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The Plan for Stafford Borough Examination

Examination Hearing Sessions

Wednesday 23rd October 2013 – Afternoon Session at 2.00pm

Development Strategy – Housing & Employment Requirements (SP2)

Attendees

Stephen J Pratt	Planning Inspector	The Inspector
Katharine Makant	Note taker	KM

Stafford Borough Council

Alex Yendole	Stafford Borough Council	AY
David Smethurst	Stafford Borough Council	DS

Other Participants

Sue Green	Home Builders Federation	SG
Sarah Wozencroft	Commercial Estates Group	SW
Justin Gardiner	Commercial Estates Group	JG
Stephanie Linell	Grainger Homes PLC	SLin
Colin Campbell	Taylor Wimpy/Bellway	CC
Nicole Penfold	Gladman Developments	NP
Steve Lucas	Gladman Developments	SLuc
Richard Thomas	Creswell Parish Council	RT
Cr Maria Redfern	Creswell Parish Council	Cr MR
Paul Sharpe	Fradley Estates / Stan Robinson Ltd	PShp
Tom Beavin	Walton Homes / MJ Barrett Group	TB
Tom Hutchinson	Providence Land Ltd	TH
Stephen Stoney	Baden Hall Enterprises	SS
Paul Shaw	Milwood Ltd	PShw
Frazer Sandwith	Akzo Nobel UK	FS
Suella Fernandes	Akzo Nobel UK	SF

1. Level of Housing Provision

- 1.1 The Inspector reminded participants that the morning session had established that there were no unmet housing requirements from neighbouring authorities. He then made reference to the evidence base and to the Council's position as set out in Topic Papers B and C (K1), the Examination Statement (M3/1a) and its responses to Further Statements (N1d). He also made reference to the positions of other participants as set out in their original submissions and Further Statements. He summarised the different figures put forward for 'dwellings per annum' (dpa) as follows:

Dwellings per Annum (DPA)	Source or representation
500	Proposed by Plan (500dpa from 2011-2031 = 10,000 in total)
607	Staffordshire & Stoke-on-Trent Structure Plan to 2001
280	West Midlands Regional Spatial Strategy (RSS) 2001-2021
550	RSS Phase 2 Panel Report
461	2008-based household projections
474	What Homes Where? (query plan period)
400	2007 household projections for 2011
210	Affordable Housing (42% of overall 500 figure)
565	Grainger
600-650	Gladmans
650-700	Commercial Estates Group

- 1.2 The Inspector noted that none of the submissions proposed fewer than 500 or more than 700 dpa and that the Council had assessed options for 250dpa, 500dpa and 750dpa. He then invited the Council team to explain how they had undertaken the objective assessment, noting that whilst draft guidance had been published in Beta form, it would not apply to Plans which had already been submitted.
- 1.3 DS explained that the objective assessment of housing requirements was not an exact science and that a number of factors had been taken into account by the Council. These were listed in Topic Paper B (K1). The starting point had been a range of 470 to 500 dpa but only 30% of this requirement was based on local need while 70% represented inward migration. The Council's aspirations were towards growth and it wished to provide more than local need, so it had looked at how much housing could be delivered. It also wished to change the pattern of distribution to focus on the sustainable growth of Stafford Town.
- 1.4 The Inspector referred to the Government's Growth Agenda and Stafford's status as a New Growth Point under the previous Government. DS explained that the Plan represented the delivery mechanism for the Growth Agenda.
- 1.5 The Inspector then referred to the past performance of the Borough and asked how this compared to the proposals in the Plan. DS referred to paragraph B5.10 of Topic Paper B (K1) which gave an average of 442 dpa over the 12 years since 2001/2. He acknowledged that this was fewer than proposed but said this was due to the economic climate. The Inspector noted that annual completions ranged from 193 to 677. DS said that the 677 figure could not be sustained without using the rural areas.
- 1.6 FS outlined the concerns of Akzo Nobel, which focussed on the housing shortfall in recent years and the Council's perceived failure to accommodate it. The Inspector noted that some representations had made reference to the recent Castleworks appeal decision which had commented on the housing figures. He drew attention to the difference between planning application decisions and the plan-making process. FS confirmed that Akzo Nobel believed the Plan should meet the historic shortfall of 1158 homes as this had been based on a need that was not met. The Inspector noted that the Plan period started in 2011, not 2006. FS said that his argument was justified by the Beta guidance and the NPPF requirement to undertake an 'objective assessment' which he believed should take into account past under-provision. He acknowledged that the NPPF referred to a 20% buffer for underperformance but felt that the fact that the Council had applied this proved that it accepted there was a shortfall.

