

## **Supplementary Note to the South Staffordshire Local Plan Examination 2025 – Matter 4 (Action 4.1)**

This note has been produced by South Staffordshire Council to supplement the Examination of the South Staffordshire Local Plan. It directly responds to Action 4.1.

**Action 4.1 – Council to provide supplementary note on whether economic aspirations justify an uplift in housing numbers. This should include how the matter was considered in the Sustainability Appraisal.**

1. Through preparation of the Local Plan, consideration has been given to whether an uplift to South Staffordshire's housing need based on the (2023) Standard Method calculation (227 dwelling per annum x 18 years = 4086 dwellings) is justified. This includes consideration of whether economic aspirations justify an uplift to this figure. In order to assess this, it is necessary to consider the district's commuting flows, demographics and job forecasts etc, in order to come to an overall conclusion about whether it is reasonable to uplift or not, as discussed below.

### National Policy context

2. Paragraph 67 of the NPPF confirms the following:

*“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.”*

3. This makes it clear that it may be justifiable for a Council to uplift their housing requirement figure to reflect economic aspirations. Whilst this policy wording therefore allows for an uplift to be considered, this is not a mandatory requirement. The starting point assumption remains as the Standard Method figure being the basis for an authority's housing requirement.
4. Paragraph 86(c) under the 'Building a strong, competitive economy' chapter of the NPPF also references that housing may be needed if the inadequacy of housing is acting as a barrier to economic growth, confirming:

*“Planning policies should: ... seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment”.*

5. However, the Council's evidence does not suggest that inadequacy or lack of housing is acting as a barrier to business growth in South Staffordshire. This view is supported by the responses to the stakeholder engagement exercise

undertaken for the Economic Development Needs Assessment (EDNA) 2022 [EB45], a summary of which can be found at Table 21. Whilst raising a number of issues impacting investment such as cost of construction materials, labour costs and availability of suitable sites, inadequate housing was not identified as being an issue and/or a barrier to business growth.

6. The NPPF (paragraph 11a) is clear that promoting sustainable patterns of development is a fundamental requirement of the plan-making process. Part of considering how a sustainable pattern of development could be realised, is exploring where to locate new development, the interaction between different uses, and how new development fosters opportunities for active travel and public transport use. This is reflected in paragraph 108 of the NPPF that confirms:

*“Transport issues should be considered from the earliest stages of plan-making and development proposals, so that:*

- a) the potential impacts of development on transport networks can be addressed;*
- b) opportunities from existing or proposed transport infrastructure, and changing transport technology and usage, are realised – for example in relation to the scale, location or density of development that can be accommodated;*
- c) opportunities to promote walking, cycling and public transport use are identified and pursued;*
- d) the environmental impacts of traffic and transport infrastructure can be identified, assessed and taken into account – including appropriate opportunities for avoiding and mitigating any adverse effects, and for net environmental gains; and*
- e) patterns of movement, streets, parking and other transport considerations are integral to the design of schemes, and contribute to making high quality places”*

7. Paragraph 109 then adds:

*“The planning system should actively manage patterns of growth in support of these objectives. Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes...”*

8. Given this national policy, the Council therefore considers it is critical that a judgement on whether to increase housing supply to reflect economic aspirations is considered in the context of achieving a sustainable pattern of development, as opposed to a purely numerical exercise of seeking to align jobs and household growth.

#### Existing workplace and commuter trends

9. Commuting inflows and outflows for South Staffordshire have been considered in more detail through the Economic Development Needs Assessment (EDNA) 2022 [EB45] – section 3, and EDNA 2024 [EB44] – section 7. Note that the figures below

are taken from the Census 2011, due to the limitations associated with the Census 2021 commuting flow data as a result of Covid-19, and as set out in the EDNA 2024.

10. The table below shows that there are 36,735 people working in South Staffordshire, with **48%** of these workers in-commuting to South Staffordshire from elsewhere. Meanwhile only 24% of people working in the district, also live in the district (exc. home workers).

