Stafford
BOROUGH COUNCIL

Local Plan 2020-2040

Housing and Employment Land Numbers Topic Paper

(Preferred Options Stage)

This document supports the preparation of the Stafford Borough Local Plan 2020-2040, and in particular the preferred options consultation. It summarises the evidence and explains the reasons for the selection of the council's preferred housing and employment land requirements / targets.

The purpose of this document is to describe the process of developing the preferred options, including the reasonable alternatives considered. The reasons for selecting the council's preferred options and for the rejection of alternatives are explained.

Contents

1. How many homes do we need?

How many homes have been built in recent years?

1.1 Under the current Plan for Stafford Borough, 500 new homes each year are planned for the period 2011 to 2031. In the past eleven monitoring years, 2011/12 to 2021/22, the average number of housing completions was 609.

1.2 The number of homes built in the eleven monitoring years 2011/12 to 2021/22 and outstanding commitments (dwellings with planning permission that have not yet been built) in the large settlements, excluding Stafford and Stone, is shown in the table below.

Table 1: Completions and commitments by settlement

Settlement	Number of dwellings completed between 1 April 2011 and 31 March 2022	Remaining dwellings committed as of 31 March 2022	Total	Number of dwellings in each settlement as of 31 March 2011	% increase in number of dwellings (including completions and commitments) in each settlement since 1 April 2011
Barlaston	23	4	**27**	741	**3.64%**
Eccleshall	323	40	**363**	1357	**26.75%**
Gnosall	210	4	**214**	1706	**12.54%**
Great Haywood	188	66	**254**	837	**30.35%**
Haughton	18	0	**18**	318	**5.66%**
Hixon	132	16	**148**	717	**20.64%**
Little Haywood	13	0	**13**	953	**1.36%**
Weston	48	2	**50**	409	**12.22%**
Woodseaves	20	13	**33**	269	**12.27%**
Yarnfield	260	1	**261**	526	**49.62%**
Blythe Bridge	40	0	**40**	688	**5.81%**
Meir Heath / Rough Close	31	0	**31**	1077	**2.88%**

How many homes do we already have planned?

1.3 As at 31 March 2022 we had an identified supply of 5,913 new homes. This comprised the undeveloped parts of the strategic development locations

allocated in the Plan for Stafford Borough 2011-2031, as well as other sites with planning permission. Collectively we call these sites 'commitments'. The breakdown of the commitments is set out in the table below. These figures assume a 10% lapse rate for small sites of fewer than 10 dwellings.

Table 2: Commitments

Location	Number of new homes 2022-2040
Northern Stafford SDL	2,700
Western Stafford SDL	1,729
Stone SDL	146
Large sites with planning permission*	1064
Planning permission on small sites of 10 or fewer homes (including 10% lapse rate)	192
C2 residential care planning permissions	94
Total	5,925

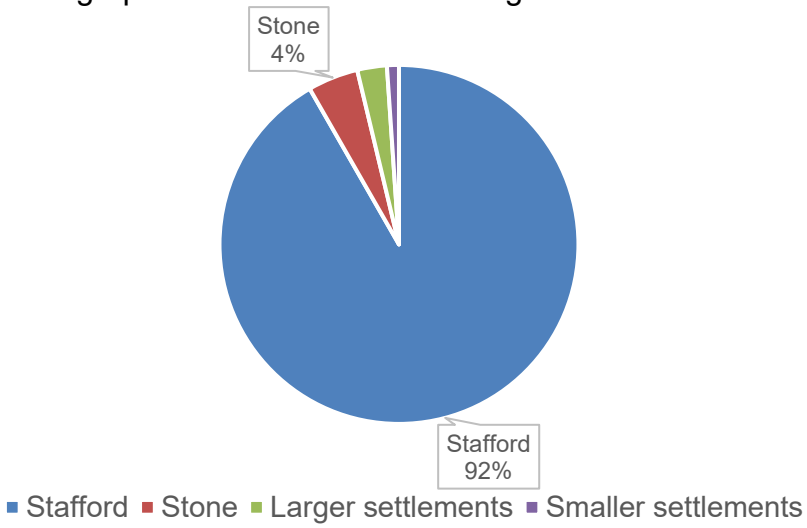
*includes land of Fairway, Littleworth, Stafford, of which 108 houses would be built out after 2027 and the Former General Electric site at Lichfield Road, Stafford, of which 95 houses would be built out after 2027.

1.4 The geographical distribution of these existing housing commitments (excluding C2 residential care permissions) is as follows:

Table 3: Geographical distribution of existing commitments

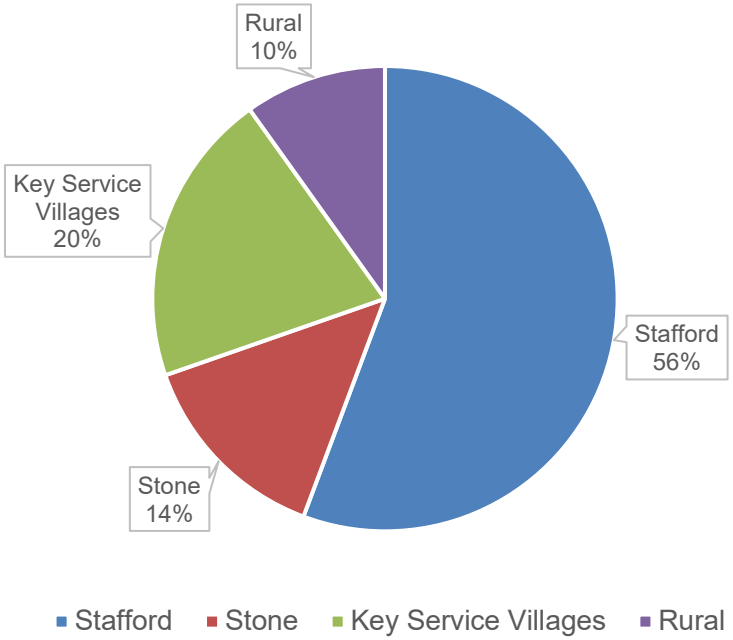
Summary	Number of homes	Percentage
Stafford	5344	92%
Stone	268	4%
Larger settlements	156	3%
Smaller settlements	63	1%

Chart 1: Geographical distribution of existing commitments



1.5 The distribution of future housing commitments is considerably more concentrated on Stafford than were housing completions in the period 2013-2021. The distribution of housing completions in those years is shown in the chart below, note that 'key service villages' under Plan for Stafford Borough does not include all of the same settlements as 'larger settlements' under the proposed new settlement hierarchy:

Chart 2: Geographical distribution of housing completions 2013-2014 to 2020-2021



1.6 The new plan period will begin in 2020 and, upon adoption, its housing requirement will supersede that in the existing Plan for Stafford Borough 2011-2031. New homes built after 2020 will count towards meeting the housing requirement for the new plan period. Therefore, completions in the 2020-2021 and 2021-2022 monitoring years, totalling 1,120, also count to meeting that requirement. Added to existing commitments that makes 7,045.

Minimum local housing needs

1.7 The minimum number of homes we need to plan for 2020 to 2040 is specified in national planning policy and guidance. In June 2022 it is 391 homes per year, or 7,820 homes over the plan period. 391 is calculated as follows: 10-year average housing growth 2022-2032 in the 2014-based household projections is 317 (the 2032 number of households is 63,077 and the 2022 number is 59,907 therefore the average is 317). The median workplace-based affordability ratio in 2021 was 7.71. The adjustment factor is (7.71-4/4) x 0.25 +1 = 1.231875. So, 317 x 1.231875 = 391.

1.8 Taking into account existing commitments, this would mean a need to find sites to accommodate around a further 787 homes (7,820 – 7,033). Alternatively, taking an 18-year plan period (2022-2040) and disregarding

completions in the period 2020-2022, the residual requirement would be 1,125 (7,038-5,913).

1.9 At the time of writing the government has announced its intention to review its standard approach for the calculation of local housing needs. The nature of any changes to the method and the timetable for their implementation are at present unknown. On that basis, this paper is prepared applying government policy and guidance current at the time of writing (July 2022).

Current government policy on housing numbers

1.10 The National Planning Policy Framework (NPPF) states:

"61. 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 – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. 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."

1.11 This is supplemented by the government's Planning Practice Guidance (PPG) which states:

"When might it be appropriate to plan for a higher housing need figure than the standard method indicates?

(…)

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. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This 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). 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

- 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 home [sic]. 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."

1.12 And 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."

1.13 Particular points of note from this are:

- The government's standard method is the starting point.
- Higher numbers than the standard method may be justifiable in exceptional circumstances. The PPG suggests such circumstances will include (amongst others) where deliverable growth strategies are in place [this appears to be a reference to the housing and devolution deals that the government has in place with a number of combined authorities and the authorities in the Oxford to Cambridge arc], infrastructure improvements are going to lead to an increased need for housing, authorities are taking unmet need through a duty to cooperate or a recent SHMA suggests significantly higher level of need than the standard method.
- Any approach that departs from the standard method needs adequately to reflect demographic trends and market signals. There is no specific reference to econometric or 'jobs based' projections like those used in the Stafford Borough Economic and Housing Development Needs Assessment 2020 (EHDNA). Similarly, there is no reference to the need to balance jobs to homes. However, it is likely that both the development industry and planning inspectors will continue to consider jobs to homes balance in plan examinations.
- An approach that leads to a higher than minimum level of housing need will be presumed to be 'sound'.

