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Wyre Forest District Local Plan 2016 - 2036 Examination
Town and Country Planning Act 1990
Planning and Compulsory Purchase Act 2004
Localism Act 2011

Hearing Statement

Matter 2: Local Housing Need and the Need for Employment Land

On Behalf Of:
Taylor Wimpey West Midlands (ID 1126171)

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1.0 MATTER 2: LOCAL HOUSING NEED AND THE NEED FOR EMPLOYMENT LAND (*POLICIES 6A AND 10A AND SUPPOTING TEXT*)

1.1 This Hearing Statement has been prepared by Harris Lamb Planning Consultancy (“**HLPC**”) on behalf of Taylor Wimpey West Midlands (“**Taylor Wimpey**”) in response to the Inspector’s Matter 2 questions. The Inspector’s questions are set out below, alongside Taylor Wimpey’s response.

Q2.1 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?

1.2 We are of the view that the ‘minimum’ housing requirement of 5,520 dwellings for the period 2016 – 2036 (276 dpa) identified by the emerging Local Plan is soundly based.

1.3 Paragraph 60 of the National Planning Policy Framework (“**the Framework**”) states that in order to determine the ‘minimum’ number of homes needed, strategic policies should be informed by a local housing needs assessment conducted using the Standard Method, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. The Planning Practice Guide (“**PPG**”) confirms at ID2a-002-20190220 that the Standard

Method identifies a minimum annual housing need figure, it does not produce a housing requirement figure. It is, therefore, necessary to consider what adjustments need to be made to the Standard Method figure to establish a housing requirement.

- 1.4 The current Standard Method formula is set out in the PPG. In short, the 2014 household projections are used to establish an average level of household growth over a 10 year period. An adjustment is then made to the annual projections based on the affordability of the area using the median work placed based affordability ratios. A cap is then applied to the housing needs figure if necessary. As detailed in the Housing Topic Paper (ED3) the current version of the Standard Method results in a minimum annual housing needs figure of 248 dpa (paragraph 3.96). As such the minimum housing requirement included within the emerging plan (276 dpa) is c11% greater than the Standard Method housing needs figure. There are, however, a number of reasons why the minimum 276 dpa figure should be considered sound.

Objective Assessment of Housing Need Report (April 2017)

- 1.5 The PPG provides guidance on when it might be appropriate to plan for a higher housing needs figure than the Standard Method indicates at ID: 2a-010-20190220. Here, it is acknowledged that previous assessments of housing need, such as recently produced Strategic Housing Market Assessments, can be relevant considerations. As detailed in Paragraph 3.3 of the Housing Topic Paper (ED3) the AMION consulting Wyre Forest District Objective Assessment of Housing Need Report of April 2017 concluded that the preferred OAHN housing requirement for the plan period 2016 to 2034 was 300 dpa. This conclusion was reached following the identification of a range of housing requirements from 199 dpa to 322 dpa.
- 1.6 In reaching this conclusion the AMION report used a 2014 based household projection model. The 2014 based household projection model included within the report suggests that there would be an annual average increase of 190 households during the course of the Plan.

- 1.7 The report concluded that the level of household growth projected by 2014 household projections would result in the overall economic activity rates of the District decreasing with a similar pattern of decline in employment rates (paragraph 5.16). Whilst the size of the labour force would increase the overall economic activity in employment levels are projected to decline over time as a result of Wyre Forest's aging population (paragraph 5.15).
- 1.8 That being the case, in accordance with the guidance in the PPG at that time, various scenarios were tested that included economic forecasts to maintain and the support the growth of the District's economy. The conclusion section of the report confirms that a range of demographics scenarios were explored, and the labour force employment growth implications of these scenarios has been considered drawing on three economic forecasts for the area. Drawing this together it was proposed that the OAHN should be 300 dpa (paragraph 8.6).
- 1.9 Whilst the OAHN methodology has now been replaced it is noteworthy that the Standard Method does not consider economic implications in establishing its minimum annual housing need figure. The OAHN scenario does, however, consider the relationship between the housing figure and economic growth. Here it is concluded that 300 dpa would be the appropriate housing requirement. That being the case, an uplift over and above the Standard Method 248 dpa is entirely appropriate to support economic growth.

The Proposed Changes to the Standard Method

- 1.10 The Government have recently consulted on proposed changes to the Standard Method methodology. Under the proposed changes to the Standard Method the minimum annual housing need figure for Wyre Forest increases significantly to 353 dpa. It is appreciated that the Standard Method is under review, and the formula could change further, but the consultation Standard Method clearly indicates that there could be a significant increase in the housing requirements in Wyre Forest in the future.

