

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

Report to Council Assembly

8 March 2017

TITLE:	Local Plan Housing and Employment Development requirements
PORTFOLIO HOLDER:	Councillor Wain – Portfolio Holder for Planning, Development & Property
CONTACT OFFICER:	Pranali Parikh – Regeneration Manager
WARDS INVOLVED:	All areas outside of the Peak District National Park

Appendices Attached

Appendix 1 - Staffordshire Moorlands Strategic Housing Market Update Report

Appendix 2 – Staffordshire Moorlands Employment Land Review Update Report

Appendix 3 – Initial Sustainability Appraisal Report – Appraisal of alternative development requirements

Appendix 4 – Consultation responses regarding Preferred Options housing requirement as published in April 2016

Appendix 5 - Consultation responses regarding Preferred Options employment requirement as published in April 2016

Appendix 6 – Development requirement options analysis

1. **Reason for the Report:** To consider and agree appropriate housing and employment development requirements for the emerging Staffordshire Moorlands Preferred Options Local Plan.
2. **Recommendation**
 - 2.1 That Councillors consider the background evidence and subsequent analysis referred to in this report and accompanying appendices.

2.2 That Councillors support the recommended housing and employment land development requirements for consultation purposes for the Local Plan Preferred Options as set out in Chapters 3 and 7.

3. **Executive Summary**

3.1 The adopted Core Strategy makes a commitment to undertake an early and comprehensive review of the plan for the period 2016 – 2031 to take account of longer term development requirements. The review of the Core Strategy would also roll it forward into a single local plan combined with site allocations.

3.2 An objectively assessed need for housing in the range of 235 to 330 homes per year has been identified in an updated assessment published in February 2017. However, an annual affordable housing need of up to 432 has also been identified. An assessment of employment land requirements concludes that 13ha to 27ha of land is required to meet the needs of the district up to the year 2031.

3.3 This report provides an assessment of the relevant evidence, national policy and guidance to recommend housing and employment land requirements to be taken forward into the Preferred Options Local Plan consultation. Other elements of the Preferred Options Local Plan, including site allocations will be considered in June.

3.4 It is recommended that an annual housing requirement of 320¹ homes per year (close to combined jobs growth scenario) is taken forward into the Preferred Options Local Plan on the basis that the scenario:

- Most closely accords with the housing policy set out in the NPPF as it fully meets demographic housing needs and helps to address the affordable housing need. It also increases the scope to provide specialist housing such as Self-Build and Custom Build
- Supports the provision of approximately 870² additional jobs up to the year 2031. This will help to set a positive economic strategy for the District in line with to Paragraph 21 of the NPPF
- With a pro-active approach to delivery taken by the Council, is “aspirational, but realistic” when considered in the context of an historic average delivery rate of 178 homes per year
- Is deliverable in terms of the supply of suitable housing land, the scope to release land from the Green Belt and infrastructure capacity

¹ 4800 gross over the plan period 2016 to 2031 and 5440 gross from the base date of the assessment - 2014

² Total workforce jobs supported under the combined jobs growth + partial catch up scenario. The recommended Preferred Option requirement (320 per year) is likely to support the delivery of slightly fewer jobs than if the full scenario housing figure was met (329)

- Is consistent with the requirement agreed by the Council in 2016. The majority of sites required for this level of development were not found to give rise to significant landscape or heritage impacts, including on the setting of the Peak District National Park
- Provides a balanced range of social, economic and environmental effects as set out in the Sustainability Appraisal the most consistent with the four aims of the Corporate Plan (2015-2019) when read as a whole

3.5 An employment land requirement of approximately 27ha is recommended up to the year 2031 for the Preferred Options Local Plan on the basis that:

- It is at the top of the OAN range for employment and so closely corresponds with the proposed housing requirement to support sustainable development
- Provides the greatest scope for business growth and wider economic benefits as identified in the Sustainability Appraisal
- There is a sufficient supply of suitable sites to accommodate this level of development
- This option is more closely aligned with the Government's economic aspirations as set out in the NPPF and the recent Industrial Strategy

4. **How this report links to Corporate Priorities**

4.1 The establishment of housing and employment development requirements will have implications for all four aims of the 2015-2019 Corporate Plan. The analysis provided in this report sets out the potential implications of the development requirement options for each of the four aims, namely:

Aim 1 -To help create a safer and healthier environment for our communities to live and work

Aim 2 - To meet our financial challenges and provide value for money

Aim 3- To help create a strong economy by supporting further regeneration of towns and villages

Aim 4 - To protect and improve the environment

5. **Options and Analysis**

5.1 Option 1 – (recommended). The housing and employment land requirements as recommended in Chapter 7 are taken forward into the Preferred Options Local Plan for consultation purposes. This option is considered to accord with relevant national policy, guidance and the Council's evidence base.

5.2 Option 2 – (not recommended). This option relates to a decision being taken by the Council to support housing and employment

development requirements lower than those recommended. This option is not supported as it is not considered that lower levels would not support a sufficient degree of employment growth. Consequently, there would be a higher risk that the Local Plan would be found “unsound” at examination.

- 5.3 Option 3 – (not recommended). This option relates to a decision being taken by the Council to support housing and employment development requirements higher than those recommended. This option is not supported as it is considered that, on the basis of current evidence, there are more likely to be significant adverse impacts and issues relating to deliverability.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)

None direct

6.2 Workforce

Highlighted in the report

6.3 Equality and Diversity/Equality Impact Assessment

This report has been prepared in accordance with the Council's Diversity and Equality Policies.

6.4 Financial Considerations

Highlighted in the report

6.5 Legal

The Planning and Compulsory Purchase Act 2004 (as amended by the Localism Act 2011) and the Town and Country Planning Regulations 2012 set out the requirements for the preparation of the Local Plan. The implications of various court judgements in setting the objectively assessed housing need are considered in the report. The Self-Build and Custom Housebuilding Act 2015 places a duty on councils to keep a register of individuals and community groups locally who want to acquire land for self-build homes and to have regard to these registers in carrying out its planning function.

6.6 Sustainability

A Sustainability Appraisal of potential development requirements has been undertaken (Appendix 3). Its findings are discussed in

this report.

6.7 Internal and External Consultation

A six week period of public consultation will be undertaken Local Plan Preferred Options. This will be subject to the approval of development requirements as considered in this report and separate approval of Local Plan sites and policies at later Council assembly meeting. This is scheduled for June.

6.8 Risk Assessment

If the Council supports a housing development requirement which is below that recommended in Section 5, this may increase the risk that the Local Plan will be found “unsound” at Examination. This risk will be minimised, but not eliminated, if the Council decides to support the option recommended in Section 5. The recommended Preferred Options development requirements are considered to be aspirational but realistic. However, they do come with a higher risk that a five year housing land supply is not maintained due to under delivery. This risk also applies to the new Housing Delivery Test as set out in the Housing White Paper. This risk should be mitigated if the Council commits to a pro-active approach to facilitating the delivery of housing sites.

