available).

Figure 5.3: Lower Quartile House Price Change 2012-2022



Source: ONS 2022 Lower Quartile Affordability Ratios, March 2023

5.19 This analysis shows how the increase of 54% in South Staffordshire has been higher than Shropshire (43%), Stafford (46%), and Wyre Forest (45%), but lower than Cannock Chase (65%), Dudley (60%), Walsall (73%), and Wolverhampton (71%).

5.20 However similarly to the median house price, South Staffordshire's lower quartile house price is the highest as of 2022 at £207,500, and also experienced the highest absolute increase (£72,500) over the period analysed.

Summary

5.21 In summary the key points to note from this section are as follows:

- The lower quartile affordability ratio has risen in excess of the West Midlands average since 2012, and is the 4th highest in the West Midlands as of 2022;
- The median and lower quartile affordability ratios have risen over the 2012-2023 and 2012-2022 periods despite housing delivery exceeding Plan/need targets over the same period;
- Median and lower quartile house prices are higher in South Staffordshire than in any of the seven neighbouring authorities;
- The increase in lower quartile house price has exceeded £100,000 in South Staffordshire 2012-2022; the only authority of the eight analysed to increase by this much;
- South Staffordshire's median and lower quartile house prices are the highest of those eight authorities analysed.

5.22 This analysis shows South Staffordshire has acute affordability issues indicating a need for new housing to drive down prices and make housing more affordable for all. This is particularly acute in the lower quartile house price banding, those market properties which are supposed to be the cheapest and most accessible to prospective buyers.

6. DEMOGRAPHIC FORECASTING SCENARIOS

Introduction

- 6.1 As we have set out in the previous section of this report, Marrons consider that further demographic forecasting scenarios are required to provide an assessment of all possible scenarios of unconstrained housing need for South Staffordshire.
- 6.2 The Planning Practice Guidance (PPG) is clear that the assessment of need must be unconstrained and that unconstrained *need* must be determined before and separately from constraints then being considered to arrive at a housing *requirement*.
- 6.3 This section therefore sets out our approach to demographic modelling and the assumptions we have used.

PopGroup Demographic Forecasting Model

- 6.4 Marrons have used the PopGroup demographic forecasting model to undertake a number of scenarios for growth in South Staffordshire. This includes using a number of assumptions as set out below:
- Migration, fertility, and mortality rates from the 2018-based ONS SNPP principal projection;
 - A population base year of the 2022-based ONS Mid-Year Population Estimates;
 - Office for Budget Responsibility (OBR) economic activity rate projections (2018-based);
 - 2011 Census commuting ratio (in line with the 2024 EDNA Update which states how the 2021 data is too volatile owing to the Covid-19 pandemic's influence on working practices);
 - Unemployment (2.9%) taken from the Council's 2024 South Staffordshire Economic Development Needs Assessment (EDNA) Update;
 - Double jobbing (5%) taken from the Council's 2024 EDNA Update.
- 6.5 Notwithstanding the Draft Plan period starting in 2023, we have used 2020 as the base year of our modelling scenarios due to 2020 being the year from which employment growth is forecast in the 2024 EDNA Update. This also provides us with the same starting population for our scenarios.
- 6.6 Household Formation Rates (HFRs) also have to be added into the model by gender and five-year age group. The household formation rates published since the 2008-based

series are widely regarded to build in suppression in household formation in younger age groups due to worsening affordability since 2001.