Boosting the Supply of Housing

- 1.11 Paragraph 59 of the Framework confirms that it is the Government's objective to significantly boost the supply of homes. The Government has set out an objective to deliver 300,000 dpa, and the Standard Method is designed to achieve this figure.
- 1.12 In September 2018 revised household projections were published (2016 based), which superseded the 2014 household projections. If the Standard Method is undertaken using the 2016 based household projections it results in a minimum housing need figure for Wyre Forest of 276 dpa. This figure correlates with the housing requirement in the submission version of the Local Plan.
- 1.13 In February 2019, following an analysis that showed the application of 2016 based household projections using the current version of the Standard Method only resulted in the provision of 212,000 dpa in England, further guidance was produced on the application of the Standard Method. The Framework and PPG were updated to require the application of the 2014 based household projections, as opposed to the 2016 projections, as a temporary measure pending a review of the Standard Method. This approached increased the overall housing requirements to 266,000 dpa. That being the case, whilst it still fell short of 300,000 dpa objective, it was a better fit than the 2016 projections.
- 1.14 Wyre Forest were one of the few Authorities with a lower annual housing figure as a consequence of the use of older 2014 household projections than the 2016 projections.
- 1.15 Whilst the current guidance on the application of the Standard Method results in a housing requirement figure of a minimum of 248 dpa, the more recent 2016 based projections increase the minimum housing requirement to the same level identified by the emerging Plan.

The Provision of Affordable Housing

- 1.16 As referred to above, the minimum annual housing requirement proposed in the emerging Local Plan is 276 dpa. Policy 8b – Affordable Housing Provision, of the emerging Local Plan requires 25% affordable housing provision on sites of 10 dwellings or more/0.5 hectares or more. The policy states there is a minimum annual average target for the provision of 90 affordable dwellings.
- 1.17 On the basis of the entirety of residential sites qualified for the provision of affordable housing (i.e. they met the threshold) and provide a policy compliant level of affordable housing (25%) 69 affordable dwellings will be provided each year on average. It is appreciated that some sites are likely to be developed by affordable housing providers and provide 100% affordable housing. However, it is also likely that a notable proportion of the residential planning applications will not meet the qualifying thresholds or propose reduced levels of affordable housing on viability grounds. Indeed, Appendix 1 – Smaller sites of up to 1 hectare, of the Topic Paper identifies a series of sites that are considered to be suitable for residential development that would not meet the qualifying requirements. That being the case, the target for a provision of 90 dwellings per annum is an ambitious one.
- 1.18 In addition, the Housing Topic Paper confirms at paragraph 5.2 that 25% affordable housing requirement has been set for viability reasons. It is not sufficient to meet the need for affordable housing in Wyre Forest District. Paragraph 5.1 of the Housing Topic Paper advises that there is a net imbalance of 158 affordable dwellings each year. It is also highly likely that affordable dwellings will be lost from the existing stock due to right to buy. Increasing the housing requirement represents a sound and suitable way of delivering additional affordable housing through planning obligations.

Changes to the Household Projections

- 1.19 Table 1 below identifies the increase in the number of households in Wyre Forest predicted by the 2014, 2016 and 2018 household projections during the course of the Plan Period (2016 to 2036).

Table 1 – Household Projection Comparison

Household Projection Data Set	Year		Difference
	2016	2036	
2014	43,928	47,582	3,654
2016	44,318	48,405	4,087
2018	44,319	50,513	6,194

- 1.20 As Table 1 demonstrates, the household projections show that the rate of household growth in Wyre Forest District is predicted to increase at a greater level with the more recent data sets. Indeed, the 2018 projections show a level of household growth significantly in excess of the 2014 projections that have been used to inform the Standard Method. This again supports the use of 276 dpa minimum housing requirement.

Constraints to Supply and Flexibility

- 1.21 A significant proportion of Wyre Forest District is within the Green Belt. The Framework seeks to prevent most forms of residential development in the Green Belt unless “very special circumstances” apply. Very Special Circumstances do not include a five year housing land supply shortfall. That being the case, if for any reason the housing requirement in the Wyre Forest Local Plan is found to be out of date, or allocations do not deliver as expected, the ability for the local authority to approve residential applications on unallocated sites to address the housing supply of shortfall is limited. Including a higher housing requirement helps prevent this scenario occurring, by ensuring that a range of sites are allocated for residential development to facilitate housing delivering.

1.22 In conclusion, there is a range of evidence that supports the use of a minimum of 276 dpa housing requirement in the Plan.

Q2.2 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?

2.26 Taylor Wimpey have no comments in relation to question 2.2.

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