

THE PLAN FOR STAFFORD BOROUGH - EXAMINATION
MATTER 3. DEVELOPMENT STRATEGY (Spatial Principles SP1-SP7)

Inspector's Matters, Issues and Questions in bold text.

Key issue: Is the Development Strategy for Stafford Borough soundly based, effective, appropriate, locally distinctive and justified by robust, proportionate and credible evidence, particularly in terms of delivering the proposed amount of housing, employment and other development, and is it positively prepared and consistent with national policy?

3.2 Spatial Principle 2:

a. How has the Council undertaken an objective assessment of housing requirements for the relevant housing market area, and does the Plan fully meet the objectively assessed needs for market and affordable housing within Stafford Borough, along with any unmet housing requirements from neighbouring authorities:

i. What is the basis, justification and methodology for the level of proposed housing provision (500 dwellings/year), having regard to the supporting evidence (including the SHMA & SHLAA), recent population/household projections (including the 2011-based interim household projections) and Census results, and guidance in the NPPF (¶ 14, 17, 47-55; 159);

The evidence for the proposed housing requirement of 10,000 new homes (500 dwellings per annum) is based upon the Strategic Housing Market Area (SHMA) 2007 Final Report dated April 2008 by Outside Consultants and the Stafford Borough 2012 SHMA Final Report dated September 2012 by ARC4. However these are inappropriate documents on which to base a proposed local plan housing provision figure.

Firstly the SHMA 2007 is significantly out of date. The requirement for an up to date SHMA was raised in recent correspondence written by the Inspector appointed to examine the North Warwickshire Core Strategy. In a letter dated 22nd April 2013 Anthony Thickett wrote "*the National Planning Policy Framework (NPPF) requires evidence to be adequate and up to date. Whilst the 2008 Strategic Housing Market Assessment (SHMA) may well be proportionate in terms of its breadth and depth (taking into account the circumstances at the time it was produced), due to its age, it cannot be said to be up to date. The passage of time has a bearing on how reliable data is and the robustness of the projections, studies and assessments using that data. The NPPF requires local planning authorities to have a clear understanding of housing needs in their area. In addition to the passage of time, the economy and the housing market has changed significantly since the SHMA was prepared and I do not consider that it provides an adequate basis on which to*

objectively assess the housing needs of the Borough. I do not see how I could conclude that the Core Strategy is based on a strategy which seeks to meet the objectively assessed needs of an area. A plan which cannot be shown to be seeking to meet the objectively assessed needs of an area cannot be sound and, consequently, I do not consider that it would be appropriate to defer housing matters to an early review of the Core Strategy”.

Similar comments were made by the Inspector appointed to examine the North West Leicestershire Core Strategy, who wrote to the District Council in his initial note dated 9th July 2013 stating :- **“Assessing Housing Needs 6. At paragraph 47, the National Planning Policy Framework states that to boost significantly the supply of housing, local planning authorities should (among other matters) use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in the Framework. Paragraph 182 of the Framework includes the requirement that Local Plans should be positively prepared – i.e. based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development. 7. Bearing this in mind, a robust evidence base should be in place to objectively quantify the District’s housing needs. On the basis of my initial assessment, I have a number of concerns in this respect. Specifically: (a) The 2007/8 Leicester and Leicestershire Strategic Housing Market Assessment (SHMA) does not appear to reflect recent market conditions and does not cover the full Plan period to 2031. It is a requirement of the Framework (paragraph 159) that Councils should prepare a SHMA to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. In the absence of an up-to-date SHMA, it will be difficult to conclude that the CS meets the Framework’s soundness requirements that a Plan should be justified and consistent with national planning policy. (f) In addition, it is unclear whether the projection-based approach of the LLHRS has taken into account any previous shortfalls in housing provision within the District”.** Likewise the SHMA 2007 for Stafford does not cover the whole of the plan period up to 2031 nor address previous shortfalls.