6.7 In this context we have used the following approaches to household formation rates in our modelling scenarios.

1. **2014 HFRs all ages** – no adjustment to the HFRs used in the NPPF's standard method, i.e. with suppression built in;
2. **2014 HFRs (50% return)** – 50% return to 2008-based HFRs over a 10-year period from 2023 in the 25-44 age groups. All other age groups as published in the 2014 HFRs;
3. **2014 HFRs (constant)** – where the projected HFRs decline from 2023 onwards in the 25-44 age groups, we have kept them constant at 2023 levels;
4. **2014 HFRs (return to 2001 rates)** – in this scenario we have returned the HFRs to 2001 levels (i.e., before the affordability of housing began to deteriorate rapidly) over a 10-year period in the 25-44 age group starting in 2023. We note how the 2024 SHMA Partial Update uses a similar approach in disaggregating the housing need to housing types.⁵⁰

Scenarios tested

6.8 In the context of previous analysis set out in this report, our scenarios test what housing need might be for South Staffordshire based on two different economic growth scenarios as follows:

1. **Dwelling-led scenario:** based on the 2024 Draft Plan's housing requirement for South Staffordshire, i.e., 4,086 dwellings 2023-2041 (227 dwellings per annum). Mid-year population estimates recorded by the Office for National Statistics are used for 2020, 2021, and 2022 before the model is constrained to 227 dpa;
2. **Employment-led scenario:** based on growth of 5,326 net additional jobs as set out in the 2024 EDNA Update, adjusted for 5% double jobbing to 5,060 net additional jobs (241 jobs per annum).

⁵⁰ Page 16, Strategic Housing Market Assessment Partial Update – February 2024

Scenario results

6.9 The results of our scenarios are summarised in Tables 6.1 and 6.2 below:

Table 6.1: PopGroup scenario results – Dwelling-led (227 dpa 2023-2041)

| Household Formation sensitivity | Population Growth (per annum) | Jobs Supported (per annum) |
|---------------------------------|-------------------------------|----------------------------|
| 2014 HFRs all ages | 8,897 (494) | 2,650 (147) |
| 2014 HFRs constant | 7,887 (438) | 2,283 (127) |
| 2014 HFRs 50% return | 7,057 (392) | 1,994 (111) |
| 2014 HFRs 2001 return | 4,042 (225) | 920 (51) |

Table 6.2: PopGroup scenario results – Economic-led (5,326 jobs 2020-2041)

| Household Formation sensitivity | Population Growth (per annum) | Housing Need (per annum) |
|---------------------------------|-------------------------------|--------------------------|
| 2014 HFRs all ages | 13,143 (730) | 5,753 (320) |
| 2014 HFRs constant | | 6,177 (343) |
| 2014 HFRs 50% return | | 6,552 (364) |
| 2014 HFRs 2001 return | | 7,932 (441) |

6.10 Table 6.1 illustrates how the housing need determined by the Council for South Staffordshire (4,086 dwellings 2023-2041) would fail to support the 2024 EDNA's conclusion of future employment growth in the District (5,326 jobs 2020-2041, or 227 jobs per annum 2023-2041).

6.11 Furthermore the highest level of employment growth supported by the Council's assessment of need (147 jobs per annum 2023-2041) is predicated on the application of 2014 household formation rates which are accepted to build in household formation suppression in the 25-44 age group.

6.12 Assuming some recovery in household formation in the 25-44 age group would support less job growth (as low as 51 jobs per annum 2023-2041).

- 6.13 Table 6.2 illustrates how housing need would increase to a minimum of 5,753 dwellings, 2023-2041 (320 per annum) to support the 2024 EDNA job growth, albeit this would assume continued household formation suppression in the 25-44 age group.
- 6.14 The second scenario in Table 6.2 assumes that household formation will remain at the suppressed 2014-based rates in 2023 but won't deteriorate any further in the 25-44 age group. This would lead to higher need of 6,177 dwellings (343 per annum).
- 6.15 However some recovery in household formation in the latter two scenarios of Table 6.2 show there would be need of between 6,552 (364 per annum) and 7,932 (441 per annum) dwellings 2023-2041.