Options consulted on in spring 2020

1.14 In our February to April 2020 Issues and Options public consultation we set out several alternative options for how many homes we could plan for between 2020 and 2040. Those options derive from the EHDNA (see EHDNA figure 10.6) and are set out in the table below.

1.15 Scenarios D, E, F and G model how many new homes would need to be built in the borough to support a specified level of employment growth.

Table 4: EHDNA housing growth scenarios

Option	Number of new homes each year
Scenario A Minimum local housing needs. Note rebased local housing need in 2022 is 391	408 (now 391)
Scenario D Cambridge Econometrics jobs growth The number of homes that would be needed to support a Cambridge Econometrics November 2018 projection for jobs growth in the borough, assuming that commuting patterns don't change (i.e. there is no increase in the proportion of jobs filled by people commuting from other areas into the borough nor a reduction in the proportion of economically active residents commuting out of the borough).	435 (489)
Scenario E Policy on jobs growth The number of homes that would be needed to balance a 'policy on' jobs growth target whereby 6,500 additional jobs are created by 2040 through new employment sites at a new garden community and at Stafford Station Gateway in addition to the Cambridge Econometrics (Nov 2018) baseline projection for employment growth.	647 (711)
Scenario F past trends jobs growth The number of homes that would be needed to balance the continuation of past (2000-2018) job trends growth in the borough, again assuming no change to commuting patterns.	683 (746)
Scenario G 50% jobs growth boost The number of homes that would be needed to accommodate jobs growth that is 50% higher than the Cambridge Econometrics (Nov 2018) projection, again assuming no change in commuting patterns.	540 (597)

1.16 The numbers shown in brackets in the table above incorporate an adjustment referred to as 'partial catch up'. In the period between 2008 and 2014 there was a significant decline in the rate of new household formation among the 15-34 age group. This is probably attributable to a range of factors including

increased house prices, reduced earnings growth, stricter lending practices, and larger household sizes among new international migrants. The 'partial catch up' adjustment seeks to partially reverse this pattern.

1.17 The consequence of making this adjustment is that the number of households projected to form increases and therefore the need for new homes increases. The box below considers whether or not 'partial catch up' should be applied.

Box 1: Should partial catch up be applied?

Partial catch-up assumes a partial return towards pre-recession (2008-based) household formation rates among younger age groups. The recent trend has been reduced household formation among these age groups, as reflected in the 2014-based, 2016-based and 2018-based household projections.

This adjustment seeks to apply trends for household formation based on the period up to 2008. As that data is now more than 12 years old, and significant changes have occurred in the intervening years, this calls into question the justification for its continued use.

This adjustment is considered to be a policy adjustment in that it manipulates the housing projection away from the demographic trends in order to seek to achieve a desired policy outcome (increased new household formation among younger age groups). However, it is not clear that this change in structural national trends since 2008 could be effected by Stafford Borough Council simply releasing more land for new housing. It could be that additional housing would instead be taken up by additional in-migrants and household formation in younger age groups would be unchanged from the trend.

For these reasons, the partial catch up adjustment is not proposed to be applied in developing the preferred options.

1.18 The below table shows how many new homes we would need under each of the options identified in the EHDNA. The second part of the table shows Scenario A Minimum local housing needs. As the local housing needs calculation in this scenario is being performed in 2022, an 18-year plan period is assumed in Scenario A and 2020-2022 completions are not subtracted from the requirement.

Table 5: Residual requirement under EHDNA housing growth scenarios

Option	(A) New homes each year 2020-2040	(B) Minimum requirement for new homes 2020-2040 (Ax20)	(C) Residual new homes 2022-2040 needing to be identified (B-7,045)
Scenario A Minimum local housing needs	391	7,038*	1,125**
Scenario D Cambridge Econometrics jobs growth	435	8,700	1,655
Scenario E Policy on jobs growth	647	12,940	5,895
Scenario F past trends jobs growth	683	13,660	6,615
Scenario G 50% jobs growth boost	540	10,800	3,755

*Ax18 **excludes 2020-2022 commitments

Migration and the duty to cooperate

1.19 Due to its ageing population structure, natural change in Stafford Borough in the period 2020 to 2040 is projected to be negative in all EHDNA scenarios. Deaths will exceed births. This means that the principal driver of the need for new housing will be net in-migration to the borough. The EHDNA shows that most of that migration is internal (within the UK) rather than international. International migration is held at a constant level across all the scenarios shown in the EHDNA.

1.20 Consequently, the difference between EHDNA scenarios A to G is how much net internal migration is assumed. This is shown in the table below (based on EHDNA tables 10.4 to 10.7):

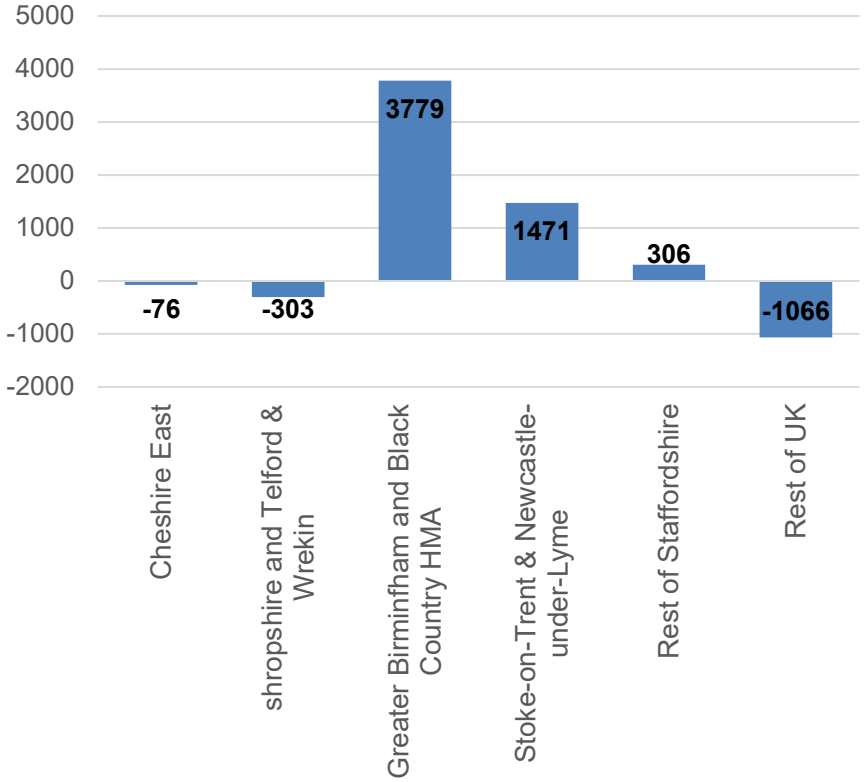
Table 6: Components of change in EHDNA housing growth scenarios

Component	Scenario A (408dpa) now 391dpa	Scenario D (435dpa)	Scenario E (647dpa)	Scenario F (683dpa)	Scenario G (540dpa)
Population Change	-	16,402	27,201	28,653	21,515
Of which natural change	-	-2,251	-1,467	-646	-1,464
Of which net migration	-	18,653	28,677	29,299	22,979

1.21 The EHDNA does not provide this data for scenario A (minimum local housing need).

1.22 Past migration data indicates that if there were to be an increase in net in-migration to the borough, as envisaged in housing growth scenarios which exceed minimum local housing needs, this would need principally to come from increased in-migration to the borough from the neighbouring housing market areas. This is supported by ONS internal migration data based on GP registrations for the five years 2016-2020 is summarised in the chart below:

Chart 3: New migration to Stafford Borough 2016-2020 (ONS data)



1.23 As can be seen the strongest contributors to net migration to the borough by far are the north Staffordshire (Stoke-on-Trent and Newcastle-under-Lyme) housing market area and Greater Birmingham and Black Country housing market areas. The location of these housing market areas is shown in the map below. This reinforces the 2011 census data presented in the EHDNA.

1.24 Indeed, over the five years the borough was a net exporter of migrants to the neighbouring local authorities of Shropshire, Telford and Wrekin, and Cheshire East. It has had a net positive migration relationship (more arrivals than departures) with its neighbours Staffordshire Moorlands and East Staffordshire, but the scale of moves from these largely rural authorities was much less than from the urban areas to the south and north.

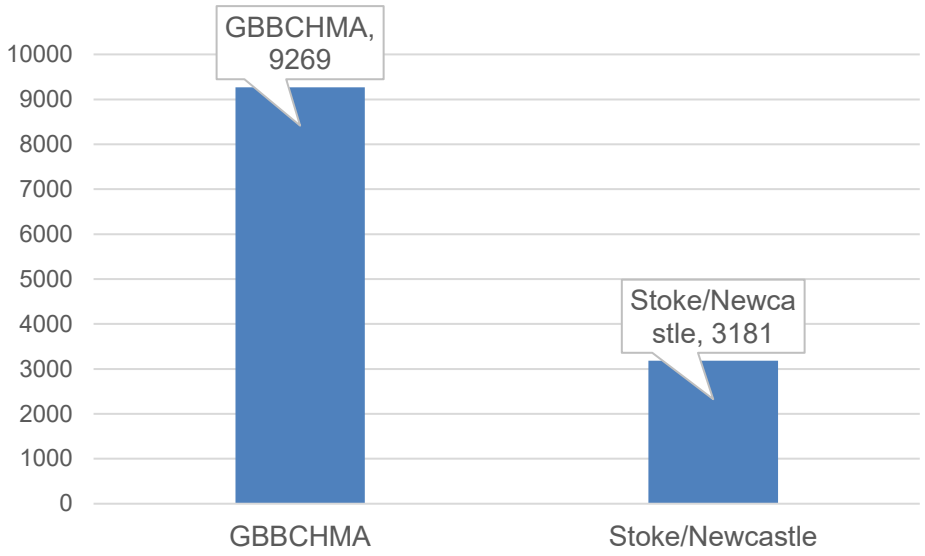
1.25 The table above also shows that over the five years the borough had a net negative migration balance (more people have moved out than in) with the rest of the UK beyond Stoke-on-Trent and Newcastle-under-Lyme, the rest of

Staffordshire and the Greater Birmingham and Black Country Housing Market Area.