	People	% of total working in South Staffs
Live and work in South Staffs	8,981	24%
Home Workers	6,130	17%
No Fixed place	4,049	11%
In commute to South Staffs	17,575	48%
<b>Total Working in South Staffs</b>	<b>36,735</b>	<b>100%</b>

Source ONS: Census 2011

11. The number of people in-commuting into South Staffordshire is considerably less than those out-commuting, meaning South Staffordshire is a net exporter of workforce, as shown in the table below:

	People
In commute to South Staffs	17,575
Out commute from South Staffs	34,428
Net commuting outflow	16,853

Source ONS: Census 2011

12. Of those living in South Staffordshire who work (53,588 people), 34,428 of these people (or **64%**) are working outside of the district. A commuting ratio can also be derived from these figures by dividing the total number of people in South Staffordshire who work (53,588) by the total number of people working in South Staffordshire (36,735). This results in a commuting ratio of 1.459, indicating a significant net out commute. It is notable that the district has a very large out-commute (34,428 people) when compared to South Staffordshire residents living and working in the district (8,981 people).
13. This is reflected in the analysis in Table 5 of the EDNA 2022 [EB45] below, showing that South Staffordshire has the lowest self containment rate of all Staffordshire and Black Country authorities. This indicates that South Staffordshire has a 21% resident self containment rate (the proportion of working residents in an area who also work within that area), and a 34% workplace self containment rate (the proportion of workers in an area who also live within that area). This is reflective of South Staffordshire being a small labour market but one nonetheless dependent on significant gross in-commuting and gross out-commuting flows consistent with very low levels of self-containment.

**Table 5. Commuting Self-Containment Rate – Black Country and Stoke and Staffordshire LEP Authorities**

Local Authority	Resident Self-Containment	Workplace Self-Containment
South Staffordshire	21%	34%
Wolverhampton	55%	53%
Dudley	53%	62%
Walsall	49%	53%
Sandwell	45%	46%
Cannock Chase	40%	52%
Stafford	60%	57%
Stoke-on-Trent	64%	60%
East Staffordshire	59%	54%
Lichfield	37%	42%
Newcastle-under Lyme	39%	47%
Staffordshire Moorlands	40%	60%
Tamworth	42%	55%

*Source: SPRU analysis of 2011 Census data*

14. In summary, the data on commuting flows confirms that South Staffordshire, despite providing for a relatively small labour market, has a very high proportion of gross inflow and outflow commuting, relative to resident and workplace based populations. This supports the EDNA's [EB44 and EB45] findings that South Staffordshire clearly cannot be considered a self contained Functional Economic Market Area, with the evidence demonstrating strongest economic links with the South Staffordshire FEMA authorities of Cannock, Dudley, Stafford, Walsall and Wolverhampton. This very much reflects the nature of South Staffordshire, being a rural district on the edge of a larger conurbation with significant commuting flows into the urban area in particular.

#### Working age population and workplace-based jobs growth over the plan period

15. The Strategic Housing Market Assessment Update 2024 [EB26] undertook demographic modelling, predicting that the working age population (those aged between 18-64) will increase by 1,012 people between 2023 and 2041, which represents growth of 1.5% (see paragraph 5.9-5.10). The EDNA 2024 [EB44] takes the Experian based Growth Scenario which was developed in the EDNA 2022 [EB45] and extends it to cover up to the end of the plan period (2041). The updated Growth Scenario forecast shows a growth of 5,326 additional jobs over the period 2020-2041.
16. It is acknowledged that some representations cite the predicted growth in the working age population (1,012 people) being considerably lower than the forecast jobs growth (5,326 jobs), pointing to this as an indication that an uplift to the housing need figure (based on the Standard Method calculation) may be needed, in order to increase the working age population within South Staffordshire to

support predicted jobs growth. However, it is important to note that the 5,326 jobs figure is a **labour demand figure** from the EDNA's Growth Scenario and should **not be viewed as specific to jobs for South Staffordshire residents**. Rather, it is a workplace-based employment figure for those working in South Staffordshire, and not 'resident and working in South Staffordshire'. The labour demand figure of 5,326 jobs is based on forecasts which take account of factors such as: size of the district, its GDP and size of the sectors in South Staffordshire relative to the region etc. This means that the figure is not an objective assessment of need for jobs that would specifically be filled by South Staffordshire residents.