Evaluation of the results

- 6.16 Paragraph 67 of the National Planning Policy Framework (NPPF, December 2023) states *“Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period. The requirement may be higher than the identified housing need if, for example, it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.”* (our emphasis)
- 6.17 As we have summarised earlier in this report, strategic objective 6 of the Draft Plan is to *“Develop an economic strategy that seeks to retain existing employment and fosters sustainable economic growth, encouraging inward investment and job creation in key sectors such as advanced manufacturing and providing the skills to enable residents to access these jobs”*⁵¹ and support the aspirations of the Staffordshire and Stoke Local Enterprise Partnership.
- 6.18 In this context Marrons view is that housing need is between 5,753 and 7,932 dwellings 2023-2041 in order to support the Council's own forecast of employment growth (227 jobs per annum). Assuming some recovery in household formation reduces this range to between 6,552 (364 per annum) and 7,932 (441 per annum) dwellings 2023-2041.
- 6.19 To support this further, the Housing and Economic Development Needs Assessment (HEDNA) section of Planning Practice Guidance (PPG) sets out circumstances where housing need might exceed the standard method minimum.

⁵¹ Page 22, South Staffordshire Publication Plan (Regulation 19), April 2024

- 6.20 Amongst other reasons as to why it may be higher than the minimum, PPG states one reason could be where *“growth strategies for the area are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals)”*.⁵²
- 6.21 The PPG also states *“There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”*⁵³ (our emphasis)
- 6.22 In this context, net housing delivery across South Staffordshire was 622 in 2022/23 and 530 dwellings in 2021/22. This illustrates how the economic-led need we have determined in this section of our report is entirely realistic for the Council to deliver.
- 6.23 In this context Marrons view is that housing need is between 6,552 (364 per annum) and 7,932 (441 per annum) dwellings 2023-2041 to support forecast job growth whilst addressing household formation suppression.

⁵² Paragraph: 010 Reference ID: 2a-010-20201216, Planning Practice Guidance, 16 December 2020

⁵³ Paragraph: 010 Reference ID: 2a-010-20201216, Planning Practice Guidance, 16 December 2020

7. UNMET HOUSING NEED IN THE GREATER BIRMINGHAM AND BLACK COUNTRY HOUSING MARKET AREA

- 7.1 Unmet housing need from the Greater Birmingham and Black Country Housing Market Area (GB&BCHMA) and how it may be delivered has been an ongoing issue for several years now, and it remains pertinent now.
- 7.2 It has long been established that Birmingham City Council (BCC) and the Black Country authorities have been unable to meet their housing needs due to restrictive amounts of land in their mainly urban boundaries, and that surrounding local authorities would need to collaborate to deliver these unmet needs.
- 7.3 South Staffordshire Council (SSC) is part of the GB&BCHMA and acknowledges its role in delivering some of the unmet need. The Regulation 19 Draft Local Plan currently being consulted on therefore commits to delivering 640 dwellings of the HMA's unmet need. This is a reduction from a contribution of 4,000 dwellings in previous iterations of the emerging Local Plan.
- 7.4 In this section we consider what the unmet need for the HMA currently is, and whether this indicates that SSC should be planning to deliver more than the 640 dwellings indicated in the Draft Plan.

South Staffordshire's proposed contribution to the GB&BCHMA's unmet need

- 7.5 The November 2022 iteration of the SSC Draft Plan proposed the delivery of 4,000 dwellings towards the GB&BCHMA's unmet housing need. This has been significantly reduced to 640 dwellings in the 2024 Draft Plan being consulted on.
- 7.6 The Council's reasoning for this is two-fold as follows:
1. *"In December 2023 the updated NPPF was published and confirmed that there is no requirement for Green Belt boundaries to be reviewed or changed when Local Plans are being prepared and that it is within authorities' gift to choose to review Green Belt boundaries through the Local Plan where they feel that exceptional circumstances for doing so exist and these can be fully evidenced and justified."*
 2. *"The delay to preparation of the Local Plan means that the Strategic Growth Study (2018) on which the previous 4,000 home contribution was based is no longer up to date. Proposals for updated evidence considering the housing market area shortfalls and potential growth locations are currently in discussion across the West Midlands Development Needs Group and South Staffordshire is committed to participating in*

