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WYRE FOREST LOCAL PLAN, MATTER 2

Local Housing Need and the Need for Employment Land

Campaign to Protect Rural England (Worcestershire Branch)

November 2020

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Matter 2: Local housing need and the need for employment land

(Policies 6A and 10A and supporting text)

2.1 Is the local housing need figure of 5,520 dwellings for the period 2016-2036 (276 dwellings per year (dpa)) a sound basis for the Plan? Particularly, is the figure adequately informed by:

a) the implications of the population and household projections in the past decade (including the 2018-based projections published in 2020) and alternative trend scenarios for population growth, household formation rates, net migration and economic factors;

b) affordability and the need for affordable housing; and

c) the Government's objective of significantly boosting the supply of homes?

1. It is the view of CPRE Worcestershire that a housing figure of 4851 dwellings, including a 5% buffer, is appropriate for the Wyre Forest Plan. If one deducts a windfall allowance of 784 (56 dpa) from 2022 to 2036 this leaves a figure of 4067 dwellings where allocations are required. (I discuss further some of the supply side issues under Matter 3 which might further impact on this requirement.)

2. Based on 2020-2030, using the latest 2019 affordability figure, the correct figures for the Standard Methodology calculation is 231 dpa (ONS2014), 242 (ONS2016) and 280 (ONS2018) (See Appendix 2.1 Table 1). In the latter case supply would be capped at 40% above the Local Plan figure.

3. The figures given in the Plan of 248 dwellings per annum (dpa) (2014ONS) and 276 dwellings (ONS2016) are not now correct and reflect, I suspect, the abnormally high affordability ratio in 2018 (8.29) compared to 2019 (7.12) and all the previous ten years which are below 8. It should, therefore, in my view be discounted.

4. The Government requires the use of the 2014 figures and, while the Council justifies its choice on the basis of being 'ambitious', this is at the expense of Green Belt allocations which require exceptional circumstances. The demographic need (without the affordability calculation) for the ONS2014 figures is 194 dpa.

5. Moreover, if need is calculated based on a 2018-2036 timeframe (See Appendix 2.1 Table 4), this reduces housing need further because the population is not growing in a linear fashion. For ONS2014 the demographic the demographic need is 176 and the adjusted need 210. While the council in their justification stresses assumed reductions in household size over time, they do not look at the holistic trend which accounts for all factors.

6. It is also worth noting the stress placed by the Council on in-migration which accounts for Wyre Forest's population's growth. In terms of the most immediate neighbour to Wyre Forest, the Black Country, they are relying on the ONS2014 figures, even though the ONS2016 figures would reduce their housing need by 17,081 over their plan period (2019-2038) (or 10,241 using ONS2018). More widely the Combined Authority councils would see an overall reduction, both in the ONS2016 and again in the ONS2018 figures (See Appendix 2.1 Table 7).

Table 1

Black Country Housing Need 2019-2038	Annual rate	Plan Period (19 Years)	Green Belt Requirement based on supply figure of 44,541 given in Black Country Urban Capacity Study.
SM ONS 2018	3217	61123	**16582**
SM ONS 2016	2891	54929	**10388**
SM ONS 2014	3756	71364	**26823**

7. As the Association of Black Country Councils explained in a letter to West Midlands CPRE:

Response: The National Planning Policy Framework (NPPF) and National Planning Policy Guidance (NPPG) are clear that the national standard method must be used to calculate the minimum local housing need figure. The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes. Therefore, it is not within the power of the Black Country authorities to use 2016-based household projections at this time. The standard method is due to be revised by the Government within the next few months. (Appendix 2.2)

8. To achieve this, they have been considering significant Green Belt releases (potentially both in Dudley and in Walsall). It seems perverse, therefore, to rely on in-migration to Wyre Forest and increase housing (ultimately in the Green Belt) of retirees when much larger releases of Green Belt are occurring in neighbouring boroughs because they are using the ONS2014 figures. This is especially concerning given the longer-term decline in population growth in the borough.

I, therefore, consider, the ten-year ONS2014 figure remains appropriate and robust for Wyre Forest. Were larger neighbours, such as the Black Country, adopting the 2016 figures and so reducing their supply of housing, the case for Wyre Forest also adopting the 2016 figures might be stronger but, put simply, they are not.

9. This is consistent with the calculations used by the Council in their latest (2020) Five Year Land Supply Assessment (FYLSU), where they assume a need of 231 dpa + 5% and a windfall allowance from 2022 of 56 dpa, (although they also discount the latter figure, which I disagree with since it is based on historic completions, not permissions.)

10. I note two further practical factors in regards to this need calculation:

   a. it exceeds the most optimistic need to meet economic demand in the District.
   b. the District is also seeking an increase in Care Home beds. Given the growth in population in the 85+ range it is not unreasonable to assume that such accommodation may reduce the overall need for housing.