17. It has also been cited by representors that West Midlands Interchange (WMI) could create 8,500 jobs, and that this is further evidence that an uplift in South Staffordshire's housing supply may be needed. The issue of labour supply and where it will come from to fill the jobs at WMI was analysed through the [West Midlands Strategic Rail Freight Interchange Employment Issues Response Paper – Labour Supply \(2020\)](#) [EB48]. This considered the extensive evidence base that was submitted by the applicant and considered through the DCO examination. This confirmed that WMI was promoted (and accepted) through the examination as having no detrimental impact on the surrounding local economies from a labour supply perspective. This is because the labour catchment is so large that any effect becomes dispersed (South Staffordshire's small 'claim' of 18.8ha of WMI is also reflective of this much larger market area in terms of the sub-regional trends for the logistics sector applied as part of the EDNA's objective assessment of needs for the district).
18. The evidence for the DCO application demonstrates that WMI will draw from a much wider labour catchment<sup>1</sup> and suggests that the majority of the labour supply will be drawn from a large 'reservoir' of unemployed residents in this labour catchment. It will provide some local employment opportunities to South Staffordshire's existing residents that currently commute out, but WMI will principally rely on much more of its labour from outside the district. In other words, the labour supply for WMI is already living in the site's market area, and therefore it is not considered that additional homes are needed to provide additional workforce to support jobs at the site. It is therefore noteworthy that the Secretary of State, in their decision letter (4<sup>th</sup> May 2024) for the application concluded:

*“the Secretary of State is satisfied that the evidence shows that there should be no significant concern as to the availability of an adequate pool of labour to the new jobs” (paragraph 51)*

19. It is therefore not considered that an uplift in housing need is required to ensure there is a pool of labour to support jobs at WMI.

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<sup>1</sup> The position of WMI serving this wider catchment is also reinforced in the findings of the EDNA 2022 [EB45] (see para 0.55)

## How an uplift in housing numbers has been considered through the Sustainability Appraisal

20. Sustainability Appraisal (SA) is a high level assessment intended to inform decision-making by predicting potential significant effects of Plan proposals. In line with the requirements of the Strategic Environmental Assessment (SEA) Regulations, the SA must identify, describe, and evaluate reasonable alternatives to the plan's proposals. There is no prescribed formula or procedure about which aspects of a local plan require reasonable alternatives. In the SA of the South Staffordshire Local Plan Review, this has been undertaken on a consistent basis throughout the plan's preparation, using available secondary data to assess the likely effects of different options. The assessment takes a proportionate approach, focusing on the most realistic and relevant reasonable alternatives rather than examining every possible variation of growth options.
21. In total, the Sustainability Appraisal (SA) has assessed 8 options for varying levels of housing growth over the plan period, termed in the SA as 'residential growth options'. These growth options are not tied to achieving specific strategic outcomes, and therefore the SA has not specifically tested a housing growth figure that is explicitly tied to growth ambitions linked to economic development. However, a comprehensive range of residential growth options have been tested, ranging from delivering 4,086 homes (Option H) to delivering 25,130 homes (Option E), as detailed below. A number of these options could represent an increased housing requirement in response to economic growth in the district.
- Option A: 5,130 homes (OAN 2018)
  - Option B: 7,030 homes (OAN 2018 + 1520 homes)
  - Option C: 9,130 homes (OAN 2018 + 4000 homes)
  - Option D: 17,130 homes (OAN 2018 + 12,000 homes)
  - Option E: 25,130 homes (OAN 2018 + 20,000 homes)
  - Option F: 13,739 homes (LHN 2022 + 8650 homes)
  - Option G: 4,726 homes (LHN 2024 + 640 homes)
  - Option H: 4,086 homes (LHN 2024)
22. The assessment of Options A to E are set out in the SA for the Issues and Options consultation (para 3.4.1-3.9.7) [EB6]. The assessment of Option F is set out in the SA for the 2022 Regulation 19 Publication Plan (para E.2.1.1-E.3.3.5) [EB3b]. The assessment of Options G and H are set out in the 2024 Regulation 19 Publication Plan (E.2.2.1-E.2.3.6) [EB2b].
23. The SA evaluation of residential growth options identified varying impacts across the SA Objectives. Against the high-level assessment methodology, limited by the fact that these options relate only to quantum and not to the location of growth, uncertainty was identified against several objectives. However, the relative performance of options was discussed in the assessment narrative. Overall, while options that propose a larger scale of growth will help to address regional shortfalls to a greater extent, they are more likely to result in adverse sustainability