*updating the evidence base and considering its findings through future plan-making.”*⁵⁴

7.7 The Council have therefore applied a strategic approach listed as follows in their ‘Spatial Housing Strategy Topic Paper’ (April 2024):

- Meet the District’s own housing needs only, through sustainable non-Green Belt development and limited Green Belt development only to meet existing critical infrastructure needs;
- Meet the District’s own needs and provide a limited contribution towards the unmet needs of the GBBCHMA, through sustainable non-Green Belt development and limited Green Belt development in Tier 1 settlements well-served by public transport.⁵⁵

7.8 The Council therefore describe the approach as follows: *“the overall level of growth is determined by the capacity of the suitable sites that align with the strategic approaches outlined.”*⁵⁶

The extent of unmet housing need in the GB&BCHMA

7.9 When the BCC Local Plan was adopted in 2017, it stated that its unmet housing need equated to 37,900 homes between 2011 and 2031. In late 2022 BCC formally commenced the review of its plan and estimated a shortfall of 78,415 homes (2022-2042) in its Issues and Options document based on the Standard Method calculation of minimum housing need.

7.10 Furthermore, although progress on a joint Local Plan for the Black Country local authorities has now ceased, a Regulation 18 Draft Black Country Plan (2021) estimated a shortfall of 28,239 homes (2018-2039) based on the Standard Method’s minimum housing need.

7.11 This indicates an unmet need of 106,654 dwellings in the HMA before contributions of other local authorities are taken account of. This means that SSC’s contribution is now only 0.6% of the unmet need.

7.12 The most recent ‘*Greater Birmingham and Black Country Housing Market Area (GB&BCHMA) Position Statement Addendum, April 2023*’ stated that contributions from HMA authorities amount to 18,181 dwellings in total. This leaves a significant shortfall

⁵⁴ Paragraph 5.12, page 28, South Staffordshire Publication Plan, April 2024

⁵⁵ Paragraph 2.6, Spatial Housing Strategy Topic Paper, April 2024

⁵⁶ Paragraph 2.7, Spatial Housing Strategy Topic Paper, April 2024

of nearly 90,000 dwellings in unmet need up to circa 2040 in the HMA which the HMA local authorities should be helping to deliver.

7.13 In the context of the above, Marrons have undertaken their own analysis of unmet need for the 2020-2031 and 2031-2042 periods, as set out in Tables 7.1 and 7.2 below.

7.14 Our approach is based on a pro-rata calculation of the provision which the GB&BCHMA authorities plan to provide for the unmet need identified by Birmingham City Council and the Black Country authorities, over the respective local authorities Plan periods.

7.15 For example South Staffordshire intend to provide 640 dwellings towards the unmet need. Their proposed Plan period is 18 years, so $640/18=36$ dwellings per annum. The Plan starts in 2023, and 2023-2031 is 8 years, so $36 \times 8 = 288$ dwellings towards the unmet need up to 2031.

Table 7.1: Unmet need in the Greater Birmingham and Black Country Housing Market Area to 2031