11. Even the ONS2014 figure would be above the employment-led housing growth requirement produced by Edge Analytics of 215 dpa which was used for the Wyre Forest Demographic Update, (October 2018).

Table 2

Figure 6.1   Population change, annual dwelling and employment growth 2016-36
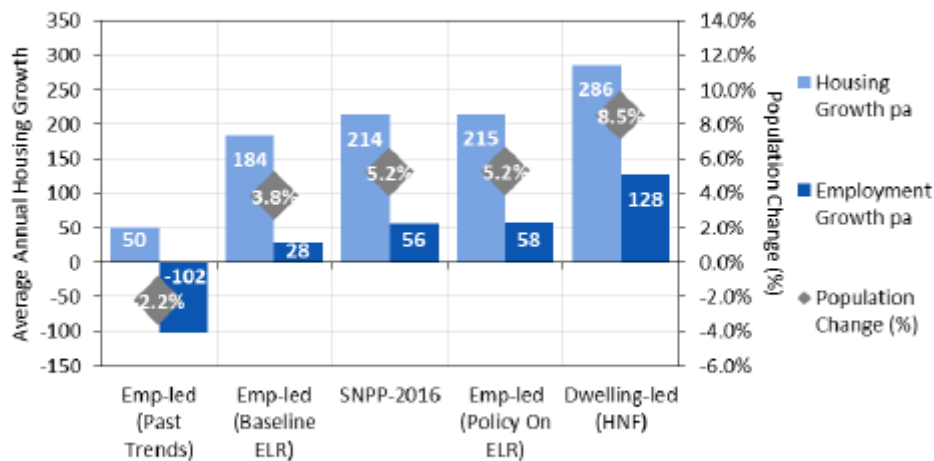
Source: Edge Analytics Report Figure 1

12. I also note that this policy-led approach is presumably the same as that which is used to justify 27.8 has of employment land in Lichfield's Employment Land Update Review of the same date and so is benchmarked with a figure similar to what Wyre Forest is actually assuming in regards to employment land needs.

13. The output housing figures are summed up below:

Table 3

Wyre Forest dwellings per annum	2014 household	2016 household	Employment
Demographic 18-28	194	202	215
18-28 Adj	231	242	215
Demographic 18-36	176	185	215
18-36 Adj	210	221	215

14. The Council specifically justify this approach by quoting the Government's ambition to increase the provision of homes, which is a national aim. However, the use of the 2016 figures just because they are higher than the 2014 is not something Government has endorsed, as it could have done in the NPPG guidance.

15. I also note that the 2018 household projections, while similar overall to the 2016 projections at a national level, have substantially changed the distribution, in particular towards the Midlands and often towards more rural authorities, such as Wyre Forest. This is because of changes to data collection used to calculate Internal Migration, particularly in the NHS.

16. However, it is important to note that the ONS has chosen to rely on only 2 years of existing data, so there are questions about the immediate reliability and volatility of the distribution of housing which is reflected in variants undertaken by the ONS who acknowledge this weakness.

This decision was a trade-off: the new method should offer a better projection of reality and is also consistent with the approach currently used in the population estimates. However, for the purpose of the projections this may be either enhanced or offset by how reflective two years of data (rather than five) are of that reality. There is no right answer to this: in some areas the new method will be more accurate than in others, and everywhere will differ in terms of how typical internal migration levels over the past two years have been.

(Impact of different migration trend lengths, March 2020, Appendix 2.3)

17. This problem has been reflected in the debate about the Government's proposed New Standard Methodology, which relies on the 2018 figures. Apart from the volatility of a methodology heavily reliant on 10-year affordability comparisons, (See Appendix 2.1 Table 8) the net result of the two is to dramatically increase housing in more expensive and largely rural districts and to reduce housing in major urban centres such as Birmingham.

18. The Government is aware of this and has said it will review the 'algorithm'.

19. The Housing Minister, Christopher Pincher, explained to Parliament in the debate over Planning for the Future on 8 Oct 2020 both that Government was looking to continue protection of the Green Belt and address concerns over housing being directed away from Urban Areas:

We also want to enhance our environment, protecting our green belt, increasing biodiversity and safeguarding our precious green spaces.

I am especially mindful that Members are concerned about geographic imbalance—having too many homes in the South and not enough in the Midlands and the North. Equally, I recognise anxieties about what these changes might mean for our countryside in contrast to our urban areas. I therefore want to reassure the House that through this consultation process we are committed to addressing any supposed imbalances. (Appendix 2.4)

20. That was reiterated in the House by Robert Jenrick, Secretary of State for Housing, Communities and Locl Government on the 16 November, who said it would, he thought, *'lead us to a different approach to distributing housing numbers across the country.' (Appendix 2.4)*

21. That being the case we do not consider that there is a clear basis for adopting alternative projections to the ONS2014 figures in Wyre Forest.