7. **Background and Detail**

Background

- 7.1 The Staffordshire Moorlands Core Strategy was adopted in March 2014. The plan identified a housing requirement of 300 homes per year and an employment land requirement of at least 24ha over the period 2011 to 2026. However, the Inspector determined that an early and comprehensive review of the Core Strategy for the period 2016 – 2031 would be required to take account of longer term development requirements. The review of the Core Strategy would also roll it forward into a single local plan combined with site allocations.
- 7.2 In March 2016, the Council agreed new housing (320 homes per year) and employment (35ha over the plan period) development requirements for consultation purposes. The Preferred Options Sites and Boundaries consultation was subsequently published in April 2016. The responses submitted to this consultation in relation to the proposed housing and employment land requirements are considered later in this report.
- 7.3 The development requirements as agreed in March 2016 were based on the evidence available at the time, including the Strategic Housing Market Assessment (2014), Partial SHMA Update (January 2016) and Employment Land Review (2014). Since then, the Department for Communities and Local Government has issued new household

projections for the District which are the starting point for identifying the objectively assessed need for housing. New employment projections following the EU Referendum are also now available. Furthermore, on 7 February 2017, the Government published the long awaited Housing White Paper which sets out its policy aspirations to fix the country's "broken housing market". The proposals in the White Paper are subject to consultation.

- 7.4 Accordingly, this report seeks to review the preferred housing and employment related development requirements for the new Local Plan which will cover the period 2016 to 2031. Account should be taken of:
- Government policy and guidance, including the potential implications of emerging proposals set out in the Housing White Paper
 - Evidence in relation to the objectively assessed need for housing and employment, including relevant case law
 - Evidence regarding land supply and development capacity
 - Consultation feedback on the previously agreed housing and employment land requirements
- 7.5 Once the development requirements have been agreed, this information will inform the allocation of sufficient sites to meet these requirements in the Preferred Options Local Plan. A decision on the allocations is due to be taken by the Council in June with a view to commencing a six week period of public consultation on a Preferred Options Local Plan shortly afterwards.
- 7.6 In setting future development requirements for the district, the Council may exercise its policy choice. However, crucially, it must also follow relevant national policy as set out in the National Planning Policy Framework, its related guidance and other evidence. These matters are discussed below.

Policy context

- 7.7 With regards to the policy framework for preparing Local Plans, Paragraph 182 of the National Planning Policy Framework (NPPF) states that Local Planning Authorities are required to submit a Local Plan for examination that is considered to be "sound" – namely that it is:
- ***“Positively prepared*** – *the plan should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities which it is reasonable to do so and consistent with achieving sustainable development;*
 - ***Justified*** – *the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence;*
 - ***Effective*** – *the plan should be deliverable over its period and based on*

- *effective joint working on cross-boundary strategic priorities; and*
- **Consistent with national policy** – *the plan should enable the delivery of sustainable development in accordance with the policies in the NPPF.”*

7.8 In order for the Local Plan to be recommended for adoption by the Secretary of State, it must all be found to be legally compliant in terms of the relevant statutory requirements for undertaking a Local Plan. These include compliance with the Duty to Co-operate, the preparation and consideration of a Sustainability Appraisal of the plan, and compliance with consultation procedures as set out in the Council’s Statement of Community Involvement and regulations.

7.9 Paragraph 14 of the NPPF is a critical element of national planning policy both in relation to the preparation of Local Plans and in determining planning applications. As such, in order to pass the tests of soundness, it is essential that Local Planning Authorities to comply with its requirements. In relation to plan-making, the paragraph states that:

*“At the heart of the National Planning Policy Framework is a **presumption in favour of sustainable development**, which should be seen as a golden thread running through both plan-making and decision taking.*

For plan-making this means that:

- *local planning authorities should positively seek opportunities to meet the development needs of their area;*
- *Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless:*
 - *any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole; or*
 - *specific policies in this Framework indicate development should be restricted³”*

7.10 Paragraph 154 states that *“Local Plans should be aspirational but realistic. They should address the spatial implications of economic, social and environmental change.”*

7.11 In relation to housing, Paragraph 47 of the NPPF goes to state that:

“To boost significantly the supply of housing, local planning authorities should:

- *use their evidence base to ensure that their Local Plan meets the*

³ *“For example, those policies relating to sites protected under the Birds and Habitats Directives (see paragraph 119) and/or*

designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion.”

full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period

- *identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20% (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land...*

- 7.12 A clear understanding of the objectively assessed need for housing is therefore a key element of the evidence base to support a Local Plan. This need should then be met in full unless the Council has other supporting evidence to demonstrate that to do so would conflict with wider policies in the NPPF. In this context, it is important to acknowledge that whilst a Local Plan may take account of development constraints in establishing its planned level of housing provision, the objective assessed need for housing cannot be influenced by such matters. Once the objective housing needs have been established, a balancing exercise may therefore be required by the Council to demonstrate that the adverse impacts of meeting the objectively assessed need for housing in full would *“significantly and demonstrably outweigh the benefits...”*. These requirements have been borne out in the High Court⁴ where the need to firstly identify full objectively assessed need for housing and then define a strategy which seeks to meet it, consistent with the Framework has been confirmed.
- 7.13 Paragraph 47 of the NPPF also makes it clear that deliverability of housing requirement in a Local Plan is critical. A rolling five year supply of housing land in line with the established requirement is required. If the Council is unable to demonstrate a five year supply, the “presumption in favour of sustainable development” applies in the determination of planning applications. Essentially, relevant Local Plan policies are considered out of date and national policy applies. This is not desirable as that Council has less influence over decision making on planning applications than would otherwise be the case.
- 7.14 The objectively assessed need for housing is often established through a Strategic Housing Market Assessment (SHMA). Paragraph 159 of the NPPF states that local planning authorities should:
- *“prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where*

⁴Gallagher Homes Limited and (2) Lioncourt Homes Limited v Solihull Metropolitan District Council [2014] EWHC 1283'

housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:

- *meets household and population projections, taking account of migration and demographic change;*
- *addresses the need for all types of housing, including affordable housing and the needs of different groups in the community (such as, but not limited to, families with children, older people, people with disabilities, service families and people wishing to build their own homes); and*
- *caters for housing demand and the scale of housing supply necessary to meet this demand...*

- 7.15 National Planning Practice Guidance issued by Government supplements the NPPF. In relation to establishing objectively assessed housing needs, it states that the household projections issued by the Department for Communities and Local Government (DCLG) should be the starting point. The guidance goes on to state that the projections are trend based and that that may require an upward adjustment when calculating needs to reflect market conditions:

“The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply” (NPPG, Reference ID: 2a-016-20150227)

- 7.16 With this in mind, a further uplift to housing needs calculations may be needed in addition to those provided to reflect market signals.

- 7.17 On a related note, the NPPG also requires that affordable housing needs should be:

“...considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.” (Reference ID: 2a-029-20140306)

- 7.18 In essence, the Council must consider the scope to meet affordable housing needs by increasing its overall housing requirement in the Local Plan. The importance of this approach has also been confirmed in the

High Court⁵. It is with these policy requirements in mind that the Council completed a Strategic Housing Market Assessment (SHMA) in 2014 and has subsequently commissioned updates to the objectively assessed need for housing in light of new information. The 2014 SHMA and related update published in February 2017 are discussed later in this report. Whilst the SHMA and recent update apply current national policy and guidance as outlined above, at present, there is no standard methodology that should be applied in the determination of the objectively assessed need for housing.