| GB&BCHMA Local authorities | Plan period | Standard Method Need per annum | Local Plan Housing Requirement/ Capacity per annum | Total unmet housing need over Plan period | Pro rata unmet need to 2031 | Pro rata delivery of unmet need to 2031 | Remaining unmet Need to 2031 |
|----------------------------|-------------|--------------------------------|--|---|-----------------------------|---|------------------------------|
| Birmingham | 2020-2042 | 7,174 | 3,221 | -86,966 | 43,483 | - | |
| Bromsgrove | 2023-2040 | 386 | 398 | - | - | - | |
| Cannock | 2018-2040 | 248 | 287 | - | - | 295 | |
| Lichfield | 2018-2040 | 289 | 319 | - | - | 1,575 | |
| Redditch | 2011-2030 | 143 | 337 | - | - | - | |
| Solihull | 2020-2036 | 866 | 938 | - | - | 1,447 | |
| Tamworth | 2022-2043 | 123 | 141 | - | - | - | |
| North Warwickshire | 2014-2033 | 163 | 436 | - | - | 4,009 | |
| Stratford-on-Avon | 2011-2031 | 553 | 730 | - | - | 3,250 | |
| Dudley | 2023-2041 | 657 | 604 | -954 | 479 | - | |
| Sandwell | 2022-2041 | 1,550 | 588 | -18,278 | 8,373 | - | |
| Walsall | n/a | 906 | 907 | - | - | - | |
| Wolverhampton | 2022-2042 | 1,096 | 486 | -12,200 | 5,395 | - | |
| South Staffs | 2023-2041 | 227 | 263 | - | - | 288 | |
| OTHER AUTHORITIES | | | | | | | |
| Shropshire | 2018-2036 | n/a | n/a | n/a | - | 1,083 | |
| TOTAL | | 14,381 | 9,655 | 118,398 | 58,055 | 11,947 | 46,108 |

N.B. Lichfield Borough Council's contribution is under review through their emerging Local Plan. In the event that their contribution is removed the remaining unmet need would increase to 47,683 dwellings to 2031.

7.16 Table 7.1 illustrates how there would be a remaining unmet need of 46,108 dwellings in the GB&BCHMA up to 2031 if the local authorities planning to deliver some of the GB&BCHMA's unmet need do so on a pro rata basis.

7.17 Table 7.2 takes the same approach as Table 7.1 but looks further forward from 2031 to 2042, this being the final year of the emerging Birmingham Local Plan.

Table 5.2: Unmet need in the Greater Birmingham and Black Country Housing Market Area 2031-2042

| GB&BCHMA Local authorities | Plan period | Standard Method Need per annum | Local Plan Housing Requirement/ Capacity per annum | Total unmet housing need over Plan period | Pro rata unmet need to 2031 | Pro rata delivery of unmet need to 2031 | Remaining unmet Need 2031-2042 |
|----------------------------|-------------|--------------------------------|--|---|-----------------------------|---|--------------------------------|
| Birmingham | 2020-2042 | 7,070 | 3,221 | -86,966 | 41,789 | - | |
| Bromsgrove | 2023-2040 | 398 | 398 | - | - | - | |
| Cannock | 2018-2040 | 252 | 287 | - | - | 207 | |
| Lichfield | 2018-2040 | 310 | 319 | - | - | 1,385 | |
| Redditch | 2011-2030 | 149 | 337 | - | - | - | |
| Solihull | 2020-2036 | 797 | 938 | - | - | 658 | |
| Tamworth | 2022-2043 | 122 | 141 | - | - | - | |
| North Warwickshire | 2014-2033 | 165 | 436 | - | - | 464 | |
| Stratford-on-Avon | 2011-2031 | 555 | 730 | - | - | - | |
| Dudley | 2023-2041 | 652 | 604 | -954 | 599 | - | |
| Sandwell | 2022-2041 | 1,566 | 588 | -18,278 | 10,233 | - | |
| Walsall | n/a | 907 | 907 | - | - | - | |
| Wolverhampton | 2022-2042 | 1,083 | 486 | -12,200 | 6,593 | - | |
| South Staffs | 2022-2039 | 227 | 535 | - | - | 356 | |
| OTHER AUTHORITIES | | | | | | | |
| Shropshire | 2018-2036 | n/a | n/a | n/a | - | 417 | |
| TOTAL | | 14,253 | 9,020 | 118,398 | 59,123 | 3,487 | 55,636 |

N.B. Lichfield Borough Council's contribution is under review through their emerging Local Plan. In the event that their contribution is removed the remaining unmet need would increase to 57,021 dwellings 2031-2042.

7.18 Our calculations in Table 7.2 indicate that at present, there would be an unmet need of 55,636 dwellings, 2031-2042.