impacts, especially in terms of environmental and infrastructure capacity concerns, while smaller-scale options are likely to provide more flexibility in avoiding or mitigating these impacts. A summary of the SA findings for assessment of the 8 growth options assessed are set out below

**Table 5.2:** Summary SA findings for assessment of Residential Growth Options A-H (see **Appendix E**)

Residential Growth Option	1 Climate Change Mitigation	2 Climate Change Adaptation	3 Biodiversity & Geodiversity	4 Landscape & Townscape	5 Pollution & Waste	6 Natural Resources	7 Housing	8 Health & Wellbeing	9 Cultural Heritage	10 Transport & Accessibility	11 Education	12 Economy & Employment
Option A	--	+/-	+/-	+/-	--	+/-	+	+/-	+/-	+/-	+/-	+/-
Option B	--	+/-	+/-	+/-	--	+/-	++	+/-	+/-	+/-	+/-	+/-
Option C	--	+/-	+/-	+/-	--	+/-	++	+/-	+/-	+/-	+/-	+/-
Option D	--	+/-	+/-	-	--	+/-	++	-	+/-	-	-	+/-
Option E	--	+/-	+/-	-	--	+/-	++	-	+/-	-	-	+/-
Option F	--	+/-	+/-	-	--	+/-	++	-	+/-	-	-	+/-
Option G	--	+/-	+/-	+/-	--	+/-	++	+/-	+/-	+/-	+/-	+/-
Option H	--	+/-	+/-	+/-	--	+/-	+	+/-	+/-	+/-	+/-	+/-

**Table N.3: Guide to scoring significant effects**

Significance	Definition (not necessarily exhaustive)
<b>Major Negative</b> --	<p>The size, nature and location of a development proposal would be likely to:</p> <ul style="list-style-type: none"> <li>• Permanently degrade, diminish or destroy the integrity of a quality receptor, such as a feature of international, national or regional importance;</li> <li>• Cause a very high-quality receptor to be permanently diminished;</li> <li>• Be unable to be entirely mitigated;</li> <li>• Be discordant with the existing setting; and/or</li> <li>• Contribute to a cumulative significant effect.</li> </ul>
<b>Minor Negative</b> -	<p>The size, nature and location of development proposals would be likely to:</p> <ul style="list-style-type: none"> <li>• Not quite fit into the existing location or with existing receptor qualities; and/or</li> <li>• Affect undesignated yet recognised local receptors.</li> </ul>
<b>Negligible</b> 0	Either no impacts are anticipated, or any impacts are anticipated to be negligible.
<b>Uncertain</b> +/-	It is entirely uncertain whether impacts would be positive or adverse.
<b>Minor Positive</b> +	<p>The size, nature and location of a development proposal would be likely to:</p> <ul style="list-style-type: none"> <li>• Improve undesignated yet recognised receptor qualities at the local scale;</li> <li>• Fit into, or with, the existing location and existing receptor qualities; and/or</li> <li>• Enable the restoration of valued characteristic features.</li> </ul>
<b>Major Positive</b> ++	<p>The size, nature and location of a development proposal would be likely to:</p> <ul style="list-style-type: none"> <li>• Enhance and redefine the location in a positive manner, making a contribution at a national or international scale;</li> <li>• Restore valued receptors which were degraded through previous uses; and/or</li> <li>• Improve one or more key elements/features/characteristics of a receptor with recognised quality such as a specific international, national or regional designation.</li> </ul>