- 1.7 CC outlined the concerns of Taylor Wimpey which focussed on the housing requirements of the MOD and the shortfall. He felt that the 20% buffer was a separate issue, aimed at ensuring that targets were met during the plan period. The critical issue was whether the shortfall had been factored in to the projections going forward, given that household projections were based on past performance. The Inspector asked CC how the consequences of under provision could be recognised on the ground and suggested that it might lead to overcrowding or an increased housing waiting list. CC answered that planning applications in neighbouring authorities might increase. Taylor Wimpey had not suggested a figure of need – its concern was to ensure that the backlog had been taken into account.
- 1.8 TH outlined the concerns of Providence Land Ltd which focussed on affordable housing provision, suggesting that the level of overall housing provision should be increased to ensure the need for affordable housing provision was met.
- 1.9 On behalf of Walton Homes / MJ Barrett Group, TB said that the shortfall of 1100 should be added to the total.
- 1.10 PShp outlined the concerns of Fradley Estates / Stan Robinson Ltd, which focussed on a perceived lack of ambition on the part of the Council. He felt that the level of housing provision should be increased. With reference to paragraph B5.10 (K1), he commented that if the effect of recession was removed, the average annual completion rate was 520dpa.
- 1.11 SLuc said that Gladman’s concerns related to a perceived failure by the Council to take into account all three of the drivers required by the NPPF. In his view, the economy had not been sufficiently factored in. The evidence on economic prospects was dated and pessimistic, forecasting a decline over the period and ignoring the latest figures which forecast job growth of 300+ per annum. He acknowledged that there was a judgement to be made on what weight should be given to each of the drivers but said that this should be based on up-to-date evidence. The Council should be planning for growth, not managing decline.
- 1.12 On behalf of Grainger, SLin said that she was struggling to understand the methodology used by the Council. In her view, the figure of 500dpa was not aspirational enough and did not take into account economic growth, shortfall and latent demand.
- 1.13 On behalf of Commercial Estates Group, JG said that he shared Gladman’s concerns on the links between jobs and homes. In his view, the SHLAA did not meet the requirements of paragraph 159 of the NPPF. The household projections were out-of-date, ONS had underestimated inward migration by 3,800 people over a 10 year period, and the 500dpa figure did not reflect the changing working population. In addition, 500dpa was not sufficient to meet the need for affordable housing – at 30%, the figure would need to be 700dpa. CEG felt that more housing could be delivered. The Inspector asked JG whether any of the new evidence submitted by the Council since submission addressed his concerns. JG said that it did not.
- 1.14 SG listed the concerns of the Home Builders Federation as follows:
1. Confusion between housing growth and number of houses in methodology. The figure should be increased to allow for shortfall, 2nd homes and vacancy rates;
 2. The 500dpa figure was not ambitious and did not reflect economic drivers & growth;
 3. The SHMA only covered Stafford and the 2008 Joint SHMA was out-of-date.
- 1.15 DS responded on behalf of the Council. On the shortfall issue, he said that this had been

addressed in the evidence base. The Plan started from 2011 and there was no evidence of overcrowding in the SHMA. The under-achievement in completions was the result of the economic recession. In terms of targets, the 2006 target was the RSS figure of 280. Since then, there had been a debate and the figure had moved to 550 but this was not a formal requirement. The Inspector asked the Council to provide a table showing annual housing completions against annual targets – **Homework 3 (N2.5)**. He suggested that the relevant targets should be contained within the Annual Monitoring Reports.

1.16 On the economic driver issue, DS said that the Council had considered numerous economic figures and none of these provided certainty. The Council was looking at 2% growth, not zero growth, and it was proposing 10,000 houses and 160ha of employment development across the Borough. The Plan was the package that brought all of this together. Deliverability had to be an issue - 700dpa was higher than all the other local authorities in the LEP and was not achievable. He acknowledged that the SHMA did not provide the full picture on economic drivers and referred to the Council's Topic Paper (K1). However, the SHMA complied with the 2007 SHMA guidance, which referred only to affordable housing and not to meeting NPPF requirements.

1.17 On the issue of affordable housing, DS said that it was not sustainable to build more houses overall just to achieve the level of affordable housing required. 30% was unachievable in Stafford, as set out in the viability assessment and other evidence. Affordable housing would have to come from other sources. However, it was clear that, by adopting a figure of 500dpa, the Council could meet local needs, which represented 30% of the total requirement. The Council's approach was to focus on delivering development in Stafford, using the three identified SDLs. If required, it would be possible to increase the overall figure but the Council would want to ensure that Stafford was delivered first.