7.19 This means that between 2020 and 2042 we have calculated there to be outstanding unmet need of 101,744 dwellings in the GB&BCHMA after the provision in emerging and existing Local Plans are taken account of.

7.20 As a constituent member of the GB&BCHMA it is questionable as to whether the 640 dwellings to meet unmet need proposed by SSC is adequate in the context of outstanding unmet need being circa 100,000 homes over the next 20 years.

7.21 In this context the Spatial Housing Strategy Topic Paper (April 2024) prepared to support the 2024 Draft Plan includes nine spatial housing strategies including the delivery of either 640 dwellings, 2,398 dwellings, or 4,000 dwellings as a contribution to the GB&BCHMA's unmet housing need. The analysis set out in this section justifies the provision of at least 4,000 dwellings to the unmet need, which would represent 3.9%

of all unmet need to 2031. At present the proposed contribution would represent 0.6% of the unmet need.

Summary

- 7.22 In summary, SSC has a responsibility to assist in addressing significant unmet housing need from the GB&BCHMA alongside the other local authorities of the HMA and this should come into the consideration of unconstrained housing need in line with PPG.
- 7.23 It is questionable whether a contribution of 640 dwellings to the significant unmet need we have identified is satisfactory. As we have summarised, we consider the outstanding unmet need beyond the provision of existing/emerging Local Plans is approximately 101,000 homes over 22 years although this will increase further if Lichfield Council remove their contribution through their emerging Plan.
- 7.24 The contribution of 4,000 dwellings set out in the November 2022 Draft Plan for South Staffordshire remains justified and Marrons consider this should be the minimum contribution considered.
- 7.25 A housing need formed of a 4,000 dwelling contribution to the GB&BCHMA, plus the 6,552 to 7,932 dwellings Marrons have determined to constitute economic-led housing need would equate to between 586 and 663 dwellings per annum over the Plan period.
- 7.26 This is considered realistic in the context of the Council delivering 622 net completions in 2022/23.

8. SUMMARY AND CONCLUSIONS

- 8.1 This report has considered the assessment of unconstrained housing need for South Staffordshire Council, in the context of Planning Practice Guidance (PPG) which states how the assessment of housing need should be unconstrained and could exceed the National Planning Policy Framework's (NPPF) standard method calculation of minimum housing need for a variety of reasons.
- 8.2 The assessment of housing need has been prepared to support representations to the South Staffordshire Council Publication Plan: A New Development Strategy for South Staffordshire 2023-2041 (Regulation 19) April 2024 (hereafter referred to as the Draft Plan).
- 8.3 The Draft Plan carries forward the Council's Strategic Housing Market Assessment Partial Update's (February 2024 SHMA) conclusion that housing need is 4,086 dwellings 2023-2041 for South Staffordshire, into the housing requirement of the Draft Plan. In addition the Draft Plan allocates an additional 640 dwellings for unmet housing need from the Greater Birmingham & Black Country Housing Market Area (GB&BCHMA).

Housing need and employment growth

- 8.4 Marrons analysis shows there to be a higher level of housing need in South Staffordshire if homes and jobs are to balance.
- 8.5 The Council's South Staffordshire Economic Development Needs Assessment Update (March 2024) forecasts an increase of 5,326 new jobs 2020-2041. However the February 2024 SHMA does not determine how many homes would be required to support this job growth, despite doing so in the 2022 SHMA which underpinned the 2022 version of the Draft Plan.
- 8.6 Marrons have therefore used demographic forecasting software to determine that the housing need determined by the Council (4,086 dwellings 2023-2041) will only serve to support between 51 and 111 jobs 2023-2041. This is based on some recovery to household formation suppression over the next decade.
- 8.7 Having established the Council's housing need will not support the Council's forecast job growth, we have determined there to be a need for between 364 and 441 dwellings per annum (dpa) to do so. This also assumes some recovery from suppressed household formation.