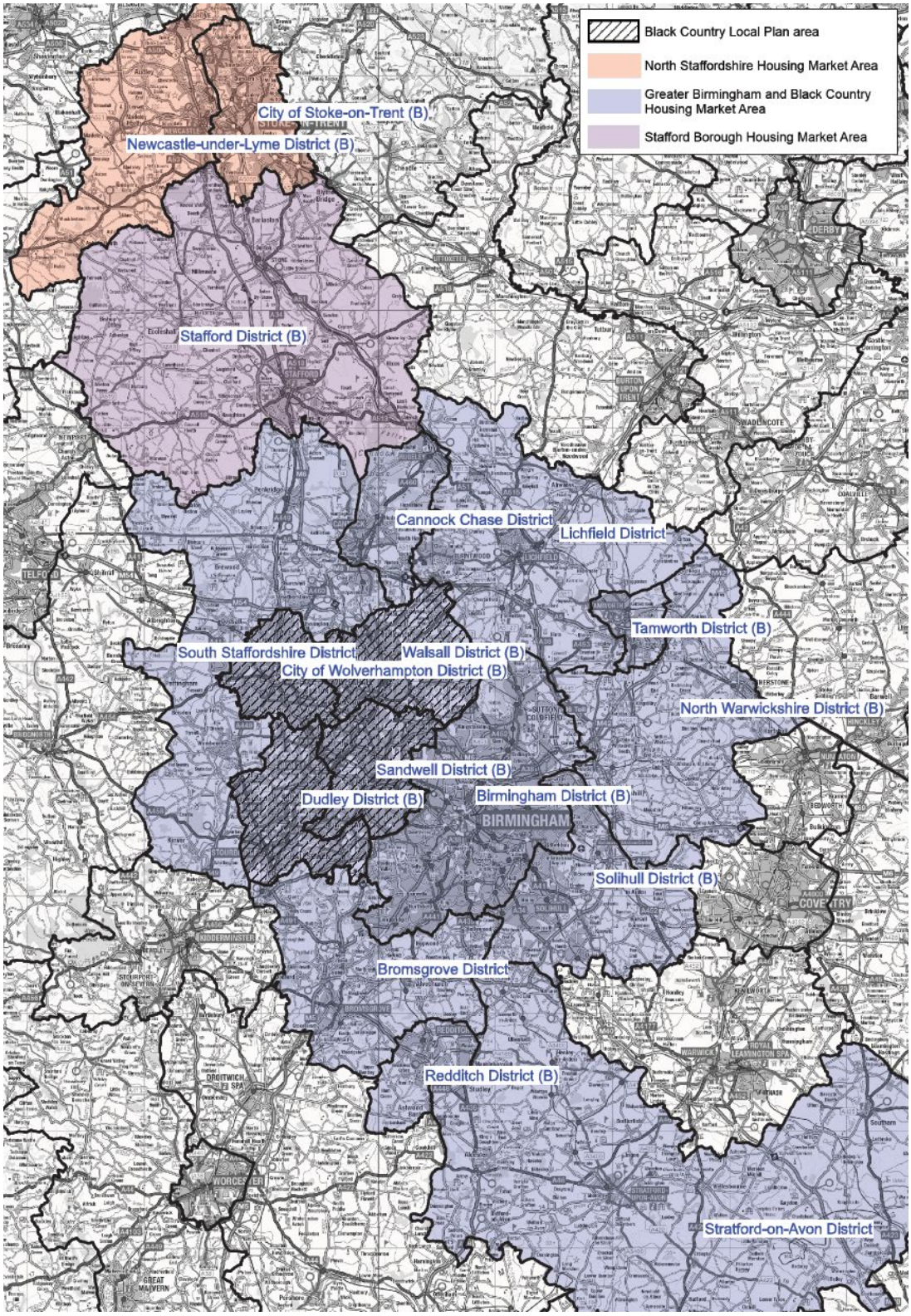
1.26 Over the past five years for which data is available (2015-2019) net long-term international migration to the borough was +1,461. The latest 2018-based subnational population projections indicate a reduced rate of international migration over the next ten years. However, there is uncertainty over long-term international migration. In any event, Stafford Borough does not control the policy levers to influence international migration levels and, as noted above, this is held stable across the EDHNA scenarios. It would not, therefore, be reasonable to assume a net increase in international migration to the borough as a basis for higher housing growth.

1.27 We can combine census data and ONS GP-record based data to create a longer-term picture (2002-2020) of the migration relationship between Stafford Borough and its neighbouring housing market areas. Over the 2002-2020 period Stafford Borough had a positive net migration balance (more people moved to Stafford Borough than moved out) with its two major neighbouring urban areas.

Chart 4: Estimated new migration to Stafford Borough 2002-2020



Map 1: Housing market areas and districts



1.28 In light of these existing migration relationships, if the borough wishes to pursue a growth strategy that assumes higher levels of in-migration than are assumed in the government's standard methodology local housing need, the

implications of this for neighbouring housing market areas would likely need to be considered. This in turn engages the duty to cooperate.

1.29 It might be possible to justify a housing growth strategy based on employment growth leading to increased net migration without specific reference to unmet needs to other authorities. However, employment growth and increased migration to Stafford Borough would not increase the overall population of England and so additional internal migration to Stafford Borough needs to be balanced by reduced growth elsewhere. it is accordingly considered that a clearer justification for housing and employment growth in Stafford Borough could be presented through joint working with sub-regional authorities. 'Sub-region' is used here to refer to neighbouring housing market areas and their constituent local authorities.

1.30 Indeed, it is arguable that, in the absence of a coordinated approach with neighbouring housing market areas, the higher growth scenarios presented in the EHDNA may not be reasonable. These scenarios may be unreasonable in that:

- In view of the strong migration relationships evidenced above, the migration assumptions on which the scenarios are based would require significantly increased net migration to the borough from the neighbouring Stoke-on-Trent and Newcastle-under-Lyme and/or Greater Birmingham and Black Country Housing Market Areas. In the absence of cooperation with those authorities this would likely be inconsistent (and potentially incompatible) with the assumptions underlying strategies for housing and jobs growth in those neighbouring housing market areas. Such inconsistency could throw into question the deliverability of the borough's strategy; OR

- In the alternative, the growth scenarios would need to be based on an assumption of increased in migration to the borough from 'other' authorities outside of the neighbouring housing market areas. Yet ONS data shows that Stafford Borough has consistently had a negative net migration relationship (more people have moved out than in) with local authorities in the rest of the UK. The deliverability of a strategy dependent on a very large increase in net migration to the borough from outside of the immediate region would therefore be questionable. AND

- The employment growth aspirations that would support higher growth scenarios may be less achievable in the absence of sub-regional cooperation. In the absence of coordination, higher housebuilding and employment land allocations elsewhere in the region could compete with those planned in the borough.

Interim Sustainability Appraisal findings

1.31 The Interim SA Report (AECOM, January 2020) considered a range of strategic options which combine different housing quantum and broad spatial distribution choices. The report does not comment on the sustainability effects

of housing quantum options independently of their spatial distribution. However, it is relevant to note but unsurprising that the best performing option at that stage was a low-housing-growth (minimum local housing needs) option.

Responses to the Issues and Options consultation

1.32 A summary of the responses to the February to March 2020 Issues and Options consultation is provided in the consultation report. Principal messages emerging from the consultation in relation to potential housing and employment land targets were as follows:

- Those representing developers and landowners promoting land for housing expressed support for the higher housing growth scenarios. Those arguments were supported by reference to historic housing delivery trends, the desirability of seeking to promote higher economic growth (and balancing new housing and job creation) and references to the need to promote affordable housing delivery.

- There were few responses on housing targets from other organisations and private individuals. Some expressed support for the adoption of the standard method local housing needs or for scenario B. A few responses cited environmental concerns and the impact of the COVID-19 pandemic.

- A joint response was received from the Black Country authorities. This response highlighted the functional migration and commuting relationship between Stafford Borough and the Black Country and requested that Stafford Borough Council take between 1,500 and 2,000 homes as a contribution to meeting unmet need in the Black Country. Additionally, the Black Country authorities requested that Stafford Borough consider accommodating 35-40ha of employment land which is unable to be accommodated in the Black Country.

2. How much land for new workplaces do we need?

2.1 Options for the amount of employment land that the borough could plan for between 2020 and 2040 were outlined in the EHDNA and consulted on at the Issues and Options stage. The EHDNA presents different jobs-growth forecasts and then converts these into employment land requirements using average employment densities for different employment uses and average plot ratios.