(A break for refreshments took place at this point.)

1.18 DS referred to the Council's Examination Statement (M3/1a) paragraphs 3.29 to 3.32 which set out how the Council had considered economic drivers. The evidence used was that which was locally available at the time. Other information had been put forward in representations but he questioned its reliability in the current or future economic situations and noted that there were numerous different approaches and figures.

1.19 On behalf of Walton Homes / MJ Barrett Group, TH questioned whether the Plan put forward 'other sources' as a solution to the under-provision of affordable housing. In his view, the overall number should be increased and the Council had failed to make 'every effort' as required by the NPPF.

1.20 On behalf of Akzo Nobel, FS referred to the Council's 5 Year Housing Statement (D3) and, in particular, to paragraph 1.9 which included a table showing 'historic rates of under delivery'. The Inspector commented that the table used 550 as the target throughout, even though this was not known about in 2006. DS said that the document had been produced for planning appeal purposes only, following the Castleworks decision. He noted that the table on page 41 of the Annual Monitoring Report 2011/12 (C2) used different targets aligned to the approved RSS. In response to a question from the Inspector, DS acknowledged that there had been a small shortfall between 2011 and the present.

1.21 On behalf of Gladman, SL made the following points:

- He had looked at the evidence on economic drivers referred to earlier in the session

by DS but this did not address his concerns;

- The Council appeared to have used 2009/10 data and, given that 2012 data had just been published, he offered to prepare a note on it for the Examination. The Inspector thanked SL for his offer but declined it on the basis that the information had not been available when the Council prepared and submitted its Plan.

1.22 On affordable housing, DS maintained that the Council recognised that the market would not meet the requirement and that alternative sources, such as Government or Council provision, would have to be addressed. The Inspector noted that affordable housing was the subject of a later session.

2. Strategic Housing Market Assessment (SHMA)

2.1 The Inspector referred to the morning session, during which there had been criticism that the Council had not prepared a Joint SHMA since 2008. DS reiterated that no other authorities had wished to join Stafford in preparing a joint SHMA due to the timing of their own Plans and that there was no requirement to prepare one, only a duty to co-operate, which had been carried out. AY noted that the RSS Panel Report had looked at the most up-to-date information at the time in assessing Northern Area housing requirements for 2006-2026. Its conclusion had been the figure of 550 dpa. The Council had considered this against the 2012 SHMA and, taking into account household projections for 2008 and 2011, had concluded that a figure of 500dpa was reasonable.

2.2 On behalf of the Home Builders Federation, SG said that she did not believe that a Stafford-only SHMA was compliant with the NPPF. She felt that it would have been feasible to carry out a joint SHMA, given that only two of the five Northern Area authorities had adopted Local Plans at the time. In her view, the 2012 SHMA was more like a housing needs assessment as it contained a lot of detail on affordable housing. Stafford was not self-contained and there was a great deal of migration and commuting.

2.3 The Inspector asked about progress on Staffordshire Moorlands' Local Plan. AY explained that an interim report had been published earlier in the year, which found the Plan unsound in parts and required the Council to increase its housing provision by 500. The Inspector asked for this to be added to the Examination Library – **Homework 4 (N2.6)**. SG commented that in the absence of a joint SHMA, it was not possible to say whether Stafford had met its own needs. She noted that the issue of a joint SHMA had been debated at other Examinations, such as Bath and North East Somerset, at which the Council had persuaded the Inspector that a joint SHMA was unnecessary since it was self-contained.

2.4 On behalf of Fradley Estates / Stan Robinson Ltd, PShp said that Stafford was not self-contained since it was located between two conurbations with Green Belt north and south.

2.5 On behalf of Taylor Wimpy/Bellway, CC drew attention to paragraphs 158 and 159 of the NPPF which referred to whether needs were being met, not to a joint SHMA. He noted that the previous Local Plan had ended in 2001 and asked whether it was right to delay the submitted Plan in order to carry out a joint SHMA. SLin noted that Staffordshire Moorlands had relied on the 2008 Joint SHMA with no update at all. The Inspector noted that an Examination could not be suspended for longer than six months.