- 8.8 In the context of the Council delivering 530 and 622 net dpa in the past two monitoring years we consider this to be realistic.

Affordable housing need

- 8.8 The Draft Plan states that *“Increasing the provision of affordable housing is a key priority of the council”*.
- 8.9 The Council's 2022 SHMA determined affordable need to be 67 affordable dpa (adpa, 35% affordability threshold), 111 adpa (30% threshold), and 156 adpa (25% threshold). It also determined that affordable need would be 304 dpa if home ownership was the market access point.
- 8.10 There has been net delivery of 800 affordable dwellings 2011/12 to 2022/23, or 502 since the start of the 2022 SHMA's housing need assessment period (2018-2040) which was based on the November 2022 Regulation 19 Draft Plan period.
- 8.11 Net affordable completions therefore account for 23.3% % of all net housing completions 2011/12 to 2022/23 and 26.9% 2018/19 to 2022/23. Continuing net affordable delivery at these rates would require overall housing need which exceeds the overall housing need for South Staffordshire (227 dpa) determined by the 2024 SHMA Partial Update if affordable need were to be met in full.
- 8.12 The need for affordable housing is emphasised by the housing waiting list which has increased by 73% since 2014 to 936 households. In addition the most recent year (2022/23) recorded the highest number of households owed a relief duty for homelessness.
- 8.13 The PPG states *“an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes”* and in the context of need and delivery set out above the Council should explore all options to deliver more than the standard method minimum it is promoting through the Draft Plan in order to deliver much needed affordable housing.

Market signals (affordability)

- 8.14 The affordability situation in South Staffordshire excludes many people from accessing the housing market, leading to the demand for affordable housing summarised above.
- 8.15 This is perhaps best represented by the lower quartile affordability ratio which has risen in excess of the West Midlands average since 2012, and is the 4th highest ratio of 30 local authorities in the West Midlands as of 2022. This means the most reasonable of

market housing is particularly unaffordable in South Staffordshire compared with other authorities in the region.

- 8.16 It is important to note how the median and lower quartile affordability ratios have risen over the 2012-2023 (median) and 2012-2022 (lower quartile) periods despite housing delivery exceeding Plan/need targets over the same period.
- 8.17 In the context of authorities with which it shares a boundary with, median and lower quartile house prices are higher in South Staffordshire than in any of the seven neighbouring authorities. Furthermore the increase in lower quartile house price has exceeded £100,000 in South Staffordshire 2012-2022; the only authority of the eight analysed to increase by this much. In addition South Staffordshire's median and lower quartile house prices are the highest of those eight authorities analysed.

Unmet need in the Greater Birmingham and Black Country Housing Market Area

- 8.18 Our analysis shows there to be an outstanding need of over 100,000 homes in the Greater Birmingham & Black Country Housing Market Area (GB&BCHMA) against minimum housing need, notwithstanding what is allocated by the HMA authorities to contribute to the unmet need.
- 8.19 South Staffordshire's decision to reduce their contribution to unmet need from 4,000 dwellings to only 640 dwellings is not considered to be justified on this basis.

Overall conclusions and way forward

- 8.20 Marrons consider that the evidence set out in this report provides robust analysis showing that unconstrained housing need in South Staffordshire exceeds the NPPF's standard method minimum.
- 8.21 Marrons conclude that unconstrained housing need for South Staffordshire is at least 6,552 to 7,932 dwellings over the Plan period (364 dpa to 441 dpa) to meet forecast employment growth in the Council's evidence base.
- 8.22 This is considered entirely realistic in the context of 530 and 622 net dwelling completions in the past two monitoring years.
- 8.23 An allowance for unmet need from the GB&BCHMA should also be added, and the analysis we have provided of the extent of unmet need indicates that the previous draft Plan allocation of 4,000 homes to this unmet need is justified. This would increase overall need to between 586 and 663 dpa which remains realistic in the context of the net completions previously referred to.