22. But I note that, even if one adopted the 2016 figures, the overall need would be 4840 (before adding a buffer), not 5240 as presented by the Council and there should still be a level of windfalls included of 784, giving a total of 4298 rather than 5796.

Windfalls

23. The plan makes no allowance for windfalls in Table 6.0.2 even though Policies 6B, 8C and 35 continue to positively plan for windfalls to come forwards.

24. These increase the likelihood that some currently non-deliverable sites would come forwards in the future as well as reflecting the positive policy approach the council has taken to windfalls in the past.

25. Those policies are also inconsistent with the 2020 Five Year Land Supply Update (FYLSU) which assumes a windfall allowance of 56 dpa from 2022 (although the FYLSU for some reason discounts them even though they are completions).

26. This is based on the average windfalls from 2008-2019 in the Borough. In other words, future windfalls may well be higher than 56 dpa. Extrapolating the conservative figure for windfalls in the FYLSU forward through the plan period would lead to 784 additional dwellings (excluding windfalls up to 2022).

27. A further potential boost to windfall supply is the Government support for Conversions, further bolstered in the 2018 Budget, which would encourage more Conversions to come forwards in the Borough.

28. Moreover, the COVID crisis has accelerated changes to retail behaviour, which along with other post-CPVID structural changes may well lead to sites becoming available (including larger sites) for development, particularly in town centres or on retail parks.

29. Lastly, I note that an examination of Table C and D of the 2019 Housing and Economic Land Availability Assessment (HELAA) reveals land for some 918 housing units on deliverable sites within 5 years and urban brownfield sties deliverable beyond 5-years, which are not included in the plan. Some 39 are on rural sites, which still leaves 879 brownfield homes. There are also a number of brownfield sites included in the list of 'non-deliverable' sites, (Table K) where the reason given is that the site is not available or the owner's intentions uncertain.

30. While there are other sites in that list which are rightly rejected because of good reasons, such as open space, this also suggests that there is significant reason to believe that a significant amount of small (and even large) windfall sites are likely to come forwards during the plan period.

Over-allocation

31. A final question is whether the 15% over-allocation is justified. Since the original HELAA, Wyre Forest has assessed past delivery of planning permissions. The 5 Year Supply Update (FYSLU April 2020) sums up unimplemented planning permissions between 2002 and 2019. The average for sites with more than 10 dwellings is 4.35%.

32. However, it should also be noted that, the lapsing of planning permission does not mean all those sites will not be developed. Furthermore, the recession may have dampened credit for small building schemes which may explain why some smaller sites have not gone forwards.

33. While, there may be other reasons for development not going ahead, the plan includes a significant number of major allocations which would be attractive to developers. Moreover, the central case of the Council that in-migration is driving housing growth also implies housing development would be an attractive proposition in the area.

34. Given that the Standard Methodology already includes an element of over-provision, the 15% non-delivery buffer seems excessive and CPRE suggests a 5% buffer is sufficient.

35. I address further supply side issues under Matter 3.

2.2 Is the Plan sound in identifying the figure of 29 hectares (ha) as the objectively assessed need for employment land over the Plan period? Does it remain sound, notwithstanding the changes to the Use Classes Order that came into effect in September 2020 that place commercial, business and service uses in the same Use Class?

36. The requirement for 29 hectares is derived from the assumed housing growth. The CPRE figure would be approximately 84% of the housing growth. That would suggest, if directly applied, a need for 24-25 hectares.

37. The Experian jobs figures are between 26.5 and 27.8 hectares. These may produce a more robust result.

38. The plan identifies 23.61 hectares of employment land, (excluding the 7 hectares at lea Castle, and assuming no gains at the two redeveloped sites in the plan identified in Policy 35,) which would create a shortfall of between 2.89 and 5.39 hectares.

39. However, as with housing provision, one has to consider the long-term impacts of changes to retail development patterns which are likely post-COVID which may release more land for employment uses, and in particular mixed/office development.

40. CPRE has raised concerns about the landscape impacts of the Lea Castle site, (beyond the existing planning permission) which we maintain. That being the case we believe adopting the current identified sites, including others which impinge the Green Belt with the exclusion of Lea Castle would be justified, with an early review of how to meet any outstanding need.

41. Such a review should also take account of employment land released in neighbouring areas, particularly the Black Country, but also South Staffordshire and Shropshire, where there are significant proposals for employment land, for example, on the M54 corridor, which risk the same provision being made several times.