

South Staffordshire Local Plan Review

Examination in Public

Hearing Statement for Matter 4

On behalf of Persimmon Homes

Author: KF/AG



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1. INTRODUCTION

- 1.1. Pegasus Group is instructed by Persimmon Homes (Persimmon) to respond to the South Staffordshire Local Plan Examination: Matters, Issues and Questions produced by the Inspectors appointed to hold an independent examination of the South Staffordshire Local Plan Review 2023–2041 (the Plan).
- 1.2. This Statement relates to Matter 4 and it's respective MIQ's as identified by the Inspectors. Separate Statements have been prepared and submitted in relation to Matters 3, 5, 6, 7 and 8, and this Introduction has been duplicated across all Statements.
- 1.3. Persimmon are promoting land at Cherrybrook Drive, Penkridge, which is identified as a proposed allocation in the Plan at Policy SA5 as 'Site Ref 005 Land at Cherry Brook' with a minimum capacity of 88 homes. For accuracy, it should be noted that the name of the site/road is 'Land at Cherrybrook Drive', and this should be amended throughout the Plan.
- 1.4. Persimmon Homes has previously submitted details of the Site through the Regulation 18 Preferred Options Plan, as well as the earlier iteration of the Regulation 19 Publication Plan document consulted upon in 2022. These earlier representations included the production of a Vision Document to demonstrate how the site could be delivered; the Vision Document is attached again for ease at Appendix 1 of the Matter 7 Hearing Statement.
- 1.5. The site extends to some 4.2ha and is located in the highly sustainable settlement of Penkridge. It sits immediately north of the existing residential area and adjoining the current settlement boundary for Penkridge.
- 1.6. The Site is subject of a long-standing allocation as 'Safeguarded Land' under Policy GB4 of the South Staffordshire Local Plan 1996. This was subsequently replaced by Policy GB2 of the Core Strategy upon its adoption in December 2012. Policy SAD3 of the Site Allocations Document (2018) retained the Site's 'Safeguarded Land' status. It is the last and only remaining of the 1996 safeguarded sites to be brought forward with a positive allocation, the others having all since been developed.
- 1.7. The site is also now the subject of a live full planning application for 88 homes under LPA ref 25/00004/FULM, as illustrated below.



- 1.8. Persimmon's previous submissions to the Regulation 19 consultation, remain before the Examination. This Hearing Statement though, necessarily reflects the current position in relation to the relevant MIQs, having regard to the SoCG agreement reached with the Council and signed by them on 10th June 2024, and the Inspectors' specific questions.
- 1.9. This Plan has been brought forward under the December version of the NPPF, and references throughout this Hearing Statement are to that NPPF unless expressly indicated otherwise.

2. MATTER 4: DEVELOPMENT NEEDS AND REQUIREMENT

Issue 1: Whether the identified future housing need and requirement set out in the Plan are justified, effective, and consistent with national policy. [Focus: Policy DS4]

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. Under the December 2023 Standard Method, the minimum number of homes required per annum in South Staffordshire is 223 dwellings, which equates to a minimum requirement of 4,014 dwellings over the plan period. This is slightly less than the 4,086 dwellings identified in the Plan, which has been calculated based on a higher minimum need of 227 dwellings per annum (the previous outcome in early 2024). It is considered that this has been calculated appropriately, in line with the advice and methodology in the Planning Practice Guidance (PPG).

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

- 2.2. Yes. The National Planning Policy Framework (NPPF) and PPG are clear that the standard method simply establishes the minimum number of homes, not the maximum, needed per annum – it serves as a starting point (NPPF Paragraph 61). Notably, Paragraph 61 of the NPPF also states that 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, and Paragraph 67 adds that a housing requirement may be higher to reflect growth ambitions linked to economic development and infrastructure investment.
- 2.3. Policy DS4 sets out that the Council will deliver a minimum of 4,276 dwellings over the plan period, with this figure comprising 4,086 dwellings for South Staffordshire, and 640 dwellings to contribute towards the unmet needs of the Greater Birmingham and Black Country Housing Market Area (GBBCHMA). As noted in the Regulation 19 representations submitted on behalf of Persimmon in May 2024, this is a significant decline from the 9,089 dwellings (including 4,000 to address unmet needs) included in the previous Regulation 19 Publication

Plan in 2022. The need to address the overwhelming shortfalls in the GBBCHMA under the duty to cooperate, and to ensure a positively prepared plan, would provide clear justification for a higher housing figure. This matter is discussed in more detail in relation to questions 3 and 5 below.