24. The SA [EB2b] concludes (at Appendix E paragraph 5.3) that:

*‘On balance, and drawing on the limitations as discussed, Options G, B and C could be considered the best performing options as these would be likely to have less potential for environmental impacts that are irreversible compared to the higher quantum of growth pursued under Options D, E and F, such as loss of the soil resource, whilst still seeking to positively prepare the LPR by providing residential development to meet the needs of other authorities within the HMA’.*

25. Of the three best performing options cited above, Options B and C include higher levels of housing growth, which could theoretically support an increase in the district’s working age population to take up the predicted increase in new jobs. However, as illustrated in the table above, these do not demonstrate any stronger performance in SA terms than the preferred level of housing growth (Option G). Likewise, Options D, E and F, which would see substantially higher housing requirements (and therefore in theory have a more meaningful impact on housing workers locally, thus increasing self-containment) perform less favourably in the SA. This includes a minor negative effect against ‘SA Objective 10: transport and accessibility’, which seeks to improve the choice and efficiency of sustainable transport in the district and reduce the need to travel. Given the difference in sustainability performance of options identified in the SA process, a balanced



judgement is needed taking into consideration the district's economic growth aspirations while also carefully considering the wider social and environmental impacts.

Is an uplift to housing numbers to account for economic aspirations appropriate?

26. It is important that consideration of whether housing numbers should be uplifted to account for economic growth is considered in the context of South Staffordshire and its relationship with neighboring areas. Specifically, South Staffordshire being a rural district with no towns, but on the edge of a large conurbation that it shares strong functional economic links with. South Staffordshire has been demonstrated to be a clear outlier in comparison to surrounding areas, for example in terms of commuting flows and self-containment (see para 9-14 above).
27. It is this rural nature and the district's position as a non self-contained FEMA which means that certain types of jobs will always likely be focused outside the district within the wider FEMA. A substantial proportion of out-commuting for South Staffordshire residents will therefore always remain. For example, South Staffordshire residents working in administration/office based employment, given their town centre use, are far more likely to commute outside of the district to neighbouring towns and cities to access these jobs.
28. Conversely, neighbouring urban areas may not have the land opportunities to deliver large-scale employment sites characteristic of South Staffordshire's economy (e.g. i54 and West Midlands Interchange). Therefore, there will always be elements of the workforce from neighbouring urban areas that are taking up jobs in South Staffordshire, due to these types of businesses being unable to locate within the urban area. As examples, a number of businesses based in neighbouring urban areas have recently relocated to South Staffordshire in order to source larger premises and expand their businesses. Gestamp at Four Ashes relocated from Cannock district, and International Security Printers (ISP) at i54 relocated from Walsall. This is a trend that is likely to continue, as evidenced by the recent announcement<sup>2</sup> that Carlsberg Britvic will be moving its operation (including staff) from its Wolverhampton site to the West Midlands Interchange.
29. All of this indicates that significant cross boundary commuting flows (both inflows and outflows) will continue. This reflects the market reality that certain types of businesses (often requiring larger premises and access to the Strategic Road Network) are simply better placed to locate within South Staffordshire, and these are complemented by a different employment offer (e.g. office use and more localised industrial) in neighbouring urban areas. In other words, different parts of the South Staffordshire FEMA have very distinct (but complementary) roles in terms of their employment offer.