7.19 In terms of employment and the economy, the NPPF aims to support a strong and competitive economy. Paragraph 21 states that “...*local planning authorities should set out a clear economic vision and strategy for their area which positively encourages sustainable economic growth*”. Paragraph 161 goes on to require local planning authorities “*to assess the need for additional land or floorspace for economic development over the plan period.*” Accordingly, the Council completed an Employment Land Requirement Study in July 2014. A recent update to this study was published in February 2017. The detail of the update is considered later in this report.

7.20 In terms of setting employment land requirement for Local Plans, the NPPG requires housing and employment land requirements to dovetail. It states that:

“Where the supply of working age population that is economically active (labour force supply) is less than the projected job growth, this could result in unsustainable commuting patterns (depending on public transport accessibility or other sustainable options such as walking or cycling) and could reduce the resilience of local businesses. In such circumstances, plan makers will need to consider how the location of new housing or infrastructure development could help address these problems.”
(Reference ID: 2a-018-20140306)

7.21 Given the above, it is clear that the Government expects Local Plans to address economic issues, not only through the provision of sufficient employment land, but also through sufficient housing and infrastructure. This is particularly the case in areas where the working age population is projected to decline as in Staffordshire Moorlands.

Housing White Paper

7.22 The recent Housing White Paper sets out potential changes to Government policy. Subject to the outcome of a current consultation on the White Paper, an update to the NPPF may be issued at a later date. As such, the proposals have yet to be formally enshrined in national policy. However, the White Paper provides a clear indication of the Government’s direction of travel on housing and planning matters and is therefore considered in this report.

⁵ Satnam Millennium Ltd vs Warrington District Council [2015] EWHC 370

- 7.23 The overall aim of the White Paper is to fix the country’s “broken housing market” by boosting the supply and mix of housing to address the ongoing housing shortage and worsening affordability which has led to both economic and social problems. Proposals to address the issues are set out under four overarching steps, namely; planning for the right homes in the right places, building homes faster, diversifying the market and helping people now.
- 7.24 The White Paper re-iterates the existing proposals being advanced through the Neighbourhood Planning Bill to ensure that up to date Local Plans are put in place. When necessary, Government may intervene to ensure that plans are put in place, so that communities in the areas affected are not disadvantaged by unplanned growth. New powers proposed in the Neighbourhood Planning Bill will strengthen the Government’s ability to do so.
- 7.25 Proposals of relevance to the Local Plan include:
- A proposal to consult on a **standard methodology for the calculation of the objectively assessed need for housing**. By April 2018, it is proposed that new methodology should be applied to calculate the five year housing land supply and as the benchmark for housing delivery. It is intended that a standard approach would provide a more transparent and consistent approach across the country. Council’s that do not apply the new methodology will need to justify why. Whilst the methodology has yet to be published, it will be informed by the recommendations of the Local Plan Expert Group (LPEG). LPEG was established by Government to review the plan making process and identify measures for improvement. Recommendations included a standard methodology for calculating housing needs which includes a streamlined approach for considering the implications of market signals and affordability when compared to the existing guidance noted earlier in this report.
 - Increased emphasis on the need to deliver against housing requirements through a **newly proposed housing delivery test**. Housing delivery will be measured using the National Statistic for net additional dwellings over a rolling three year average. From November 2017, if delivery of housing falls below 95% of the authority’s annual housing requirement, it is proposed that Councils should publish an action plan setting out how delivery will be achieved. By the same date, if delivery of housing falls below 85% of the housing requirement, authorities would in addition be expected to plan for a 20% buffer on their five-year land supply. Varying thresholds are then applied to this test up to the year 2020.
 - Re-emphasis on the need to **protect Green Belt and only to release land in “exceptional circumstances”**. This requirement exists in current national policy but further clarity is now given on

how exceptional circumstances may be demonstrated. Councils must demonstrate that there are no other reasonable alternatives before committing to Green Belt release. This can include consideration of brownfield sites, making use of surplus land, regeneration of housing estates, optimising the density of development and exploring the scope for development in neighbouring areas. Where Green Belt release is proposed, the loss should be offset by improvements to the environmental quality or accessibility of the remaining Green Belt land.

- 7.26 The implications of the proposals in the Housing White Paper and the LPEG recommendations on calculating the objectively assessed need for housing are discussed later in this report.

Industrial Strategy Green Paper

- 7.27 The Housing White Paper makes it clear that the provision of housing is critical to the success of the Government's new Industrial Strategy published in January 2017. The aim of the strategy is to "*improve living standards and economic growth by increasing productivity and driving growth across the whole country*".

Evidence

Housing needs

- 7.28 The **2014 Staffordshire Moorlands SHMA** assessed the extent of the local housing market and its characteristics. It also provided an assessment of the need for market and affordable housing. Key conclusions included:
- The objectively assessed need (OAN) for housing Staffordshire Moorlands was within the range of 260 to 440 homes per year. The bottom end of the range related to demographic needs (population and household growth). The top end of the range related to economic projections (jobs growth supported by inward migration).
 - The need for affordable housing was deemed to be 707 (gross) over the next five years. This includes newly arising needs and clearing the backlog of demand over a five year period. 172 homes a year for five years are required to clear the backlog. Affordable housing needs are calculated on a different evidential basis from the wider housing requirement with the emphasis being on the ability of a household to pay rather than demographic and economic projections. This can explain the apparent discrepancy between the identified OAN range and affordable housing needs.
 - Staffordshire Moorlands district is not a self-contained housing market area. The housing market overlaps with parts of Stoke-on-Trent. Work with Stoke on Trent City Council under the Duty to Co-operate on meeting housing needs may therefore be required.

- 7.29 In order to take account of the latest household projections issued by Government (2014-based), Planning Inspector's reports and High Court judgements (as highlighted in this report), new population and unemployment data, the **Staffordshire Moorlands SHMA Update (Appendix 1) was issued in February 2017**. This report supersedes previous updates issued in 2015 and 2016. As the most up to date evidence regarding housing needs, the 2017 assessment is a key consideration in establishing the Local Plan housing requirement.
- 7.30 As with the SHMA, the update appraised a variety of demographic and economic based scenarios. The latest 2014-based household projections are taken as the starting point with adjustments made as required following an updated review of market signals and consideration of new employment projections for the District. Employment projections sourced from both Oxford Economics and Experian are considered alongside a combined set of projections that averages jobs growth in each sector between the two data sources (see report para. 7.84 and Appendix 2, Table 4.8 for further details). The update report also revises affordable housing needs taking account of the Housing Register. The update covers the period 2014 to 2031 with separate figures also provided for the period 2014 to 2033 so that the Council has existing available evidence to inform development requirements in the event that the plan period is extended. 2014 is used as the start of the projection period as this is the base date for the 2014-based household projections.
- 7.31 The SHMA Update also refers to the potential implications of the LPEG recommendations for the methodology for calculating the objectively assessed need for housing. Consideration is also given to the need for Self-Build and Custom-Build housing developments.
- 7.32 The demographic scenarios (A – Eb) use the components of population change (births, deaths and migration) to project future population change. The economic – led scenarios (F – Ia) were assessed to identify how much additional housing may be needed to take account of employment growth, over and above demographic needs. Further details of the scope of each scenario are provided in Appendix 1.
- 7.33 The update report provides details of the projected population change, jobs growth and associated annual housing requirement for each of the scenarios tested. An extract from the report with corresponding details is provided below:

	February 2017 SHMA						Previous January 2016 SHMA Update
	Population Change	Job Growth	Dwellings 2014-2031	p.a.	Dwellings 2014-2033	p.a.	Dpa 2014- 2031
A. Baseline			2,898	170	3,127	165	181
Aa. Baseline + PCU	2,239	-1,637	3,258	192	3,525	186	199
Ab MYE + PCU	2,567	-1,579	3,331	196	3,610	190	205
B. Natural Change	-3,838	-3,802	272	16	118	6	41
C. Zero Net Migration	-2,493	-2,695	-374	-22	-556	-29	7
D. Long Term Migration			2,369	139	2,450	129	136
Da. Long Term Migration +PCU	1,022	-2,220	2,721	160	2,838	149	-
E. OE Job Growth	7,238		4,744	279	4,993	263	398
Ea. OE + Reduced Commuting	2,713	339	3,061	180	3,282	173	329
Eb. OE + PCU	7,238		5,135	302	5,425	286	-
F. Job Stabilisation			4,398	259	4,774	251	290
Fa. Job Stabilisation +PCU	6,339	0	4,787	282	5,205	274	-
G. Past Trends			7,146	420	7,893	415	290
Ga. Past Trends +PCU	13,697	3,038	7,584	446	8,383	441	-
H. Experian Job Growth			5,655	333	6,227	328	-
Experian Job Growth + PCU	9,705	1,400	6,067	357	6,688	352	-
I Combined Job Growth			5,199	306	5,608	295	-
Ia. Combined Job Growth + PCU	8,471	870	5,601	329	6,054	319	-
Affordable Housing Needs				679 / 1,309		679 / 1,309	-

Table 1: Summary of housing scenarios (2014 to 2031 and 2014 to 2033)

- 7.34 Table 1 demonstrates that as with the 2014 SHMA, the demographic scenarios would lead to lower population increases (or even decreases) from current levels. All demographic scenarios would also lead to a decline in the number of jobs available in the District. This is due to a contraction in the labour supply (people of working age) within the District related to the relatively modest levels of housing provision. Conversely, the economic scenarios indicate higher levels of population growth with corresponding levels of jobs growth or stabilisation. The higher levels of housing growth under these scenarios support the economy by enabling inward migration of people of working age to offset the decline of the labour force.
- 7.35 In line with the NPPG, the update report includes an uplift to the demographic scenarios of 10% to reflect market signals, namely the worsening affordability ratios. A further 10% uplift is then added to reflect the fact that the affordable housing need is high (see following table) as required by the NPPG, Inspector's reports and legal cases. The corresponding implications for these uplifts for the OAN are identified below:

	Dwellings per annum (2014-2031)
Demographic Starting Point	170 dpa
Adjustments to Demographic-led Needs	196 dpa
Uplift for Market Signals	216 dpa
Employment Led Needs	329 dpa
Affordable Housing Needs (@33% delivery)	679 – 1,309 dpa
Uplift to demographic led needs for Affordable Housing (@10%)	238 dpa
Full Objectively Assessed Needs (rounded)	235 dpa – 330 dpa

Table 2: OAN incorporating uplifts (2014-2031)

- 7.36 Having reviewed the scenarios, the SHMA Update recommends a **new OAN range of 235 to 330 homes per year to the year 2031**. The bottom of the range (235) relates to the demographic needs plus a 10% uplift to reflect market signals and a further 10% to respond to the high level of affordable housing need. The top of the range (330) relates to the level of housing growth required to support the projected increase in jobs. Jobs growth is supported by the higher level of housing growth as it enables a higher level of inward migration of working age people from neighbouring areas. Natural population change in the District is largely driven by an increase in the elderly population.
- 7.37 Broadly in the middle sits the job stabilisation scenario which sets out the number of new homes per year required to maintain the number of jobs in the District at current levels plus an adjustment or “partial catch up” (PCU). The adjustment increases the housing need to reflect a desirable uplift in household growth amongst 15-34 year olds to 2008 levels. There has been a decline in household growth amongst the younger population since then, largely due to the recession and continued economic constraints which have prevented younger people from establishing a home of their own.
- 7.38 In terms of affordable housing needs, the SHMA Update reviews the Housing Register as of October 2016 and current supply of affordable housing to identify a net backlog of 408. An assessment of likely newly arising affordable housing needs over the plan period is then undertaken to identify **a net annual need for affordable housing of 224 to 432 homes per year**. The lower figure of 224 would apply if allowances are made for a deposit and/or a greater proportion (35%) of income is spent on renting a property.
- 7.39 The new OAN range and affordable housing needs are lower than all those previously recommended as summarised in the table below:

Table 3: Recommended housing OAN and affordable housing requirements to up the year 2031⁶

Study	Date	Affordable housing needs per year	OAN range (homes per year)
SHMA	April 2014	250 to 707	260 to 440
SHMA Update	January 2016	As above	250 to 440
SHMA Update	February 2017	224 to 432	235 to 330

7.40 The decline in the OAN can largely be attributed to two factors:

- The latest household projections have fallen by around 11 homes per year (scenario A)
- The latest employment forecasts from Oxford Economics have fallen following the EU referendum. This results in fewer homes being required to support the projected increase in jobs.

7.41 The report goes on to provide advice on how the OAN should be considered against the NPPF:

“If the Council were to pursue a figure significantly lower than 330 dpa whilst also planning for a level of annual job growth or even job stabilisation, it would need to justify how it would mitigate or avoid the adverse housing, economic and other outcomes that a lower-growth approach would give rise to. It would also need to evidence how the adverse impacts of meeting housing need would ‘significantly and demonstrably outweigh the benefits’ [Framework §14] as well as make provision, through the duty-to-cooperate, for those needs to be met in full elsewhere within the wider HMA.” (Appendix 1, para 8.10)

7.42 Furthermore, in considering how to translate the OAN into a future housing requirement, to be included in the emerging Local Plan, the SHMA Update recommends that the Council should take the following into account:

- The need to support an appropriate level of economic growth;
- The need to provide for a better balance between jobs and population to reduce the need to travel;
- The impact that increasing in-migration to Staffordshire Moorlands could have on the surrounding areas;
- That a level below 260 homes per year is likely to lead to a continued decline in the local economy;
- That delivery above purely demographic (196 homes per year) is likely to be needed to ease the issues related to increasing house prices and worsening affordability

⁶ Separate recommendations are also made for the period up to 2033.