Secondly the updated Stafford Borough SHMA 2012 is district based only, it is not a NPPF compliant SHMA (also discussed under Matter 1). This matter was raised by the Inspector at the Bath & North East Somerset (BANES) Examination. In the Inspector’s Conclusions on the geographic scope of the SHMA written on 23rd September 2013, Simon Emerson states “1. The hearing on 17 September was to determine the following issue: In the context of the Examination to date, including my preliminary conclusions on strategic matters in June 2012, does the geographic coverage of the Council’s new SHMA (CD9/H4) in relation to Housing Market Areas (HMAs) provide an adequate basis for the objective assessment of housing needs in accordance with the NPPF? 2. NPPF paragraph 47 refers to Local Plans meeting the full objectively assessed needs for market and affordable housing in the housing market area. NPPF paragraph 159 refers to Local Planning Authorities (LPAs) preparing a SHMA to assess their full housing needs working with

neighbouring authorities where housing markets cross administrative boundaries. 6. The identification of HMAs is the first relevant building block in the evidence for identifying objectively assessed needs". Although in Point 12 the Inspector concludes that "the geographic coverage of the Council's SHMA Update (CD9/H4) provides an adequate basis for the objective assessment of housing needs in accordance with the NPPF". The Council proved in Point 4 that "the Bath HMA was based on a Travel to Work Area of 71-72% self-containment and 76-80% self-containment for household migration. (The figures for the adjoining greater Bristol HMA are 88-91% and 93% respectively.)"

However unlike BANES it cannot be concluded that Stafford is a self-contained entity. The recently published National Planning Practice Guidance on the Planning Portal website indicates that an area can only be considered self-contained if 70% of household migration and search patterns are within the same area (ID 2a-011-130729). The Stafford Borough 2012 SHMA by ARC4 in Paragraphs 3.15 and 3.16 confirms that "68.2% residents lived and worked in Stafford, 8.5% worked in Stoke on Trent, 19.2% worked elsewhere within the West Midlands and 4.2% worked outside the region". Paragraph 3.18 continues "there are strong linkages with Stoke on Trent, Cannock Chase, Newcastle upon Lyme and South Staffordshire suggesting Stafford is part of a larger HMA". Clearly Stafford is part of a broader functional market and therefore a district only evidence base is inappropriate for an objective assessment of housing needs.

Thirdly with regards to the latest Household Interim Projections 2011-2021 the Council should be cautioned against any attempts to use these latest figures to justify low housing requirements in the Local Plan. The Council should refer to the Cambridge Centre for Housing & Planning Research (CCHPR) report "Choice of Assumptions in Forecasting Housing Requirements Methodological Notes" dated March 2013, which advises against the downward revision of projected population / household figures. "There will be a temptation to modify the household numbers suggested by the projections to reflect the 2011 census but this should only be done where there is clear evidence that the changes are not the result of short-term fluctuations which are likely to come back to trend in the medium term. It follows that to make a case for lower household numbers than suggested by the 2008-based household projections local authorities would need to not only show that the actual household numbers in their area in 2011 were lower than projected but also to argue convincingly that the shortfall was not due to short term factors that would re-balance during the plan period. The 2011 census results are a snap shot taken after a period of severe economic and housing market volatility, it would be reasonable to expect the numbers of households that formed in the years running up to the census were significantly below the low term trend".

Fourthly the Council's proposed housing figure is aligned to a trend based demographic projection. The Council has not fully examined alternative economic-led scenarios. A housing requirement of only 10,000 dwellings is too low to fulfil the Council's stated growth ambitions and Stafford's status as a sub-regional growth point.

Paragraph 6.4 of the Stafford Borough Plan dismisses housing figures over 11,000 dwellings by relying on the revoked WMRSS assessment. However since revocation of the WMRSS it is for LPAs to assess their own housing needs and if necessary under the Duty to Co-operate negotiating with neighbouring authorities to accommodate any unmet housing needs. In the Hunston Properties Ltd legal challenge in the High Court (2013 EWHC 2678 (Admin)) His Honour Judge Pelling QC clearly states that “*the NPPF represents a new start*”.

Fifthly there are a number of flaws in the Council’s calculation of its housing requirement.

- The figure of 10,000 dwellings does not take into account undersupply of 1,158 dwellings from the preceding period 2006-2013.
- The Council equates household growth as equal to number of houses without any calculation to convert household growth into houses. “*Meeting the Housing Requirements of an Aspiring Nation : Taking the Medium to Long Term View by National Housing & Planning Advice Unit (NHPAU) dated June 2008*” establishes a required housing supply by the demographic method of calculation whereby growth in households plus existing constrained demand (the backlog of constrained need and demand because projected household growth has consistently exceeded housing supply over previous decades resulting in shared households, overcrowding, homelessness, households living in temporary accommodation) plus demand second homes (1.1% percentage of second homes in England’s housing stock) plus vacancy in new supply (3%) equals required housing supply.