2.4. The May 2021 Strategic Housing Market Assessment (Doc **SSD/ED15**) identifies at Table 6.4 that the total annual need for affordable housing across South Staffordshire, dependent on affordability thresholds, ranges from 128 dwellings per annum to 418 dwellings per annum.

2.5. Paragraph 2A-024 of the PPG makes provision to encourage local authorities to consider increasing planned housing numbers where this can help to meet the identified affordable need:

"The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes."

2.6. The council should demonstrate through evidence that they have considered this matter. It is considered that an affordable housing need could be a clear justification for an increase in the total housing requirements to be planned for.

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?

2.7. Whilst the Standard Method has been used as the starting point for calculating the number of homes needed for South Staffordshire, in line with national policy, Persimmon have significant concerns regarding the level of homes proposed in the Local Plan, having particular regard to the need to comply with the duty to cooperate and make an appropriate, justified contribution towards meeting the unmet needs of neighbouring authorities; this is necessary to ensure a positively prepared plan. Whilst the 4,726 figure includes a contribution of 640 dwellings to meet the unmet needs of the GBBHMA, this is unjustified, with the evidence suggesting that further additional homes to contribute towards this need are required, and thus a higher housing requirement in the Local Plan.

- 2.8. No account has been given to the District's relationship with the City of Wolverhampton, for which the 35% standard method uplift figure is applicable under the December 2023 NPPF. Whilst Paragraph 4.14 of South Staffordshire's SHMA update (2024) identifies that part of Wolverhampton falls within South Staffordshire's authority boundary, it is suggested by the Council that this does not need to be accounted for within South Staffordshire Local Plan's housing requirement. According to Wolverhampton's Publication Plan, dated November 2024, there is a substantial shortfall of 10,398 homes (paragraph 1.111) within Wolverhampton. The latest evidence confirms that there continue to be severe shortfalls elsewhere in the GBBCHMA; for example, Birmingham recently identified a shortfall in their Preferred Options Document, dated July 2024, of 46,153 dwellings.
- 2.9. The shortfall across the GBBCHMA area is also evident in Doc **SST/ED11** submitted to the Examination and dated 29 November 2024. The 29 November 2024 Statement identified that the shortfalls across all HMA authorities (Birmingham, Bromsgrove, Cannock Chase, Dudley, Lichfield, North Warwickshire, Redditch, Sandwell, Shropshire, Solihull, South Staffordshire, South Warwickshire, Tamworth, Telford & Wrekin, Walsall, Wolverhampton and Wyre Forest) for the period 2023–2042 totals 76,427 dwellings. It also recognises that the figures it identifies could change as local plans progress.
- 2.10. Contributions toward unmet need are also set out in the Paper where proposed. The Paper is also referred to as a 'statement of common ground', which seeks to set out an agreed approach between the contributing authorities (Shropshire, Cannock Chase, South Staffordshire and Telford & Wrekin) and the receiving authorities (Black Country authorities and Birmingham) on how the contributions will be apportioned amongst relevant authorities, where the apportionment is based on net migration flows between the exporting local authority and each of the receiving authorities.
- 2.11. Whilst that apportionment is not considered in detail in this paper, the agreement itself is already out of date. Since its publication:
- 1) The Inspectors for the Shropshire Local Plan have recommended its withdrawal, and the Council have confirmed (see letter at **Appendix 1**) that they are recommending withdrawal of the Plan to Full Council. This means that the proposed contribution will not be coming forward from that draft Plan.