2.2 As highlighted above, the EHDNA also includes employment-based housing need projections, whereby household growth is constrained to that necessary to provide the working age population necessary to fill a particular number of new jobs (assuming the commuting ratio and unemployment rate remain steady). In this way, forecasts for the number of jobs, the amount of new

employment land and the number of new homes can be linked. These links are shown in the table below.

Table 7: EHNDA employment growth scenarios and land requirements

Employment Forecast	Forecast employment growth 2020 to 2040 (based on EHDNA tables 7.2, 7.6, 7.8, 7.10, 7.12), Cumulative annual growth rate shown in brackets	B-class employment land requirement (hectares) (based on EHDNA table 7.18)	Housing requirement (in homes each year), to balance employment land
Scenario A The number of jobs needed to balance minimum local housing needs	5,588 (+0.37%)	67.98	408
Scenario D Cambridge Econometrics forecast for jobs growth in the borough	5,929 (+0.39%)	69.07ha	435
Scenario E A 'policy on' jobs growth target whereby 6,500 additional jobs are created by 2040 through new employment sites at a new garden community and at Stafford Station Gateway	12,478 (+0.80%)	108.82	647
Scenario F Past trends (2000-2018) job growth in the borough, assuming no change to commuting patterns.	13,128 (+0.83%)	94.18	683
Scenario G Jobs growth 50% higher than the Cambridge Econometrics baseline projection	8,894 (+0.58%)	78.56	540

Employment Forecast	Forecast employment growth 2020 to 2040 (based on EHDNA tables 7.2, 7.6, 7.8, 7.10, 7.12), Cumulative annual growth rate shown in brackets	B-class employment land requirement (hectares) (based on EHDNA table 7.18)	Housing requirement (in homes each year), to balance employment land
Past take-up rates [this isn't given a scenario letter in the EHDNA]	N/A	181.32	-

2.3 The EHDNA (para 7.93) recommends that of the new employment land "75% should be identified for B1c/B2/B8 industrial/warehousing, and the remaining 25% for new office space.". This is described as an 'indicative split'. It isn't based purely on past trends but is stated to take into account a range of quantitative and qualitative factors including feedback from agents and economic aspirations.

Box 2: Why are forecast employment land requirements lower than past take-up?

The principal forecast for employment growth used in the EHDNA is Cambridge Econometrics November 2018. The reason this forecast does not result in a larger requirement for class B-use employment land is the balance of sectors in which jobs growth is forecast to occur.

This is shown in EHDNA figure 7.2 on page 72. Forecast need for employment land is suppressed by a forecast 2020-2040 decline in industrial employment and less rapid growth in warehousing/postal employment than in the period 2000-2018.

However, there remains considerable doubt about whether this outlook for industrial employment and warehousing/postal (and therefore land requirements) would materialise. More recent market signals suggest strong demand for warehousing/postal land in particular.

A slight sectoral shift in employment growth, even within the same level of employment growth overall, could have significant implications for forecast employment land requirements. For example, if more of the new jobs created were in warehousing/postal rather than hospitality or office-based occupations, the need for employment land would increase.

The intention of the council is to update the EHDNA in between the preferred options and submission stage to test and update the forecast employment growth and employment land requirements.

Questioning labour demand projections for future employment land needs

2.4 As noted, the main projections for employment land need presented in the published Economic and Housing Development Needs Assessment (EHDNA) are primarily based on labour demand. These project the future number of people that might be employed in a sector, then convert that to a land requirement using employment densities (square metres of floorspace per employee) and plot ratios (ratio of floorspace to site area).

2.5 Predicting land requirements using labour demand relies on predicting sectoral jobs growth at a relatively small geography (Stafford Borough) over a relatively long time-horizon (2020-2040). There are question marks about the reliability of such projections. More problematic is that labour demand projections rely on a relatively stable relationship between the number of employees and land requirements. At base, the projections assume that as the productivity of a sector increases it needs more workers and more land to accommodate them.

2.6 This relationship appears likely to hold, to some degree, for office-based occupations, although post-Covid19 changes to working patterns may call that into question. In the industrial and warehousing sectors, however, the relationship looks less likely to apply.

2.7 The reason why labour demand may be a poor basis for projecting future land requirements for the industrial and warehousing/distribution sectors is that productivity improvements in these sectors are more likely to be driven by automation and improving efficiency and scale, than by increasing the headcount.

2.8 We see this in the past data for Stafford Borough. Over the past twenty years, manufacturing GVA in the borough grew and there were net completions of industrial land, despite a very significant drop off in manufacturing employment. Similarly, the growth in GVA in the warehousing and distribution sectors in the borough was very high, and the land completions also high, but the growth in number of jobs was proportionately more modest.

2.9 The past trends in employment, completions and GVA growth by sector in the borough are described in the boxed text below.

2.10 The reliability of labour demand projections in the industrial and warehousing/ distribution sectors for anticipating future land requirements is also called into question by how little of the land requirement they actually predict. In the Cambridge Econometrics baseline scenario used in the EHDNA, only 6% of the employment land requirement is accounted for by jobs growth, with 70% accounted for by loss replacement and 24% by flexibility factor. Even in the EHDNA's most bullish "regeneration" scenario, jobs growth only accounts for 40% of the land requirement. This will need to be re-visited through the updated EHDNA following the preferred options consultation stage.

2.11 Labour demand, where we try to model the number of people who might in future work in the industrial and warehousing/distribution sectors and then convert that into a land requirement, is likely to be a poor predictor of land requirements. This in turn means that working backwards and converting a land requirement in these sectors into a future workforce and the future number of dwellings needed to accommodate that workforce is likely to be a poor way of predicting housing requirements. The reason for this is a that automation is likely to be a significant factor in these sectors and, as we have seen in manufacturing, GVA growth has decoupled from workforce growth. Additionally, there are significant question marks about the reliability of sectoral job forecasts at small geographies over long time-horizons.

2.12 In future the manufacturing and warehousing/distribution sectors might need more land - particularly for replacing older, poorly located stock with more modern, efficient facilities - but only see a relatively modest growth or even a decline in worker numbers.

2.13 It may therefore be that past-trends for completions in these sectors, coupled with market signals, are a better predictor of future land needs than the labour demand projections.

2.14 The high past take-up and market signals, which show low vacancy on existing employment land, present a strong argument for setting the employment land requirements above those being indicated by the labour demand projections. It is probably, for the reasons described below, unrealistic to expect that past trends in take up will be replicated, as economic forecasts are less favourable and economic restructuring away from manufacturing is expected to continue (though this may not reduce land requirements).

2.15 This will be considered in the EHDNA update, after the preferred options consultation.

Box 3: Past changes in employment, land completions and GVA by sector in Stafford Borough

The EHDNA records a decline in manufacturing jobs 2000-2018 of over 5,100 (para 7.12). This was partially offset by +2,717 jobs in warehousing and postal 2000-2018 and a growth of circa 1,000 in the wholesale trade over the same period. There was therefore a net decline in jobs in the main B2 and B8 sectors of circa 1,383 jobs.

The EDHNA shows in the 17-year period 1 April 2002 to 31st March 2019 total employment land completions were 140 ha (para 6.13) an average of 8.24 hectares annually, although the figures do not differentiate what proportion of this land-take was offices and what proportion was industrial and warehousing. These gains have been partially offset by losses, which the EDHNA finds averaged 2.41ha annually 2009-2019.We don't have a breakdown of losses by use class.

EHDNA Para 6.14 suggests that 23% of floorspace delivered over the ten years to 2019 was offices. As offices are generally delivered at a higher plot ratio than industrial and warehousing land, offices would likely have accounted for significantly less than 23% of the total land take for employment land over this period. If we conservatively estimate 20% of the land take 2020-2019 was for offices, that leaves circa 112ha of industrial and warehousing completions. Of these, the most significant land take was for warehousing, estimated to make up circa 61% if total completions 2009-2019, with manufacturing making up circa 16%.

VOA data in the EHDNA shows a different picture (EHDNA table 6.1), with industrial floor space increasing by a modest 8,000sqm 2001-2016.

No productivity information is presented in the EHDNA, although ONS data on Regional gross value added (balanced) by industry: local authorities by ITL1 region show that gross value added by sector in the borough changed as follows 2000-2019:

Table 8: Past changes in GVA by sector in Stafford Borough

Sector	2000 GVA	2019 GVA	% change
Manufacturing	£379,000,000	£435,000,000	+15%
Wholesale trade	£49,000,000	£141,000,000	+188%
Warehousing and postal	£19,000,000	£83,000,000	+337%

In summary this shows that in the main industrial and warehousing sectors there was a combination of net employment decline, significant land completions and significant growth in GVA.

Looking just at manufacturing, a significant decline in employment has been accompanied by a modest growth in GVA and an unclear picture on growth in land-uptake. This sector remains much more significant both in terms of total persons employed and GVA than the warehousing and distribution sectors.

In the warehousing and distribution sector there has been very significant growth in GVA and land uptake. This has been accompanied by more modest jobs growth. The EHDNA (table 7.2) estimates that there were 7,550 jobs in the B8 warehousing and distribution sector in 2020. This is an approximate doubling of jobs in these sectors from 2000.