The housing requirement should be amended and increased to account for these errors in the calculation.

In conclusion the Council has not undertaken an objective assessment of housing need in the HMA. Therefore the Stafford Borough Plan is unsound.

ii. What is the current and future 5, 10 & 15-year housing land supply position, in terms of existing commitments, future proposed provision, allowance for windfalls, and provision identified in the latest SHLAA; and how will the proposed housing provision be effectively delivered in terms of Strategic Development Locations and other allocations?

Please refer to the answer below on the housing land supply position. With particular reference to the discussion of the 5 year housing land supply the Housing Trajectory is out of step and it should be re-aligned. It is possible that the Council will have to re-view its decision to exclude Stafford’s Strategic Development Locations and allocations in Stone from years 0-5 in order to provide a 5 year housing land supply.

iii. How does the Plan address the need for a 5/20% buffer to 5-year housing land supply, as required by the NPPF (¶ 47) to significantly boost housing supply, and address past shortfalls in provision of housing?

Paragraph 47 of the NPPF emphasises that Local Planning Authorities should continue to demonstrate a 5 years housing land supply, which is to be supplemented by an additional buffer of 5% to ensure choice and competition in the land market or where there has been a record of consistent under delivery of housing an additional buffer of 20%. The submitted Plan does not address this issue. However in Paragraph 1.8 of the document (D3) Stafford Borough Council 5 Year Housing Land Supply Statement 2013, the Council identifies a housing delivery shortfall of 1,158 dwellings between the period of 2006-2013 measured against the West Midlands Regional Spatial Strategy Phase 2 Revised Panel Report housing requirement figure of 550 dwellings per annum. Therefore in Paragraph 1.9 of this document, the Council confirms that a 20% buffer is applicable as set out in Paragraph 47 of the NPPF.

In Paragraph 1.10 of the document (D3), the Council applies the Sedgefield method of dealing with the housing shortfall which remedies the previous shortfall as quickly as possible within the first five years of the plan period. This approach is advocated in the recently published National Planning Practice Guidance on the Planning Portal website under reference number ID 3-031-130729. The approach proposed by the Council is acceptable.

However Paragraph 1.13 concludes that such an approach means that only 2.23 years land supply is achievable. The Council explicitly states that a 5 year land supply is not deliverable from current planning permissions and allocated sites. Therefore the Plan is not in compliance with Paragraph 49 of the NPPF, which states that *“relevant policies for the supply of housing should not be considered up-to-date if the Local Planning Authority cannot demonstrate a five-year supply of deliverable housing sites”*.

The same issue occurred at the Erewash Core Strategy Examination in his letter dated 23rd May 2013 the Inspector states *“The National Planning Policy Framework (‘the Framework’) seeks to boost significantly the supply of housing (Para 47). Local Planning Authorities should identify and update annually a supply of specific, deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer which, as the Council concludes that there has been a record of persistent under delivery, in this case should be 20%. Relevant policies for the supply of housing will not be considered up to date if the local planning authority cannot demonstrate a 5-year supply of deliverable housing sites (Framework Para 49). As such, if the CS is not to be out of date on adoption in this regard then it is important that the land supply requirement is achieved. If there were not reasonable certainty that this would be the case then the plan would not be sound as it would be neither effective nor consistent with national policy”*.

In conclusion the Stafford Borough Local Plan is unsound.

3.3 Spatial Principles 3, 4 & 5:

b. Does SP4 establish an appropriate, effective, justified, sustainable and soundly based distribution of housing growth within Stafford Borough, including the target levels of housing and balance between Stafford (72%; 7,200), Stone (8%; 800), Key Service Villages (12%; 1,200) and other areas (8%; 800)? Is the approach to a moratorium period realistic, appropriate, effective, fully justified and soundly based?

The mechanism for the operation of the proposed moratorium described in Paragraph D4.11 of the Council's Background Statement dated September 2013 (Document Reference K1) is difficult to comprehend working in practise. It is impossible to foresee that the Council will be able to predict housing delivery over the next four years in order to revoke the moratorium after it is initially triggered and implemented. This mechanism requires further consideration and modification by the Council.

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