

THE PLAN FOR STAFFORD BOROUGH PART 2 EXAMINATION
INSPECTOR'S KEY ISSUES AND DISCUSSION NOTE
Issue 3 – Settlement Boundaries : Policy SB1

3.1 Criteria for determining the proposed settlement boundaries :

(i) Are the criteria set out in paragraphs 2.11 – 2.23 appropriate to define the extent of the areas within the settlement boundaries to accommodate the necessary development, so as to enable the delivery of the objectively assessed housing requirement for Stafford Borough, as set out in PSB1?

No. Whilst the criteria may be appropriate to define settlement boundaries, the application of these criteria to determine the extent of the areas to accommodate the necessary development to meet the housing requirement is not. Before the settlement boundaries are drawn the extent of the development within the settlement boundary must be established by considering the OAHN / housing requirement and housing land supply (HLS).

The reference to 10,000 dwellings in paragraph 2.20 should not be treated as a ceiling. The PSB1 will be subject to 5 yearly reviews at which time the housing figure may increase. The OAHN in the PSB1 was calculated on a district wide only basis to which the HBF raised objections. Indeed para 32 of the Inspector's Final Report on the PSB1 acknowledges that Stafford is not self-contained with strong links to neighbouring areas. At the time of a future review of the PSB1 a joint SHMA may be necessary to establish an up to date OAHN for a housing market area (HMA) larger than Stafford alone. There also remains the unresolved distribution of circa 39,000 dwellings of unmet housing needs from Birmingham across the West Midlands region. Whilst para 34 of the Inspector's Final Report on the PSB1 states that it is not proven that any of Birmingham's unmet needs will be met in Stafford if neighbouring authorities in the Greater Birmingham HMA accommodate some of these unmet needs there may yet be an outward ripple effect encompassing Stafford too.

Moreover a local community preparing a Neighbourhood Plan may also wish to increase its proportion of development. Whilst paragraph 2.23 proposes that a defined settlement boundary in the PSB2 may changed to align with a subsequent Neighbourhood Plan this proposal is inconsistent with national policy.

3.1(ii) Are the boundaries drawn in accordance with these criteria?

Whether or not the boundaries are drawn in accordance with these criteria is irrelevant until it is established that the extent of the areas identified for development within these boundaries is sufficient to deliver the housing

requirement including flexibility to respond to changing circumstances in order that these boundaries endure throughout the plan period and beyond.

3.2 Overall capacity within the proposed settlement boundaries : Is the overall capacity within the proposed settlement boundaries, having regard to the latest housing land supply situation, and taking into account constraints such as areas of importance for nature conservation, tree preservation orders and other environmental considerations, sufficient to satisfactorily accommodate the objectively assessed housing requirement for Stafford Borough, as set out in PSB1?

No. In determining if the extent of the areas within the proposed settlement boundaries is sufficient to accommodate the necessary development to meet the housing requirement the total HLS over the whole plan period and the rolling 5 YHLS should be considered.

The 10,812 dwellings (comprising of completions, planning consents & Strategic Development Land (SDL) allocations in the PSB1) in the HLS over the whole plan period is too tight. There is insufficient flexibility to respond to changing circumstances. There should be greater headroom provided (see attached DCLG presentation slide from HBF Planning Conference September 2015). This slide illustrates 10 – 20% non-implementation gap together with 15 – 20% lapse rate. The slide also suggests “the need to plan for permissions on more units than the housing start / completions ambition”. Whilst it is acknowledged that this presentation slide shows percentages from an England wide perspective the Council has not provided local evidence to demonstrate that 8% provides adequate headroom.

It is important to ensure that any delays in assumed delivery from sites in the overall HLS do not result in a deficiency in the 5 YHLS triggering paragraph 49 of the NPPF especially given its wide application to all policies restricting housing development (Court of Appeal judgement Richborough Estates Partnership LLP v Cheshire East Borough Council & SoS CLG (C1/2015/0894) which would render the PSB2 out of date.

The Council’s evidence set out in Annual Monitoring Report 2015 – 16 and Land for New Homes 2016 Report illustrate the continuing difficulties of achieving the spatial strategy with completions and planning consents in Stafford lagging behind expectations. The Council’s existing performance is bolstered by delivery of existing consents elsewhere in the Borough. When this currently available HLS is exhausted the Council may no longer be able to demonstrate a deliverable HLS.

The Council’s current 5 YHLS position of 6.8 years is also over-stated and it is most likely lower.

It is believed that C2 housing needs were not accounted for in the calculation of OAHN on which the PSB1 housing requirement is based. Therefore as the housing requirement of 10,000 dwellings excludes C2 it is now inappropriate to include C2 in the HLS. If C2 is excluded the shortfall between 2011–2016 is

greater than 173 units. The recalculation is a shortfall of at least 302 dwellings (deduction of 69 units between 2011–2014 and 60 units in 2015/16) but there may be a further deduction for C2 unit completions in the year 2014/15.