Employment land supply

2.16 As at 31 March 2022 employment commitments totalled 108.52ha gross.

2.17 The largest components of this total are Redhill Business Park (28.96ha), Meaford (32.53ha) and Hixon Airfield Industrial Estate (11.5ha)

2.18 The commitments include the following land allocated under the current Plan for Stafford Borough which does not yet have planning permission:

Table 9: Current local plan allocations that do not yet have planning permission

Site	Site area (ha)
Beacon Business Park	12.8
Ladfordfields Rural Employment Area	5.8

2.19 Deducting existing commitments of 108.52ha and 2020-2022 net completions of -5.5ha (total 103.02) would leave the following amounts of 2020 to 2040 employment land to be identified in each of the scenarios:

Table 10: Residual land requirements for EHDNA employment scenarios

Employment projection	Requirement (hectares) (based on EHDNA table 7.18)	Residual requirement for employment land after commitments
Scenario A The number of jobs needed to balance minimum local housing needs	67.98	0ha
Scenario D Cambridge Econometrics projection for jobs growth in the borough	69.07ha	0ha
Scenario E A 'policy on' jobs growth target whereby 6,500 additional jobs are created by 2040 through new employment sites at a new garden community and at Stafford Station Gateway	108.82	5.8ha
Scenario F Past trends (2000-2018) job growth in the borough, again assuming no change to commuting patterns.	94.18	0ha

Employment projection	Requirement (hectares) (based on EHDNA table 7.18)	Residual requirement for employment land after commitments
Scenario G Jobs growth 50% higher than the Cambridge Econometrics baseline projection	78.56	0ha
Past take-up rates [this isn't given a scenario letter in the EHDNA]	181.32	78.3ha

2.20 As can be seen, the very high level of existing commitments means that there is no or minimal employment land to be identified except in the past take-up rates scenario.

3. Preferred options for housing and employment land

3.1 This section outlines the council's preferred housing and employment land requirements and the reasons for their selection. That is followed by a summary of the council's reasons for rejecting the alternative options set out in the EHDNA.

Preferred housing requirement

3.2 The council's emerging preferred options is to plan for 535 new homes each year (10,700 new homes 2020-2040). This is a variant on Scenario D in the EHDNA and is referred to as 'Scenario D+'.

3.3 This option could deliver the borough's own housing needs of 435 new homes each year (8,700 homes 2020-2040) calculated in accordance with Scenario D of the EHDNA, together with 2,000 homes as a contribution to meeting unmet need in the sub-region.

Preferred employment land requirement

3.4 A minimum requirement for 79ha (rounded to 80ha) of employment land 2020-2040 is proposed.

3.5 The EHDNA indicates that this level of employment land would support 2020 to 2040 jobs growth of 8,894, which is 50% higher than the Cambridge Econometrics econometric projection. This equates to a 0.57% CAGR.

3.6 This scenario aligns best with the preferred options housing requirement of 535 new homes per year. EHDNA scenario G demonstrates that the proposed level of new housing would provide the working age population to accommodate this level of new employment growth.

3.7 For the reasons identified above, that there are considerable question marks about labour demand as a way of projecting future land requirements for industrial and warehousing/distribution. 80ha is the labour demand scenario in the EHDNA that best aligns with the preferred housing requirement. However, the council is considering setting a higher employment land requirement which is between the labour demand and past take up scenarios. This will be considered further in the EHNDA update after the preferred options consultation. For the moment 80ha is used in the proposed employment land requirement in in the preferred options plan.

3.8 Additional employment land supply is identified to provide a supply buffer above the 80ha minimum requirement. This additional supply will provide a buffer against the non-implementation of existing employment land permissions.

3.9 If all existing were to be implemented then there would be no residual need to identify employment land. However, in view of market signals including low levels of vacancy and a number of unmet requirements, together with slow progress in building out consented employment land at Meaford, it is proposed in the preferred options plan to allocate additional land at Ladfordfields and north of Redhill. These allocations provide additional shorter-term supply and a buffer against non-implementation of existing consents, amounting to 36.76 hectares in total.

3.10 Additionally, it is proposed to allocate 30ha of employment land at Meecebrook Garden Community. This employment land would likely be delivered in the latter part of the plan period and beyond, as part of the plan's 30-year vision for development of the borough, with circa 15ha deliverable by 2040. It is planned to support balanced development at the garden community. But it is recognised that in view of current market conditions there is considerable uncertainty about the timetable for this land coming forward. It is also recognised that at new settlements employment land often becomes established after housing as the settlement gradually becomes more self-contained.

Summary of the reasons for selecting the preferred housing and employment land requirements

3.11 The proposed housing requirement of 535 new homes each year represents an increase on the 500 new homes each year planned under the current Plan for Stafford Borough. It is significantly higher than the borough's minimum local housing needs of 391 new homes calculated in accordance with the government's standard methodology.

3.12 A housing requirement of 535 dwelling per annum allows the borough to deliver more than its own minimum local housing need, while also contributing to meeting unmet housing need within the sub-region through the duty to cooperate, as discussed below.

3.13 Stafford Borough has consistently since 2001 delivered more than a 1% annual increase in the number of dwellings in the borough, placing it in the top 25% of local authorities on this measure. Therefore, the proposed requirement represents a continuation of an already relatively high level of housebuilding. House prices and affordability ratios in Stafford Borough remain below the national average and the rate of house price increase has been below the national average (see http://resi-analysts.com/wp-content/uploads/LGA/Reports/Stafford.pdf), while the level of vacant homes is relatively high.

3.14 At least 80ha of employment land would (based on the EHDNA) support the creation of 8,894 new jobs 2020 to 2040. This is a middle ground between the lower and higher labour demand projections of future employment growth presented in the EHDNA.

3.15 The preferred employment land requirement, which would deliver land to accommodate 50% more jobs than the Cambridge Econometrics projection for employment growth in the borough, is considered to be a positive but realistic growth strategy.

3.16 For the reasons outline above, the council has doubts about the reliability of the use of labour demand to predict future land requirements in the industrial and warehousing and distribution sectors. The land requirement for these sectors will be reviewed as part of the EHDNA update after the preferred options consultation.

3.17 In the meantime, the preferred options proposes additional employment land allocations above the 80ha minimum to provide flexibility, insurance against non-implementation of existing permissions, and to respond to market signals of low vacancy and unmet requirements. Furthermore, 30ha of employment land is allocated at Meecebrook to deliver long-term greater self-containment at the new community.

Why the borough is planning for growth

3.18 Planning for continued growth is important to the borough because of its ageing population.

3.19 In 2018 the borough's old age dependency ratio was estimated to be 371 compared to England's old age dependency ratio of 293. That means that there were 371 persons above state pension age for every 1000 aged between 16 and the state pension age. This ratio for the borough is projected, in the latest 2018-based subnational population projections, to increase to 434 by 2040.

3.20 The effect of this change is offset to some degree by projections of higher levels of workforce participation among the over 65s. The Office for Budgetary Responsibility's Fiscal Sustainability Report, 2018, Supplementary Data Series projected that the proportion of economically active men aged 65-69 will increase from 27.8% (2020) to 39.9% (2040) while for women the increase will be from 19.7% (2020) to 35.9% (2040). For those aged 70-74 the

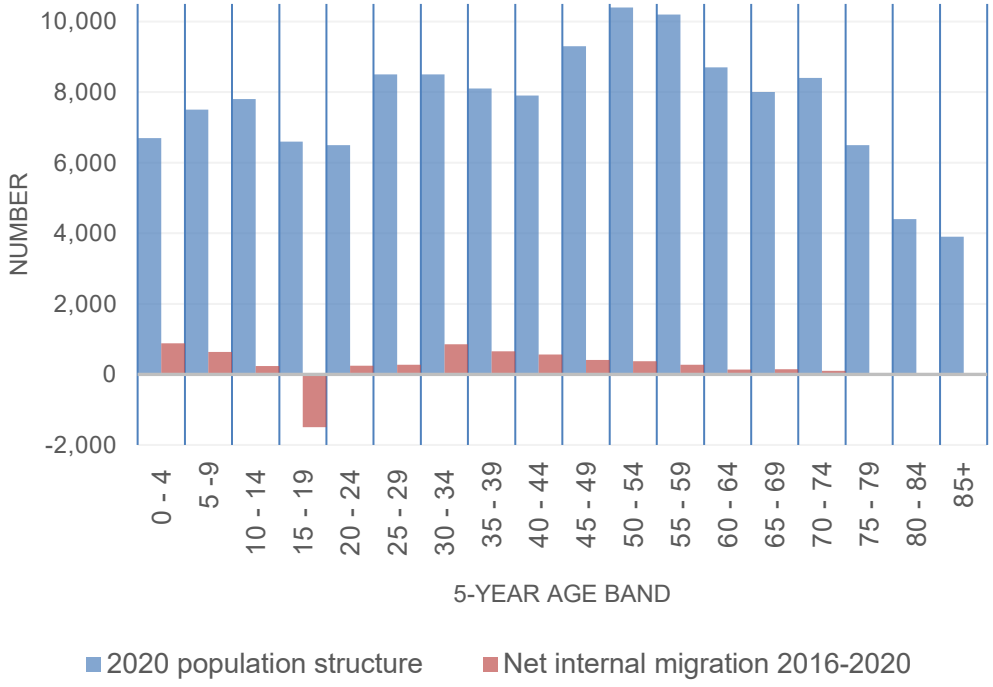
increase will be from 13.4% to 15.8% (men) and from 7.6% to 14.2% (women).

3.21 Notwithstanding these projected increases in participation rates, the ageing of the population has implications for the fiscal sustainability and economic prospects of the borough.