- The need for affordable housing. In line with the Practice Guidance, the Council should consider if a further uplift in overall housing delivery is required to help meet affordable housing needs given that the need for affordable housing (up to 432 a year) exceeds to the top of the OAN range (330);
- The ability of the District's housing market to support new housing delivery

7.43 Accordingly, the merits of the respective housing scenarios as potential Local Plan housing requirements are discussed in later this report. This includes the extent to which affordable housing needs can be accommodated and "supply side" factors such as the supply of developable land and related constraints.

7.44 The **Self-Build and Custom Housebuilding** Act 2015 places a duty on councils to keep a register of individuals and community groups locally who want to acquire land for self-build homes and to have regard to these registers in carrying out its planning function. A self-build project is defined as a situation whereby a house is designed and constructed to the specifications of the person who is going to live there.

7.45 Online searches undertaken as part of the SHMA Update indicate a low level of interest in Self Build in the District with only two specific requests made via the "Build a Plot" system. However, separate analysis of the Council's Self Build Register reveals that **21 individuals/organisations have registered their interest in developing 48 Self Build plots in the District**. This identified need for housing is captured in the overall assessment of housing needs identified above. However, the Council will need to consider how to meet this need and future arising demand and develop the Local Plan accordingly. This could include policy support for Self-Build / Custom-Build and the identification of specific sites or proportions of sites for such purposes.

7.46 The SHMA Update provides an initial view on the **possible implications of the Housing White Paper on the OAN** based on the recommendations of the Government appointed Local Plan Expert Group (LPEG). LPEG recommended a simplified and streamlined approach to estimating housing needs which may result in less of an uplift being required to address market signals and the removal of economic factors in calculating OAN. Instead, economic factors could be a policy choice of the Council. The SHMA Update therefore concludes that if the LPEG recommendations were carried in to the new methodology, the objectively assessed need for housing would possibly fall towards the lower end of the current recommended range.

Housing land supply

7.47 **The Strategic Housing Land Availability Assessment (SHLAA)** published in July 2015 provides an indication of the potential supply of land for housing development. The assessment found:

- A supply of land for 2,628 homes within the next five years (completions and commitments) - 80% on brownfield, conversion or partial brownfield sites and 81% within the urban area
- A potential supply of land for 11,406 homes within six to fifteen years - 14% on brownfield, conversion or partial brownfield sites and 24% are within urban areas
- A total potential supply of land for 14,029 homes
- These conclusions did not take account of the implications of policy constraints such as Green Belt.

7.48 The SHLAA went on to compare the potential supply of housing land against the housing requirement and spatial distribution of housing as set out in the adopted Core Strategy. It found that there was more than double the supply of sufficient potential housing sites to meet the 6000 (300 per year) housing requirement in the Core Strategy. However, as stated above, this does not take account of policy constraints, nor more detailed site specific consultation feedback. The NPPG makes it clear that *“it is for the development plan itself to determine which of those sites are the most suitable to meet those needs”* (ID: 3-003-20140306).

Area	Amount	Required Provision	Completions and Commitments	Additional Developable Large SHLAA sites	Total Potential Supply
Leek	30%	1,800	1,090	2,716	3,806
Biddulph	20%	1,200	386	1,710	2,096
Cheadle	22%	1,320	285	3,428	3,713
Rural	28%	1,680	862	3,552	4,414
Total		6,000	2,623	11,406	14,029

Table 4: SHLAA potential land supply and Core Strategy requirements (300 homes per year)

7.49 The **Preferred Options Sites and Boundaries consultation** held during the Summer of 2016 used the SHLAA and feedback from the 2015 Options consultation as the basis for identifying sites. This work identified a sufficient supply of housing land to support a development requirement of 320 homes per year (4158 net additional homes up to the year 2031).

7.50 The full implications of consultations responses on the Preferred Options sites are being finalised ahead of the consideration by the Council of the Preferred Options Local Plan sites in June 2017. This includes the

consideration of further sites that were suggested during the consultation and wider policy constraints such as Green Belt. Further Focus Groups will be held with Councillors to discuss potential site allocations ahead of a decision on the Preferred Options Local Plan.

- 7.51 However, on the basis of the current analysis of the issues raised at consultation, it is still considered that there is more than a sufficient supply of potential housing land to meet the Core Strategy housing requirement. This information may be subject to change following further consultation and the consideration of new evidence relating to the suitability of sites.

Infrastructure

- 7.52 The **Infrastructure Plan** prepared in 2012 identified the infrastructure necessary to deliver the development requirements of the Core Strategy. This plan drew on the findings of the **Development Capacity Study** prepared in 2011 which considered the capacity of settlements to support development in terms of the availability of services and infrastructure. The two documents combined supported the level of development set out in the Core Strategy (300 homes per year and at least 24ha of employment land) by utilising existing infrastructure or providing additional provision where needed.
- 7.53 An **Infrastructure Delivery Plan (IDP) Baseline Report** has been prepared on behalf of the Council as part of the ongoing assessment of the viability and deliverability of the Local Plan. The reports draws upon feedback from infrastructure providers based upon the level and distribution of housing and employment growth as envisaged in the adopted Core Strategy.
- 7.54 The overall conclusion of the IDP Baseline Report is that is broadly that the level and distribution of growth as identified in the Core Strategy can be supported by current and planned infrastructure.
- 7.55 Schemes are identified which align with the spatial distribution of growth proposals in the Core Strategy and there are no significant constraints to the level of growth proposed. The IDP will evolve to more closely reflect the Local Plan as it progresses.
- 7.56 The IDP identifies a number of potential interventions to support growth. These are summarised as follows:
- In Leek - the potential interventions relate to transport, education and health. These include new link and access roads for sites, additional school provision and potential expansion of GP surgeries.
 - In Biddulph - the potential interventions relate to transport, education, management of flood risk, recreation and health. These include improved

bus and cycle services, greater primary, middle and high school provision, increased measures to prevent surface water flooding and new facilities for young people.

- In Cheadle – the potential interventions relate to transport, education and recreation. These include a potential link road, improved connectivity to Blythe Bridge (subject to a separate assessment), greater primary and high school provision and new park and play space.
- In the Larger Villages within rural areas - the potential interventions relate to transport, management of flood risk and community and cultural. These include additional parking at Blythe Bridge station, diverting watercourses around Lower Tean and Brown Edge and securing the transition of libraries in Blythe Bridge and Werrington to community management.

7.57 Whilst the existing evidence indicates that a housing requirement broadly consistent with the Core Strategy could be supported in terms of infrastructure, infrastructure constraints and delivery requirements will become more challenging if plans for growth are significantly increased.

Viability and Deliverability

7.58 The ongoing **Development Capacity, Viability and Community Infrastructure Levy Study** has assessed a sample of site options in terms of their economic viability. This factors in the potential future value of property set against development costs such as land, construction and developer contributions and other requirements of planning policy. The work to date concludes that the majority of sites are financially viable. Greenfield sites are generally found to be more viable than brownfield. However, relaxation of developer contributions may be required on some sites where viability is marginal.