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<sup>2</sup> *Drink giant first occupier of huge logistics hub*, BBC News, <https://www.bbc.co.uk/news/articles/c17w1lp54yxo> [Accessed 23.07.25]

30. Recognising this symbiotic relationship with neighbouring areas, seeking to achieve (or increase) self containment within the district is not something that has been an objective for the district through the adopted Local Plan or submitted Local Plan. In fact, the adopted Core Strategy 2012 (prepared in accordance with the West Midland Regional Spatial Strategy) recognised the inter-relationship between the Black Country and South Staffordshire, and that certain higher order services (including certain employment) will be accessed cross boundary. Equally, the Core Strategy planned for a level of housing that was set considerably below past delivery rates (in order to support the objective of ‘urban renaissance’ of the Black Country), whilst still seeking to bring forward a significant increase in strategic employment land in the district compared to past delivery. Whilst on a purely numerical basis, this may result in a mismatch between proposed housing and employment growth, sustainable growth needs to be considered in the context of the wider market area reflecting the interconnected nature of South Staffordshire and neighbouring urban areas (particularly the Black Country) and their distinct roles.
31. It is not the case that increasing the number of homes in the district (so theoretically a greater proportion of those living in the district also work in the district) necessarily represents a more sustainable option. As set out in response to Action 6.3 from the action list issued following the week 1 hearing sessions, the vast majority of public transport in the district focuses on linking to towns and cities in neighbouring urban areas, rather than between settlements or locations within South Staffordshire where services of this nature are poor. Therefore, it would be more sustainable for residents in the Black Country living along key public transport corridors that extend out into South Staffordshire (such as along the A449) to access employment in the district via sustainable transport modes, than it would for many residents living in the district in locations where public transport is poorer. This is particularly the case given the focus of strategic employment sites on or near the boundary of Wolverhampton, and along the A449 corridor. It is considered that these strong public transport links along the A449 will likely be strengthened in the future, with the West Midlands Interchange Travel Plan being developed in consultation with a number of authorities, including City of Wolverhampton Council. This will likely result in improved public transport connections from Wolverhampton along this key corridor.
32. As concluded in section 7 of the 2024 EDNA [EB44], in the context of the district’s low self containment rate and the district’s very high proportion of gross inflow and outflow commuting relative to resident and workplace-based populations, there is very weak evidence to suggest that an increase in housing provision to support future jobs growth would have much meaningful impact in altering the current cross boundary commuting trends. A very substantial increase in housing supply would likely be needed to potentially increase self containment rates, however the SA has demonstrated that such options (Options D, E and F) perform notably worse in sustainability terms. Equally, as discussed above, given that South Staffordshire sits within a wider FEMA and its rural nature with the best public

transport options into neighboring urban areas, the Council considers that increased self containment would not lead to more sustainable commuting patterns.

## **Conclusions**

33. In summary, through this paper the following has been demonstrated:

- A significant proportion of the EDNA's workplace-based jobs growth figures will likely be filled by non-South Staffordshire residents (as is reflected in the considerable cross boundary contribution towards unmet needs from South Staffordshire FEMA authorities (Black Country and Cannock)).
- It was accepted through the West Midlands Interchange DCO examination that the site will draw labour predominantly from a large 'reservoir' of unemployed residents in the labour catchment, and that there is already an adequate pool of labour to take up the jobs at the site (i.e. people are already living in the labour catchment area to take up the jobs)
- Given the rural nature of the district sitting on the edge of a major urban area, and the different employment opportunities and roles these areas have, it is inevitable that a high proportion of cross boundary commuter flows within the South Staffordshire FEMA will remain.
- It cannot be assumed that living and working in the district represents a more sustainable pattern of growth, particularly given that the best public transport links are in and out of the urban area. Therefore, it cannot be concluded that greater levels of self containment are necessarily a desirable outcome.
- Notwithstanding this, and given the very high proportion of cross boundary commuter flows, there is little evidence to suggest that increasing housing supply would meaningfully impact the current cross boundary commuting trends.
- A very substantial increase in housing supply would likely be needed to potentially increase self containment rates, however the SA has demonstrated that such options (Option D, E, F) perform notably worse in sustainability terms.

Given the above, the Council consider that the use of the Standard Method to calculate South Staffordshire's Local Housing Need to be appropriate, and that there is not a strong case for an uplift to this element of the district's housing need to reflect economic growth in the district.