3.22 Early Census 2021 data shows the proportion of the Borough's population aged 65 and over has increased by 24.6% over the decade (2011-2021) while the population aged 15-64 has decreased by 1.7% over the same period (https://www.ons.gov.uk/visualisations/censuspopulationchange/E07000197/).

3.23 As we have seen, population growth in the borough is fuelled by migration to the borough from other parts of the UK. On average the age structure of in migrants to the borough is younger than that of the borough's population as a whole, as is illustrated by the table below. The table below shows that while the largest 5-year age-groups in the borough's population are those aged 50-54, 55-59 and 45-49 the largest 5-year age-groups among internal migrants to the borough are aged 30-34, 35-39 and 0-4.

Chart 5: Population structure and internal migration



3.24 The migration data over the years 2016-2020 shows that the borough tends to attract younger adults and their dependent children. This means that new housebuilding would increase the economically active population of the borough both in absolute terms and as a proportion. This would have fiscal and economic benefits.

3.25 Overall, the preferred strategy would continue to deliver housing and employment land growth, while being prudent, realistic and deliverable. It would reduce the risk of the borough falling behind targets on housing delivery

and land supply and thereby losing control of development and being exposed to unplanned development.

3.26 The justification for planning through the duty to cooperate for unmet needs from the sub-region as part of the preferred options is explained in the box below.

Box 4: Why meet housing from the sub-region?

Stafford Borough Council is subject to the statutory duty to cooperate under s33A of the Planning and Compulsory Purchase Act 2004. This requires local authorities to cooperate with each other to address strategic matters which cross administrative boundaries, like the provision of housing to meet needs. National Planning Policy Framework paragraph 35 states that local authorities should accommodate unmet need from neighbouring areas, where it is practical to do so and is consistent with achieving sustainable development.

As is explained above, planning to deliver more than the borough's minimum local housing needs requires an increase in net migration of new residents into the borough. The strongest migration relationships are, as would be expected, with neighbouring housing market areas to the north and south. Indeed, the borough has a negative net migration relationship with the rest of the country. In light of these cross-border relationships, the justification for planning for higher levels of new residents moving to the borough and new workplaces being created in the borough is clearer if pursued in coordination with neighbouring housing market areas. That coordination needs to take place through the duty to cooperate.

On the basis of those migration relationships, it is considered that cooperation to meet unmet needs from the sub-region is justified.

Paragraph 35 of the NPPF states that unmet needs from neighbouring areas should be met where consistent with achieving sustainable development. In light of that paragraph and the fact that the borough is not within the same housing market area as other sub-regional authorities, a clear justification for how the unmet needs can be met sustainably is required.

The Meecebrook Garden Community proposal, which forms part of the council's preferred options, presents the opportunity to deliver new housing with a range of supporting infrastructure and facilities. Additionally, Meecebrook will have a new rail links. Providing unmet needs at Meecebrook is therefore considered to be consistent with planning for sustainable development.

It is considered that meeting unmet housing needs elsewhere in the borough would be less sustainable and could increase long-distance car commuting. Therefore, the proposal to contribute to meeting unmet needs

is contingent upon those needs being able to be met at Meecebrook, provided 3,000 new homes are delivered in the Plan period 2020-2040.

The younger age profile of potential migrants means that they will support the expansion of Stafford Borough's working age population and thereby the delivery of economic growth.

Why 2,000 homes?

It is considered that accommodating 2,000 new homes is a meaningful yet realistically deliverable contribution to meeting unmet needs. The justification for accepting this level of unmet need is tied to the delivery of the Meecebrook Garden Community. This level of new homes would allow the Meecebrook Garden Community to play the dual role of meeting unmet needs and contributing to delivery of the borough's own housing needs.

In light of the limitations on the realistic level of housing delivery at Meecebrook before 2040, if more than 2,000 new homes in unmet need were to be accommodated, a proportion of those houses would need to be accommodated in the borough's other settlements. The borough's other settlements, including the rural peripheries of Stafford and Stone, have inferior sustainable transport links so housebuilding in these locations would be less likely to contribute to the achievement of sustainable development. Alternatively, Meecebrook's role in delivering the borough's own housing need would need to be reduced in order that it could accommodate largely or exclusively unmet need. This would undermine local support for the Local Plan strategy.

Box 5: Is scenario D compatible with accepting unmet need

The preferred options housing requirement has two components:

The borough's own housing need of 435 dpa based on EHDNA scenario D

Unmet need of 100 dpa (2,000 over the plan period)

This raised the obvious question as to why Scenario D, which is higher than minimum local housing needs, isn't itself compatible with taking unmet needs from neighbouring a HMA. It is arguable that the difference between minimum local housing need (currently 391dpa) and EHDNA scenario D (435 dpa) could make a further contribution to meeting unmet need of circa 1,000 homes over the plan period.

Scenario D adjusts housing growth upwards to accommodate a larger workforce needed to match forecast employment growth without a change to commuting patterns. As natural population change (births minus deaths) in the borough is projected to be negative, the residents needed to fill the additional jobs will be internal (within the UK) migrants. By far the most likely source of these internal migrants is a neighbouring housing market

area. Indeed, there is no clear mechanism for those people coming in sufficient numbers from further afield (for example, from other housing-constrained areas of the country like London and the greater South East). On this basis these is no logical reason why those new residents should not contribute to meeting another authority's unmet needs.

Notwithstanding that, it seems to have been more usual practice to treat uplifts to minimum housing requirements to support employment growth (as in scenario D) and uplifts based on unmet need of neighbouring authorities as separate, non-overlapping, uplifts. There is no convincing justification for this because a migrant from a neighbouring authority is no different irrespective whether we label them as an 'economic migrant' or an 'unmet housing need migrant'. In the real-world people don't recognise or behave in accordance with these labels.

The argument in favour of separate uplifts is that the 'unmet need migrant' may be more likely to retain economic ties to the donating authority and so be less likely to join the local workforce needed to support jobs growth in the recipient authority.

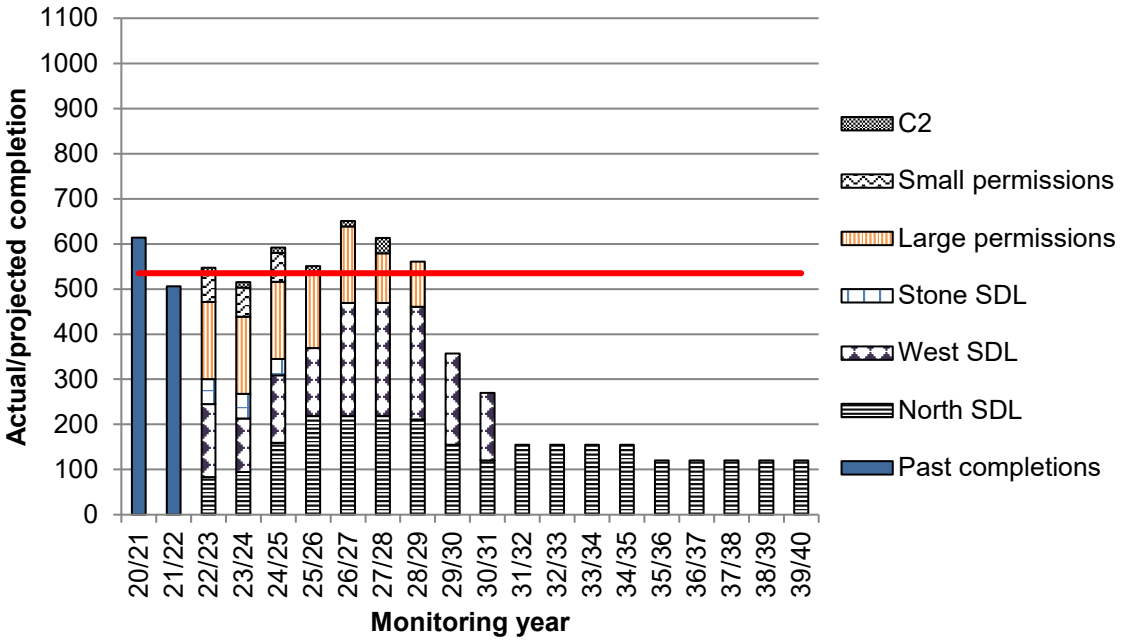
This argument loses some of its force when it is recognised that many of the households making up that unmet need will have limited or no economic ties to the donating authority, because they will themselves be assumed internal migrants to that authority in some cases including those needed to fill out the 35% urban uplift required by the government's standard method calculation. In other words, a proportion of unmet need will be displaced migration: people who the standard method thinks would have migrated to the donor authority will instead migrate to Stafford.

The other argument against the 'retained economic ties' position is that, before they move to Stafford Borough, all internal migrants will have had economic ties to somewhere else. They will need to break those ties and create new ones in the borough to contribute to the borough's economic growth, which is the whole rationale of the uplift to housing need. There is no logical reason why migrants from a donating 'unmet need' authority would be less likely to create those new economic ties than would migrants from elsewhere.

The council is at present undecided on whether or not the Scenario D jobs-based uplift to local housing need can make an additional contribution to meeting unmet need. This will be considered further after the preferred options consultation.