7.59 It should also be noted that the volume of sales and property values are relatively low when compared to neighbouring areas such as Cheshire East and Stafford Borough. This is also reflected in the Council's own housing monitoring data which reveals that an average of 178 homes (gross) have been completed a year in Staffordshire Moorlands between 2006/7 and 2015/16. This again is comparatively low.

7.60 This information is indicative of a relatively slow housing market in the District. This should be taken into account when establishing the Local Plan housing requirement as the NPPF requires plans to be "*aspirational but realistic*". As highlighted earlier in this report, housing delivery when measured against requirements is a key focus of the NPPF with Local Plans running the risk of being considered out of date if a five year housing land supply cannot be demonstrated. The Housing Delivery Test set out in the Housing White Paper also brings this issue into sharp relief even further. In establishing the Local Plan housing requirements, it is important to reflect on this matter.

Green Belt

- 7.61 A **Green Belt Review** was completed in November 2015. The review considered the scope to release land from the Green Belt by appraising sites against the purposes of the Green Belt as set out in the NPPF. Its findings informed the selection of 2016 Preferred Options allocations. The study concluded that generally the extent of the Green Belt should be retained. However, several areas were identified as suitable for release from the Green Belt in exceptional circumstances through a Local Plan review as required by the NPPF. Land that could be released in exceptional circumstances was identified in numerous locations; including Biddulph, Cheadle, Blythe Bridge and Forsbrook, Endon, Cheddleton and clusters elsewhere in the district. This information has informed the current estimated potential capacity as identified above.
- 7.62 In response to feedback from the 2016 Preferred Options Sites and Boundaries consultation, additional sites in the Green Belt were assessed in September 2016 using the same methodology as the November 2015 report. This update identified additional sites that might be suitable for release, subject to exceptional circumstances in Werrington, Cheddleton, Biddulph, Biddulph Moor and Endon.
- 7.63 The November 2015 study clarified that “exceptional circumstances” may include the need to release suitable land from the Green Belt to assist in meeting housing needs:
- “...the NPPF is equally clear that Local Plans should meet objectively assessed needs... unless specific policies ... indicate development should be restricted. The Planning Inspectorate in emphasising the role of robust evidence to underpin local plans, has increasingly identified the importance of a comprehensive Green Belt review in this process. For example, the Inspector’s Report of the Dacorum Core Strategy acknowledged that a comprehensive Green Belt review should be undertaken “in order to ensure that a justifiable balance between meeting housing need and protecting the Green Belt can be secured. Without such comprehensive evidence a robust conclusion on the potential for the identification of additional housing sites, either for the medium/long term (as potential sites within the urban areas decrease) or for beyond the plan period, cannot be satisfactorily drawn”. (Green Belt Review, Para 1.2)*
- 7.64 Furthermore, the adopted Staffordshire Moorlands Core Strategy committed the Council to undertaking a Green Belt Review in order to identify housing allocations following consideration by the Planning Inspector.
- 7.65 However, the Green Belt remains a significant constraint to development in the District with a significant proportion recommended for retention. The recent Housing White Paper also further highlights the need to protect the Green Belt by setting out in more detail how exceptional circumstances may be demonstrated. These new tests have yet to be adopted in the NPPF. More detailed consideration of the implications of the possible new

tests should be given when the Council considers the selection of Preferred Option sites, including a review of potential additional housing sites outside of the Green Belt.

Landscape and Heritage

- 7.66 The **Landscape and Settlement Character Assessment** completed in 2008 identified ten landscape character types across the district and set out the planning implications for development within each of them. Whilst some landscape character types were deemed to be more sensitive to change than others, the assessment did not quantify limits to development potential.
- 7.67 The **Landscape, Local Green Space and Heritage Impact Study** was published on behalf of the Council in August 2016. The study reviewed the Preferred Options sites as agreed in April 2016 plus a sample of other previously considered site options in terms of their landscape and heritage impacts. Where necessary and appropriate, mitigation measures to address identified impacts were recommended.
- 7.68 In landscape terms, of the 117 sites considered, 48 were deemed to be of low sensitivity; 41 were of medium sensitivity; and 28 were of high sensitivity. In heritage terms, of the 117 allocation sites considered, 81 sites would be highly unlikely to affect the settings of designated heritage assets; 32 sites would require an appropriate mitigation strategy as part of the proposed development; and 4 sites could not be developed without substantial heritage impacts.
- 7.69 Where harm is identified, this does not necessarily preclude the scope for development. In such instances, when selecting sites for allocation, the Council will need to carefully consider the harm against the benefits of development under the terms of national policy. However, the study revealed that the majority of sites required for the previously agreed housing and employment land requirements, plus other “reserve” sites that were assessed were not likely to lead to a high level of harm.

Flood risk

- 7.70 A **Strategic Flood Risk Assessment – Level 1 (SFRA)** was completed in October 2015. The vast majority of the district was found to be a low risk of fluvial flooding (Flood Zone 1). Some areas at medium (Flood Zone 2) or high (Flood Zone 3) risk of flooding were identified adjacent to watercourses. The NPPF requires that development is directed towards Flood Zone 1 areas. The majority of Preferred Options sites were in such locations.
- 7.71 Communication with the Environment Agency in light of the Preferred Options Sites and Boundaries consultation has since revealed that more detailed consideration of flood risk matters in relation to sites in the form of

a Level 2 SFRA is not required. On the basis of the evidence, it is not considered that flood risk presents a significant constraint to the overall level of development across the district.

Duty to Co-operate

- 7.72 The 2014 SHMA identified that the housing market area for Staffordshire Moorlands overlapped with Stoke-on-Trent. The Peak District National Park Authority also acts as the local planning authority for parts of the district. Under the terms of the NPPF, if the Council is unable to meet its own housing needs within the district, it should look to work with other local planning authorities within its housing market area to ensure that needs are met in full. However, as highlighted above the NPPF makes it clear that Local Plan should meet the objectively assessed needs...unless the adverse impacts would significantly and demonstrably outweigh the benefits. There is therefore a strong presumption that objectively assessed needs should be met within the district.
- 7.73 Furthermore, should the Council decide upon a course of action that would necessitate the need to co-operate with neighbouring authorities to meet the district's housing need, there is no certainty that this would be achievable. In order for a neighbouring authority to accommodate the unmet needs of another authority, it must be in position to meet its own needs first. Further consideration of the housing market implications may also be required in these circumstances.
- 7.74 Stoke-on-Trent City Council is in the early stages of preparing a joint Local Plan with Newcastle-under-Lyme Borough Council. At this stage, the evidence to support the plan, including the objectively assessed need for housing and a Green Belt Review have yet to be completed. As such, the scope for any unmet development requirements to be provided in the Joint Local Plan area cannot be determined. Nevertheless, it should be noted that no objections have been received in response to the proposed development requirements agreed by the Council in March 2016.
- 7.75 The objectively assessed need for housing identified in this report relates to the whole district of Staffordshire Moorlands, including the Peak District National Park. Accordingly, the Peak District National Park Authority has agreed to the principle of housing completions within the relevant part of the National Park being counted towards the Staffordshire Moorlands Local Plan housing requirement. An allowance for 100 homes to be completed in the Peak District National Park was subsequently made in the Preferred Options Sites and Boundaries consultation on April 2016.
- 7.76 Given the above, it is considered that a housing requirement broadly consistent with the current agreed developments is unlikely to give rise to any Duty to Co-operate concern. However, the selection of a housing requirement significantly above the currently agreed requirements may increase the risk of objections from neighbouring authorities as higher levels of development are more likely to be dependant on higher levels of

net in-migration from such areas. This could conflict with emerging or agreed plans for housing and economic growth elsewhere.