2) The NPPF published in December 2024 introduced a new standard method for calculating local housing need. Whilst this has resulted in a significant reduction in need for Birmingham, plus reductions for Sandwell and Wolverhampton (very minor) all other authorities in the GBBCMA area will have increased housing requirements. Unmet need is therefore likely to increase across the area, and the Duty to Co-Operate (and its replacement, once enacted following the Levelling Up and Regeneration Act 2024), will remain important.

3) Amended Local Plan legislation is also proposed to be enacted (through the LURA) in 2025. This will result in amended requirements for plan-making where a large number of authorities, including South Staffordshire will be in immediate Plan review as their housing targets in current /emerging Local Plans are less than 80% of the new standard method requirements.

2.12. Notwithstanding the shortcomings of the November 2024 GBBCMA Paper, it is evident that the 'significant housing shortfall across the HMA' that is acknowledged is only likely to increase.

2.13. The Spatial Housing Strategy Topic Paper (2024) (Doc **EB14**) continues to recognise the relationship between the District and adjoining GBBCMA authorities and the opportunity to deliver unmet housing needs along the north/north-western edge of the Black Country to minimise the extent to which households from these areas are displaced from existing communities, jobs and education. The Topic Paper at Paragraph 4.10 concluded that *'if unmet housing needs were located in close proximity to Wolverhampton and Walsall (i.e. along the north-western and northern edges of the Black Country) then this may minimise the extent to which households from these two areas are displaced from their existing communities, jobs and education'*.

2.14. Taking into account that South Staffordshire adjoins the conurbation and can thus address unmet needs closest to where this exists, and with the district falling within a Functional Economic Market Area with significant cross-boundary flows and high commuting ratios (as acknowledged in paragraph 5.9 of the SHMA, Doc **SSD/ED15**), Persimmon affirm that it would be appropriate for South Staffordshire to absorb a greater, proportionate amount of unmet need on sustainable sites on the edge of the conurbation, in order to accord with national policy and the duty to cooperate, for Policy DS4 to be positively prepared and sound.

2.15. The Local Plan and SHMA also notably fail to consider the impact of committed development at the HS2 West Midlands Interchange, which is projected to create 8,500 new jobs, and up

to 8,100 indirect jobs off-site. This, and the additional job creation arising from the committed strategic employment developments at i54 and ROF Featherstone, will have a *“profound effect on the local and sub-regional property market”*, as acknowledged in Paragraph 4.22 of the EDNA (Doc Ref **EB45**). The resulting demand for more housing in the GBBCHMA ought to be factored into the housing requirement for South Staffordshire. As noted above, Paragraph 67 of the NPPF states that the housing requirement may be greater to reflect economic growth ambitions and planned infrastructure development. In not doing so, Policy DS4 is unsound in this regard.

- 2.16. In summary, Policy DS4 is unjustified and not positively prepared having regard to the shortfall of housing across the GBBCHMA, the district’s role in the Functional Economic Market Area, and the economic and infrastructure needs of the sub-region, and resulting additional demand for housing this is likely to create. Persimmon consider that increasing the contribution towards unmet need in the GBBCHMA will remedy this, so that South Staffordshire is contributing a substantial, albeit appropriate, quantum of housing in line with the duty to cooperate, grounded in evidence, in sustainable locations adjacent to the conurbation where this need exists. This is discussed in greater detail in response to question 5 below, but, in short, the quantum proposed in the 2022 Publication Plan is considered to be more appropriate and justified (4,000 units), which would result in a minimum housing requirement in Policy DS4 of **8,086 dwellings** over the plan period.

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

- 2.17. 10% is down from 13% in the 2022 Publication Plan and given the significant reduction in the number of homes in the housing requirement, it is affirmed that the buffer should have remained the same or even increased further. This is because, with a reduced supply, there will be a proportionately greater impact if sites do not come forward. It is considered that such a low buffer is unjustified, unless and until the Council significantly increases the housing requirement closer to the 2022 figure, for the reasons argued in response to question 3 above, which would result in a need for comparatively less flexibility, in which case 10% may be an appropriate and justified figure.

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?