3.27 Under the emerging preferred housing quantum option, the borough's housing trajectory based on existing commitments would be as follows:

Chart 6: Existing commitments trajectory



3.28 The residual housing, after existing commitments, needing to be identified would be as follows:

Table 11: Residual housing requirement after commitments

Requirement, Residual or Estimated commitment	Number of dwellings
Requirement 2020/21 to 2029/30 (535*10)	5,350
Estimated commitments 2020/21 to 2029/30	5,507
Residual to be identified 2020/2021 to 2029/2030	0
Requirement 2030/31 to 2039/40	5,350
Estimated commitments 2030/31 to 2039/40	1,537
Residual to be identified 2030/31 to 2039/40	3,813
Total residual to be identified 2020 to 2040	3,656

4. Reasons for rejecting alternative options

4.1 A summary of the council's reasons for not planning for the alternative employment land and housing projections set out in the EHDNA is as follows.

Reasons for rejecting EHDNA Scenario A, minimum local housing needs

4.2 Minimum local housing needs calculated in accordance with the government's standard methodology were in 2019 defined as 408 new homes each year, and in 2022 defined as 391 new homes each year.

4.3 The EHDNA evidence suggests that standard methodology numbers, while a reasonable alternative, would not provide the level of housing needed to deliver workforce to support the Cambridge Econometrics November 2018 projection for employment growth.

4.4 The EHDNA shows that local housing need of circa 400 new homes per year would still be compatible with an increase in 5,588 jobs 2020-2040 in the borough, equivalent to a 0.39% cumulative annual employment growth rate. There are currently considerable uncertainties about economic projections, as is discussed below, and accordingly the standard methodology number is considered to remain a reasonable alternative option. However, it is considered prudent to plan for housing needs for the borough to accommodate baseline projected employment growth as set out in the EHDNA.

4.5 It is also relevant to note that Scenario A would represent a step down in the levels of new housing planned for compared to that planned in the period to 2031 under the current Plan for Stafford Borough

Reasons for rejecting EHDNA Scenario E, regeneration scenario

4.6 Scenario E of the EHDNA models the housing needed to balance anticipated job creation at Meecebrook and Stafford Station Gateway.

4.7 The rejection of this scenario is based on two principal concerns:

- Lack of justification for and doubts over the reasonableness of its assumptions about the additionality of employment at Meecebrook and Stafford Station Gateway; and
- Question marks over how realistic and deliverable its assumptions about projected 2030-2040 employment growth at a garden community and Stafford Station Gateway are.

4.8 These concerns are explained in turn.

4.9 First, Scenario E assumes 100% additionality for employment growth at Meecebrook and 50% additionality for employment growth at Stafford Station Gateway. In other words, this employment growth is additional to, rather than displacing, the employment growth projected by Cambridge Econometrics to occur in the borough 2020-2040.

4.10 A proportion of new employment at a garden community would be construction-related and a proportion would serve the new population (e.g. teachers, hairdressers etc.). These jobs would only be additional if the garden

community accommodated none of the borough's own local housing need. This is explained in the EHDNA (paragraph 7.35 on page 76) as follows:

> "It is understood that up to 10,000 new homes could potentially be additional to the Borough's local housing need. There would be construction jobs which would be additional and on this basis (and working on the understanding that the employment land element will broadly serve the new settlement and unmet need from elsewhere in the sub-region resulting from a step change in economic growth) then it has been assumed that all of these new jobs could be net additional.".

4.11 If any of the borough's own housing need is accommodated at a garden community then the jobs building and servicing these houses would not be additional; they would have been created anyway if the houses were built elsewhere in the borough, rather than at a garden community.

4.12 The same applies to employment land. The argument in the EHDNA is that because the garden community employment land is in Scenario E wholly additional to the borough's own requirements, all the employment created there will be additional to the baseline employment projection.

4.13 This rests on the assumption that the new employment land at a garden community would not displace existing jobs or substitute for new job creation elsewhere in the borough. In other words, all of the new employment land would be taken up and this wouldn't affect the level of take up of new employment land elsewhere in the borough. Either garden community employment land would be taken up exclusively by new inward investors to the borough (as suggested in the above quotation from the EHDNA) or existing borough employers relocating to the garden community would be replaced by inward investors to other sites in the borough.

4.14 There is not currently sufficient evidence to support this assumption of 100% additionality, and it is considered improbable.

4.15 The argument for Stafford Station Gateway jobs being 50% additional again rests on this being able to be delivered without displacing any employment growth elsewhere in the borough. Again, this assumption is questionable.

4.16 Equally problematically, Scenario E relies on the garden community meeting none of the borough's own housing and employment need. That would undermine a main basis for potential support for a garden community among borough residents. The argument that a garden community would take pressure off other settlements is an important selling point for a garden community locally, but would only hold true if the new settlement meets some of the borough's own housing and employment land needs.

4.17 The second concern with Scenario E is about how realistic and deliverable the employment projections for Meecebrook and Stafford Station Gateway contained in the EHDNA are.

4.18 The employment projection at Stafford Station Gateway relies on delivery of 68,976m^2 of office accommodation by 2040 (EHDNA table 7.5). The EHDNA records that Stafford Borough has seen an increase in office floorspace of 47,000m^2 in the 15 years 2001-2016 (EHDNA table 6.1). This suggests that delivery of 68,976m^2 is ambitious but not implausible. However, there are factors which would call into question the delivery of this quantum of office space at Stafford Station Gateway. First, Office rents of £15/sqft quoted in the EHDNA (para 6.51) do not seem high enough to support speculative development and there are no known large public or private sector lets on the horizon. It should be noted that public sector lets have supported past office development to a significant degree. Second, the EHDNA notes that local agents were sceptical of the deliverability of the quantum of office space proposed at Stafford Station Gateway (see EHDNA paragraph 8.11).

4.19 Stafford Station Gateway is not at present a fully consented scheme and it is largely not in public ownership. There is as yet no published masterplan for the site or adopted planning policy. Moreover, more recent estimates of the site's capacity to accommodate employment land, supplied by the landowners, indicate a significantly reduced potential quantum of office space. More recent estimates suggest 3,090m^2 of office accommodation and 9,825m^2 of workspaces (likely use class E(g)(iii)). It is therefore at present unlikely thar the scheme will deliver the employment land quantities modelled in the EHDNA.

4.20 Similar questions arise in relation to the delivery of 30ha of employment land and 3,713 jobs at a garden community by 2040 (see EHDNA para 7.36 and table 7.4). More recent estimates suggest delivery of 15ha within the plan period. Additionally, more recent estimates of likely retail floorspace quantum at Meecebrook indicate this would be substantially less than the EHDNA modelled.

4.21 The difference between the quantities of new employment land modelled in the EHDNA and those included in the draft plan are shown in the tables below.

Table 12: Stafford Station Gateway employment land

Estimated floorspace EHDNA	Jobs density	Implied jobs EHDNA	Estimated floorspace draft plan	Jobs density	Implied jobs draft plan
68,976m^2 office	See table 7.5 EHDNA	5381	3,090m^2 office	13	238
2,903m^2 other B use classes	See table 7.5 EHDNA	65	9,825m^2 of workspaces (assumed use class E(g)(iii))	36	273

Estimated floorspace EHDNA	Jobs density	Implied jobs EHDNA	Estimated floorspace draft plan	Jobs density	Implied jobs draft plan
2,985m^2 Retail, leisure F&B	16	187	1,425m^2 retail, leisure F&B	16	89
5,068m^2 hotel (120 bed mid-range)	1 per 3 beds	40	3,720m^2 hotel (80 bed mid- range	1 per 3 beds	27
	Total jobs	**5,672 (5,446 B class)**		**Total jobs**	**627 (511 B class)**

Table 13: Meecebrook employment land

Estimated floorspace EHDNA	Jobs density	Implied jobs EHDNA	Estimated floorspace draft plan	Jobs density	Implied jobs draft plan
By 2040 30 hectares of employment land comprising 6000m^2 office	12.5	480	15ha of employment land by 2040 comprising 3,000m^2 office	12.5	240
48000m^2 b1c	53.5	897	24,000m^2	53.5	449
42000m^2 B2	36	1,167	21,000m^2	36	583
24000m^2 B8	65	369	12,000m^2	65	185
16800m^2 retail	21	800	2,675m^2 Assumes 50% of planned retail (1675m^2) + 1000m^2 of leisure	21	127
	Total jobs	**3,713 (total, 2,913 B-class)**		**Total jobs**	**1,584 (1457 B-class)**

4.22 This shows that the developments proposed in the draft plan would deliver considerably fewer jobs than was assumed in the EHDNA. Even in the unlikely scenario that 50% of Stafford Station Gateway jobs and 100% of Meecebrook jobs are additional to baseline employment growth that would mean 1,898 additional jobs in the period to 2040 above baseline projected

employment growth. This is considerably below the additional 6,500 jobs by 2040 on which scenario E is predicated.

4.23 More generally, the projections for the number of jobs that could be created at Stafford Station Gateway and a garden community will remain illustrative and will change as the detailed masterplanning for those projects progresses. Those numbers may change substantially depending upon technical feasibility, market advice and landowner decisions. Experience at other new settlements is that employment growth tends to follow after housebuilding as the settlement gradually becomes more self-contained. The delivery of Meecebrook employment land will extend beyond 2040 as part of the 30-year vision.

4.24 The projections for jobs growth at Stafford Station Gateway and at a Garden Community used as the basis for the EHDNA scenario are no longer considered credible and do not form a solid basis for predicting future employment or the need for housing in Stafford Borough over the period 2020-2040.

Reasons for rejecting EHDNA Scenario F, past-trends jobs growth

4.25 This scenario in the EHDNA models the housing that would be needed to provide the workforce to accommodate a continuation of past-trends in jobs growth from the period 2000 to 2018, assuming no change in commuting patterns.