Ecology and Habitats Regulations Assessment

- 7.77 In 2014 the Council commissioned a **Phase 1 Habitat survey** of 228 potential development sites to determine their ecological value. The study was published in July 2015 and has informed the preparation of the Local Plan to date. A further ecological appraisal was prepared in 2016 to carry out a Phase 1 Habitat Survey on Preferred Options sites that had not already been appraised. An assessment of whether sites could potentially merit protection as a local wildlife site has also been undertaken.
- 7.78 The findings are that some limited areas of the sites assessed may warrant some form of protection. However, no over-riding issue has been identified that would prohibit the delivery of the Preferred Options level of growth as agreed in March 2016
- 7.79 An ongoing **Habitats Regulation Assessment** is being prepared alongside the Local Plan. This includes consideration of sites designated under European legislation for their nature conservation value (habitats and species) to determine whether or not significant effects are likely as a result of the Local Plan. If so, the report can suggest ways in which they could be avoided such as policy requirements for mitigation. Work to date reveals that sites in Biddulph and Cheadle are unlikely to have any significant effects given the distance between these settlements and protected sites which are clustered to the north / east of the District (within or close to Peak District National Park) and to the south (Cannock Chase). Parts of the Rural Areas and Leek are closer to the protected sites and so further consideration of any effects and mitigations measures is required. However, this is unlikely to have a significant impact on the overall supply of developable land.

Employment land requirements

- 7.80 The **Employment Land Requirement Study** was completed in July 2014. The study reviewed a range of economic factors, projections relating to the performance of different sectors of the local economy and the working age population. It concluded that 25ha to 45ha of employment land was required for Staffordshire Moorlands for the period 2011 to 2031 (35% for B1a/B1b office, 40% for B1c/B2 industrial and 25% for B8 storage and distribution).
- 7.81 This sought to balance the replacement of some existing B2 stock with aspirations for heightened demand in this sector going forward; the higher growth in B1/b office requirements, the slower decline of the industrial sector and the continuing relatively limited demand of B8 warehousing.
- 7.82 The **Staffordshire Moorlands Employment Land Review Update Report** (Appendix 2) was completed in February 2017. This report updated the findings of the Employment Land Requirement Study in light

of the latest sub-national household projections (2014-based) that also form the basis of the objectively assessed need for housing. Household projection data is critical to employment land requirements as it informs assumptions regarding the future supply of labour.

- 7.83 The Update Report found that the District benefits from a relatively high value manufacturing base with linkages to sector expertise and clusters of businesses. There are a high number of small businesses and entrepreneurialism, combined with strong business survival rates. A highly skilled workforce, combined with the exceptional Peak District landscape and quality of life offer make the authority area an ideal location for knowledge and creative businesses. The visitor economy is a key sector and the local authority area provides a market for Peak District businesses and branded products. This may result in a requirement for B-class uses such as offices for tourism-related business and manufacturing premises for niche food products.
- 7.84 There is a lack of good quality small to medium-sized industrial premises, which is suppressing demand. In particular, the limited level of development in recent years has restricted the availability of sites for local businesses to expand.
- 7.85 Future realisable demand may be further restricted by the current poor and ageing existing stock, lack of public investment in infrastructure, poor access to many industrial estates/business parks, and weak inward investment offering relative to adjoining areas (notably Stoke on Trent).
- 7.86 A high level of net out-commuting is also an issue in Staffordshire Moorlands where 12,737 (previously 13,956) more people commute out to work than commute in. There is significant level of net out-commuting to Stoke-on-Trent and Newcastle-under-Lyme. The three authorities are considered to constitute a “Functional Economic Area” (FEMA). Therefore the Council is required to undertake discussions with the relevant neighbouring authorities (Stoke-on-Trent and Newcastle-Under-Lyme) to satisfy their obligation under the duty to co-operate and confirm that each authority’s needs can be met across the FEMA. As highlighted above, no concerns have been raised in relation to employment land development requirements to date by neighbouring authorities.
- 7.87 The job density⁷ ratio of 0.64 (an increase from 0.55 at the time of the 2014 ELR) in the District is very low compared to the West Midlands average of 0.78. Rebalancing the land uses of the District to ensure that more, and better quality, jobs are provided could help to reverse this trend and ‘claw-back’ out-commuters and reducing net out-commuting rates. However, this would need to be a choice made by the Council and should be supported by corporate decisions and policies in the economic strategy and emerging Local Plan.

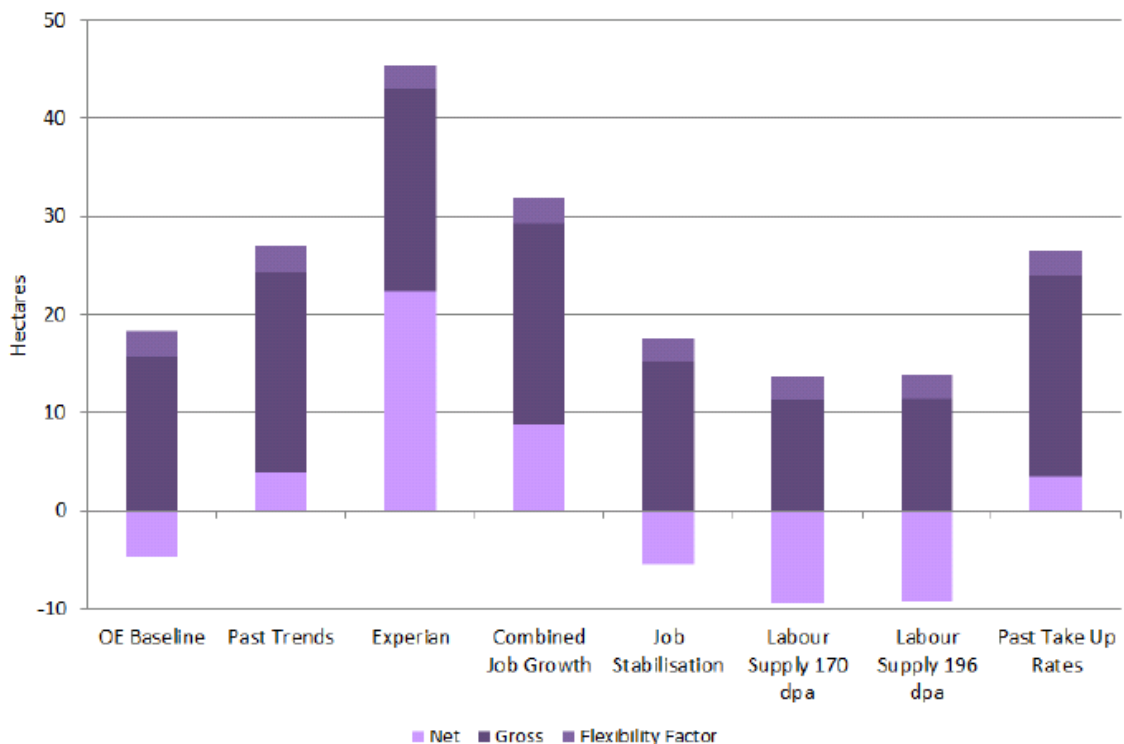
⁷ Jobs density is a measurement of the number of jobs within the District per resident of working age