As set out in the NPPG (ID : 3-035) this shortfall should be recouped within the first 5 years. The Inspector's Final Report on the PSB1 makes no reference to using an alternative methodology such as the Liverpool approach so the Council has no justification for doing so. The buffer of 20% (confirmed as appropriate in the Inspector's Final Report on the PSB1 paragraph 38) should be applied to the annualised requirement and the shortfall.

Where developments are proposed by house builders the Council has sought evidence on lead in times and delivery rates however the Council's justification for the completions from the remaining unconsented Northern Stafford (353 units) and Western Stafford (380 units) SDL allocations are not as transparent. The inclusion of all of these units may be overly optimistic. Where developments are not supported by evidence from developers the Council's assumptions on lead in times and delivery rates should be similarly robust and based on empirical evidence.

This test of robustness also applies to the 10% non-implementation / lapse rate applied to small sites of less than 10 dwellings and larger sites without a declared developer interest which results in modest reductions of 38 units for small sites and 23 units for larger sites.

3.3 Flexibility within the proposed settlement boundaries : Is there a case for flexibility within the proposed settlement boundaries in the light of the likely delivery of the housing requirement as set out in PBS1? If the answer is yes :

As set out in answer to Questions 3.1 and 3.2 there is a case for more flexibility within the proposed settlement boundaries. This is because :-

- The housing requirement is not a ceiling ;
- The PSB1 will be reviewed every 5 years including updates of OAHN ;
- 8% provides insufficient headroom on HLS over the whole plan period ;
- The Council has to be able to demonstrate a rolling 5 YHLS throughout the plan period to avoid triggering paragraph 49 of the NPPF ;
- A local community preparing a Neighbourhood Plan may wish to promote more development.

(i) What should the appropriate level of flexibility be for Stafford Borough?

The level of flexibility should be greater than currently proposed by the Council. The DCLG figures would suggest a headroom of at least 20% on the overall HLS would not be unreasonable. This level of headroom would correspond with the 20% buffer on 5 YHLS.

(ii) Do the proposed settlement boundaries provide for this level of flexibility?

No. The proposed settlement boundaries are too tightly drawn.

(iii) If not, which settlements should have their boundaries extended to provide the required level of flexibility and where / by what amount?

This flexibility could be provided by :-

- No settlement boundaries around Stafford and / or Stone ;
- Allocation of non-strategic sites ;
- Allocation of reserve sites and / or areas of safeguarded land within the settlement boundaries.

It is for the Council to determine whether one or more or a combination of the above solutions is most appropriate and where and by what amount.

3.4 Specific settlement boundaries : In the light of the above considerations, are any of the proposed settlement boundaries inadequately drawn? If so, which of the following settlement boundaries should be redrawn, in terms of specific sites and development capacity?

No comment on specific sites or development capacity of individual settlements.

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Planning Update

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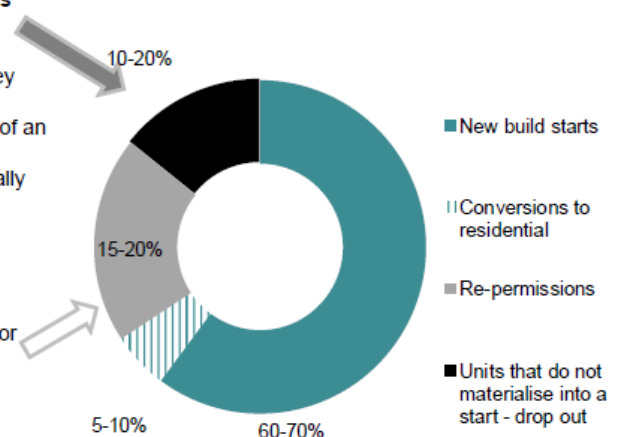
In recent years there has been a 30-40% gap
between permissions and housing starts

- **Gap of around 30-40%** between the number of permissions given for housing and starts on site within a year. Estimate that for a year's permissions for housing around:
- **10-20%** do not materialise into a start; the permission 'drops out': this could be because -

- the landowner cannot get the price for the site that they want
- a developer cannot secure finance or meet the terms of an option
- the development is later not considered to be financially worthwhile
- there are supply chain constraints hindering a start.

There may be scope to reduce this through policy.

- **15-20%** are not abandoned but a **re-permission** is sought, for example to make a major change to plans or to extend the development period.



- Recent data and realities of private market suggests need to **plan for permissions on more units than housing start/completion ambition.**