2.6 DS responded on behalf of the Council, saying that it was not the role of the SHMA to provide regional policy. Timing of Local Plans was not a sound basis for a combined SHMA. The

Council had taken a pragmatic view, providing not just for local need but also for inward migration and growth. The Inspector noted that the 2007 SHMA guidance had been written before the NPPF was introduced but had not yet been updated.

- 2.7 The Inspector asked the Council to explain how the current Plan related to the adopted Local Plan. AY explained that the Local Plan had been adopted in 1998 and would remain in place until superseded by the new Plan, subject to the 'cull' of saved policies in 2007. The Inspector noted that the regulations required the Plan to indicate which of the saved policies of the Local Plan were being superseded.

3. 5 Year Housing Supply

- 3.1 The Inspector noted that the evidence base set out the basis of the 5 year supply and the adoption of a 20% buffer. AY confirmed that this had been made clear in the Plan and that the Housing Trajectory had been prepared to show how it could be done.
- 3.2 PShw outlined the concerns of Milwood Ltd, which focussed on the Council's discounting of the south of the Borough in its allocation of strategic development locations (SDLs). Milwood Ltd owned a site in the south for which was seeking planning permission for 320 units including 94 affordable homes. SDLs were defined as 500+ units but Milwood's site and other like it could make a significant impact. PShw felt that the SDLs were too large and too few. The Inspector noted PSw's comments but reminded him that the first stage of the Examination was to determine whether the submitted Plan was sound. If it was not, then omitted sites could be considered.
- 3.3 For the Council, DS explained that the current 5 year supply was limited, as set out in the Council's 5 Year Housing Land Statement (D3). The submitted Plan proposed 500dpa plus a 20% buffer and identified land supply of just over 3,000 in 5 years. The current supply was 2.23 years short. AY confirmed that the Plan made a small provision for the shortfall from 2011, namely 155 over the 3,000 target plus 595 of SHLAA potential sites.
- 3.4 The Inspector noted that the Plan made no allowance for windfalls. DS explained that, in the past, windfalls had been drawn from rural areas which was contrary to policy and therefore could not be relied upon.

4. Alternative Levels of Housing Provision

- 4.1 The Inspector noted that, in its Sustainability Appraisal, the Council had considered options for 250 and 700dpa and had focussed in on 500dpa. He asked the Council to explain the implications of housing figures which were significantly above this figure. DS referred to the Council's aspirations for regenerating Stafford Town and to the integrated approach offered by having three large SDLs. More sites would deflect attention from these and impact on their deliverability.
- 4.2 PShw commented that by focussing on the three SDLs, the Council was removing choice and more sustainable options and that this approach had failed in Stoke.
- 4.3 PShp expressed concern that no debate had been had on alternative distributions. The Inspector explained that this would be discussed at the next session.
- 4.4 The Inspector asked the Council to explain the implications of taking into account the

estimated shortfall of 1,151 homes. DS said that the Council would need to consider whether the existing principles could be adjusted or whether the distribution should be changed and that there would be implications for infrastructure requirements. He confirmed that the Council would look to meet the shortfall over the plan period. SG objected to this, noting that the Beta guidance specified that under supply should be dealt with in the first five years. SG to provide ID number of Beta guidance – **Homework 5 (N2.2)**.

5. Cross-Boundary Housing Issues

- 5.1 The Inspector referred to the discussions held in the morning session and all participants confirmed that they had no further comments.

6. Employment Land Provision

- 6.1 On behalf of Creswell Parish Council, RT said that at least one of the sites listed in paragraph 3.24 of the Council's Examination Statement (M3/1a) might be undeliverable and that the commuting data and the Borough's Infrastructure Delivery Plan (IDP) was out of date.
- 6.2 On behalf of Gladmans, SLuc reiterated his earlier comments on the balance between housing and employment. His concern was to ensure that businesses had a choice of workforce.
- 6.3 The Inspector noted that 100ha of the 160ha proposed was already committed and that the 60ha of new provision was split between Stafford Town, Stone and elsewhere. He asked the Council to give detailed consideration to Creswell Parish Council's points about the deliverability of the site to the north of HCC's site and the IDP prior to the session on Stafford North on 25th October – **Homework 6 (N2.7)**.
- 6.4 AY confirmed that no concerns had been expressed by North Stafford authorities on the impact which proposed employment land in Stafford might have on their regeneration plans. On the issue of commuting patterns, AY confirmed that he was not aware of any more up-to-date information than that provided by the 2001 Census (as referenced in paragraph 3.28 of M3/1a). He added that the Council was in continuous discussion with neighbouring authorities.

(The session closed at 5.30pm).