- 2.18. No. As noted in response to question 3, a contribution of 640 dwellings towards the unmet need in the GBBCHMA is insufficient and is not grounded in evidence, meaning that this figure is unjustified, and would result in a policy that is unsound when considered against the latest evidence. It is imperative for South Staffordshire to make a substantial, but appropriate, contribution in line with the duty to cooperate, and having regard to its location adjacent to the conurbation, cross-boundary flows, and economic and infrastructure investment which will increase demand for housing in the GBBHMA.
- 2.19. South Staffordshire's 4,000-dwelling contribution towards addressing unmet needs within the GBBCHMA was derived from the *Greater Birmingham HMA Strategic Growth Study* (2018) (Doc Ref **EB28**) and an updated study is yet to be produced. However, the November 2024 Position Statement (Doc Ref **SST/ED11**) identifies that a significant shortfall remains across the GBBCHMA area, and that is set to worsen with regard to the withdrawal of Plans from examination and the introduction of the new standard method, again as set out above.
- 2.20. On this basis, and with regard to the latest agreed position statement that continues to identify a significant shortfall, a 4000-dwelling contribution can be justified, and thus Persimmon affirm that this quantum of development is required to ensure a sound policy and plan.
- 2.21. **6. In terms of the capacity of housing site allocations, is the approach to calculating the minimum capacity for each housing allocation sound?**
- 2.22. No comment.



Appendix 1: Shropshire Local Plan Letter to Inspector

Inspectors:

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Date: 13th March 2025

Shropshire Council Response to Inspectors Correspondence ID48

Dear Inspectors,

Thank you for your letter of 17th February, which the Council received on 4th March 2025, setting out your response to the Council's letter GC56.

Clearly, the Council are hugely disappointed by your conclusions, the outcome of which provides no route to the adoption of the draft Local Plan. The choice now facing the Council is whether to agree to withdraw the Plan further to your recommendation, or to request you prepare a final report, of which you have already set out what your conclusions would be.

As the only choices open to the Council result in the same conclusion, the Council therefore recognises ID48 as a decision of the Planning Inspectorate that the draft Local Plan cannot be adopted due to the soundness concerns you have already set out in full in ID47 and within previous correspondence.

Set against the changing picture nationally with regard to Plan making, and in particular the new housing need figures derived from the Government's revised standard methodology, it had already become necessary for the Council to begin work on a new Local Plan later in 2025 regardless of the progress with the examination. However, having responded positively to the majority of your concerns, it remains extremely frustrating that we are now not being allowed an opportunity to undertake the work programme we set out in GC56.

Regarding the rationale for your position set out in ID48, having specifically invited the Council to prepare a project plan (paragraph 67 of ID47), it is now surprising you consider the work required to fulfil this would exceed the definition of 'limited' and could not be carried out in the defined six months. The Council are unaware of any material change in circumstance since the publication of ID47 regarding either your soundness concerns, or the



Government's advice to the Planning Inspectorate regarding the application of pragmatism in these circumstances. Put simply, it is unclear why this position was not reached in ID47, which would have saved the Council both time and expense.

For the avoidance of doubt, the Council continues to consider that the necessary work to address your soundness concerns, as set out in GC56, is capable of being undertaken within a six month period. It is also apparent there is flexibility regarding the application of the six month timetable as demonstrated by recent conclusions of other Local Plan Inspectors.

However, it is clear that despite this, you have concluded that undertaking necessary additional work in accordance with the proposed project plan is no longer an option open to the Council.

On this basis, officers feel that there is little choice but to recommend to elected members that the draft Shropshire Local Plan is withdrawn from the examination.

However, under our Constitution the decision to withdraw the Local Plan from examination requires full Council approval. Because our pre-election period commenced on Monday 10th March, ahead of elections on Thursday 1st May, the first opportunity for full Council to consider this recommendation and reach a decision is likely to be 17th July 2025. As a result, it is our intention to take a report to this meeting with a recommendation that our members provide approval to withdraw the Local Plan from examination.

Therefore, please accept this letter as the Council's intention to withdraw the Plan from examination, and on this basis we would ask that no further work be undertaken by you on the examination. We will write to you formally confirming the decision of Council in due course.

Your sincerely

Eddie West
Planning Policy and Strategy Manager



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