4.26 The past trends scenario models 0.83% compound annual employment growth rate (CAGR), which is the level seen in the period 2000-2018 (if data up to 2019 is included the CAGR drops to 0.78%)(EHDNA para 7.51 and table 5.1). By contrast, the Cambridge Econometrics baseline jobs growth scenario would project a 0.39% CAGR (EHDNA para 7.10) and Scenario G, which aligns with the preferred options, predicts 0.57% CAGR.

4.27 The principal arguments against assuming a mere continuation of past trends are:

- Inconsistency with more cautious mid-term national level forecasts for economic prospects. For example the Office for Budget Responsibility national (March 2022) employment forecast projects nationally a 0.17% CAGR in employment between Q1 2020 and Q1 2027 (https://obr.uk/forecasts-in-depth/the-economy-forecast/labour-market/). The Bank of England points to a number of factors reducing labour supply in the UK including: reduced participation rates principally due to long-term ill-health and early retirement, a demographic shift with more older people and reduced net international migration, see: https://www.bankofengland.co.uk/monetary-policy-report/2022/august-2022 .
- Economic restructuring may mean that replicating past growth is unlikely.

4.28 The principal arguments in favour of the past trends econometric scenario or indeed Scenario E which reflects a similar 0.79% CAGR for employment are that:

- The 2000-2018 is a long-term trend, reflecting a full economic cycle. However, it is worth noting that most of the increase in employment took place between 2000 and 2008 and in the period 2008 to 2018 jobs growth has been weak with employment only recovering to pre-recession levels in 2017. It does not appear likely that there will be a return to the economic conditions of the 2000 to 2008 boom in the near-term future. More generally, long-term historic trends need to be balanced against the evidence of weaker future prospects. Evidence suggests that a prudent approach may be to adopt a more cautious forecast for employment growth, with the opportunity to review that at the first 5-year plan review.
- A higher employment forecast is more positive/aspirational and would support the economic growth aspirations of the Staffordshire Local Enterprise Partnership. This is in effect an argument for a policy-based increase to employment and housing targets to support a growth strategy.
- Recent trends for employment growth as shown in BRES data for 2015 to 2020 shows a 0.54% CAGR. However, this is short-term trend data which doesn't include the effect of COVID-19 or Brexit.

4.29 Overall, it is considered that past trends cannot necessarily be relied on as a guide to what will happen in future. The econometric projections and recent events do not support the continuation of past levels of jobs growth.

Reasons for rejecting EDHNA past take-up rates scenario

4.30 This scenario models the employment land that would be required if past-trends for take-up were to continue.

4.31 Past take-up rates can be influenced upwards by one or two very large lets, particularly for B8 storage and distribution uses which have large land take. The past-trends data from 2002-2019 is influenced upwards by high rates of employment completions pre 2008 which may not be replicable.

4.32 The EHDNA discussed the past take-up rates scenario at paragraph 7.69. Reasons for non-repetition of past take up rates include restructuring of the economy towards business-services with higher employment densities and thus less need for land, and the potential for the recycling of industrial land into employment use as older industrial land becomes redundant.

4.33 On the other hand, there is evidence that rising online sales volumes during the COVID-19 pandemic have driven demand for B8 distribution space. Lambert Smith Hampton's report *Industrial and logistics market 2021 (*https://www.lsh.co.uk/industrial-and-logistics-market) shows in 2021 there was very high take-up of B8 space particularly for large (100,0000 to 250,000

sqft) and very large (>250,000 sqft) units. This report also highlights very low supply in the West Midlands region.

4.34 The UKLA report *The size and make-up of the UK warehousing sector – 2021* highlights similar trends. This report identifies a 32% increase in UK warehousing space between 2015 and 2021 and over the same period an increase in average unit size from 217,000 sqft to 340,000 sqft. This report also highlights the projected continued growth in demand for warehouse space, driven in particular by online retail.

4.35 Stafford Borough's location within the West Midlands on the M6 corridor is likely to drive demand for logistics space.

4.36 The rapid growth in demand for B8 space, particularly for large units, could lead to more land being required, albeit at lower employment densities.

4.37 The growth in B8 could mean that more land is needed to deliver the same number of new jobs because either:

- More land-hungry B8 jobs will take a larger share of future employment than is anticipated in the EHDNA, or
- The same number of B8 jobs will be delivered at lower employment densities (necessitating more land) because of a shift to larger more automated distribution centres.

4.38 On the other hand, while more land could be required to deliver B8 jobs, less land could be required for the same number of office jobs. This could be the case if patterns of homeworking and flexible working among office workers during Covid-19 persist in the medium to long term. There is also some evidence that the demand for B8 land is slackening (see e.g. https://www.ft.com/content/266b8867-e4b6-4fbe-a4b5-a332a0c13cec) .

4.39 All these trends will need to be monitored and considered in the EHDNA update, but they do not, at present, support an argument that future requirements will simply follow the long-term past trend for take-up.

4.40 As discussed above, the high past take-up rate is an argument for adopting a higher employment land requirement for industrial and warehousing/distribution than is indicated by the labour demand scenarios presented in the EHDNA. This argument will be considered in the EHDNA update. However, a straight replication of past take-up rates does not seem likely.

5. Affordable housing

5.1 The EHDNA provides an estimate of affordable housing need in the period 2020-2040 of 5,040 to 7,780, depending upon the proportion of their income newly forming households can be expected to spend on housing. These

figures represent respectively 65% and over 100% of current local housing need calculated in accordance with the standard methodology (391dpa).

5.2 These figures overestimate true need for the following reasons:

- The affordable housing calculation is based on gross, rather than net, household formation. Re-lets are used as a proxy for household dissolution to convert net household formation into annual flows. However, this doesn't capture newly forming households that are already in affordable housing nor households that dissolve without resulting in a re-let, for example those that dissolve or migrate away from the area before they are allocated housing.

- The model also doesn't capture the fact that supply may be re-let over the 20-year plan period. In other words, one new affordable house may accommodate more than one newly forming household over that period.

- The model assumes that housing benefit does not exist. Therefore, the model does not factor in the availability of housing benefit to allow some households who cannot afford market rents based on their incomes to meet their housing needs in the private rental sector. DWP data from May 2018, showed there were 1,159 housing benefits claimants who were meeting their needs in the private rental market in the borough.

5.3 It is also important to recognise that the calculated affordable housing need tells us what proportion of newly forming households would not be able to afford market housing. It is a component of overall housing need rather than being additional to it.

5.4 Therefore, increasing the overall housing need would simply lead to a concomitant increase in affordable housing need.

5.5 Taking the lower affordable housing need figure of 5,040 (252 dpa) in the EHDNA this would amount to 47% of total planned new housing of 535 dpa under the preferred options. If 35% of new housing delivery were affordable that would deliver 187 new affordable homes per year while 30% would lead to 161. The average delivery of affordable housing over the 10 years (to 2021) has been 151 new affordable homes per annum, while total new housing delivery over that period has been 572 new homes per year.

5.6 It is considered that the preferred options would make a positive contribution to the delivery of affordable housing, but there are not exceptional circumstances justifying an increase in overall housing delivery to seek to deliver the levels of affordable housing shown in the EHDNA.

6. Census 2021

6.1 At the time of writing, only the first results of the 2021 census have been published (https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationandhouseholdestimatesenglandandwalescensus2021). These results show the following:

Table 14: Census 2021 population increase

Region	Population 2011	Population 2021	Percentage increase
Stafford Borough	130,900	136,800	4.5%
West Midlands	-	-	6.2%
England	-	-	6.6%

Table 15: Census 2021 households increase

Region	Number of households 2011	Number of households 2021	Percentage increase
Stafford Borough	55,703	60,000	7.7%
West Midlands	-	-	5.9%
England	-	-	6.2%

6.2 We can supplement this with the council's own monitoring data:

Table 16: Additional dwellings 2011-2021

Region	Number of dwellings 2011	Number of additional dwellings 2011/12 to 2020/2021	Percentage increase
Stafford Borough	57,510	6,265	10.9%

6.3 The early census results show that Stafford Borough's population has grown proportionately less than the national average, but the number of households has increased by more than the national average. This indicates that the average household size in the borough declined over the ten years 2011-2021.

6.4 This pattern may be attributable to the following factors:

- An ageing population leading to negative natural change (more deaths than births), more older people living alone and empty-nesters;

- Relatively high levels of housebuilding facilitating new household formation and in-migration to the borough.

6.5 The picture will become clearer when more detailed census results are published.

6.6 It is interesting to compare the early census results with the 2014-based subnational population projections and household projections which form the basis of the government's standard method for calculating local housing needs.

Table 17: Census 2021 and 2014 based subnational population projections compared

Region	Population 2011	Population 2021	Percentage increase
Stafford Borough – census 2021	130,900	136,800	4.5%
Stafford Borough – 2014 SNPPs	130,900	136,200	4%

Table 18: Census 2921 and 2014 household projections compared

Region	Number of households 2011	Number of households 2021	Percentage increase
Stafford Borough – census 2021	55,703	60,000	7.7%
Stafford Borough – 2014 HHPs	55,743	59,564	6.9%

6.7 This comparison shows that the level of population and household growth has been largely in step with that projected in the 2014-based projections. This indicates that minimum local housing needs calculated in accordance with the standard method remains an appropriate starting point. As noted above, the preferred options plans for a housing target in excess of minimum local housing needs.