7.88 **The latest post-Brexit jobs forecasts published by Oxford Economics show an increase of 288 jobs (FTE) up to 2031.** This is a significant decline from the previously forecasted 3009 jobs from the pre-Brexit forecasts. Forecasts prepared by Experian are also considered in the ELR Update. **Experian data shows an increase in 1300 jobs in the District over the same period.** Whilst both data sources are robust, this is a significant difference and may be attributed to the different methodologies applied. This has led to discrepancies in the jobs growth between sectors projected by each source. The largest difference is in manufacturing whereby Oxford Economics project a decline off 833 jobs in contrast to a growth of 829 anticipated by Experian (see Appendix 2, Table 4.8). To address this, the ELR Update recommends that a **combined jobs growth** figure is applied in the scenarios which provides an average level of jobs growth for each sector taking both data sources in to account. This **indicates a growth of 794 jobs (FTE) up to the year 2031.**

Objectively Assessed Need for employment land

7.89 The ELR considers a range of scenarios to identify the need for employment land in the District. These include; projections of labour supply (land needed to support jobs for future working age population), jobs forecasts (land needed to support Oxford Economics jobs forecasts) and consideration of past trends (amount of land developed in the District in recent years). Uplifts to the indicative requirements are then added to provide additional flexibility and to address potential future losses of employment land. A summary of the outcomes is provided below:

Figure 1: Summary of employment land requirements for scenarios up to 2031⁸



⁸ Separate conclusions are given up to the year 2033 which are more positive.

- 7.90 The majority of scenarios would lead to a negative employment land requirements without the subsequent adjustment to provide flexibility and to account for possible losses, these include; jobs forecasts (Oxford Economics baseline and zero jobs growth) and labour supply scenarios. This reflects the anticipated low demand for land for business and industry and the constrained labour supply projected for the District without sufficient levels of inward migration supported by new housing.
- 7.91 The most positive scenario is past take up in spite of average levels of development being relatively modest in the District in recent years – 1.26ha per year (2007 to 2015).
- 7.92 With the above in mind, the **ELR Update recommends an OAN range for employment of 13 to 27ha up to the year 2031**.⁹ This is a significant decline from the previously recommended range of 25 to 45ha as identified in the 2014 ELR. This can be attributed to the reduction in the forecasts levels of jobs growth by Oxford Economics, a shorter modelling period has now been applied (2014 to 2031, rather than 2011 to 2031). Take up and losses of employment land have been variable.
- 7.93 **50% of the requirement is recommended for B1a/B1b (office, R&D) use with the other 50% recommended for B1c/B2/B8 (light industry, general industry, storage and distribution)**. This takes into account past trends and forecast jobs, office vacancy and the need to replace existing poor quality industrial stock.
- 7.94 The Site Options consultation document published in 2015 identified a total of 63.41ha of potential employment land across the district. The 2016 Preferred Options Sites and Boundaries consultation identified a sufficient supply of land to support the proposed development requirement of 35ha. This did not include the 48.58ha Northern Gateway Opportunity Site at Blythe Bridge. On the basis of the current evidence, the District has a sufficient supply of suitable sites to accommodate the full range of the objectively assessed need for employment land.

Sustainability Appraisal

- 7.95 The **Initial Sustainability Appraisal Report – Appraisal of alternative development requirements (Appendix 3)** which accompanies this report has been prepared to assess the likely significant effects on sustainability of alternative options for housing and employment requirements. The options broadly relate to the top, middle and bottom of the latest OAN ranges as discussed in this report. A fourth option was also appraised to test the implications of the highest potential growth scenario identified in the latest assessment of needs (Appendix 1 and 2):

⁹ 14 to 32ha is recommended up to the year 2033.

Housing Options

- 235 homes per year (demographic needs, + allowance for catch up and 10% for market signals)
- 260 homes per year (job stabilisation)
- 330 homes per year (combined jobs growth scenario+ uplift partial catch up)
- 450 homes per year (past trends jobs growth + 10% uplift for partial catch up)

Employment Options

- 13ha (labour supply)
- 16ha (job stabilisation)
- 25ha (past trends)
- 27ha (combined jobs growth scenario)

7.96 In essence, the Sustainability Appraisal essentially determines that the highest levels of growth score most positively in terms of economic benefits and meeting affordable housing needs. However, the highest growth scenarios also score least positively in terms of adverse environmental impact. For the scenarios at the bottom of the scale, the reverse applies. The middle of the range corresponds to a balanced relationship between the environmental, economic and social effects considered in the appraisal. The full appraisal and summary of findings is provided in Appendix 3.

Consultation feedback

7.97 The 2016 Preferred Options Sites and Boundaries consultation sought views on the proposed housing (320 homes per year) and employment land (35ha in total) requirements over the period of the Local Plan up to the year 2031. Summaries of responses to these two matters are provided in Appendix 4 and 5 respectively. In broad terms they may be summarised as follows:

7.98 Housing requirement responses:

- **4 consultees supported** the requirement of 320 homes per year. The main reasons given were that the evidence justified the increase in housing requirement from the 300 homes per year identified in the adopted Core Strategy and that this would support the delivery of affordable housing

- **8 consultees submitted general comments** regarding the housing requirement. Several related to reserving the right to comment at a later date.
- **282 consultees objected because the housing requirement was too high.** Reasons given included:
 - Empty properties should be used instead
 - Government's housing projections are lower and should be used instead
 - Rate of development is not sustainable
 - Concern over loss of Green Belt and countryside
 - Over development leads to harmful landscape impacts
 - More consideration needed of supply of suitable sites
 - The assessment of need is flawed
 - The bottom of the OAN range (250) should be used instead
 - Previous objections have not been listened to
 - Concerns regarding infrastructure constraints and impacts e.g. transport, schools, open space, health and flood risk
 - Stoke-on-Trent should accommodate some of the housing need
 - Safety and amenity concerns
- **10 consultees objected because the housing requirement was too low.** Reasons given included:
 - The requirement does not meet the full OAN (440)
 - Additional sites are available to support a higher requirement
 - Housing provides economic benefits such as increased spend in local town centres
 - Housing can support the sustainability of settlements by supporting local services
 - The 2014 based projections should be used when available
 - The OAN assessment does not adequately address uplifts required to the demographic projections as a result of forecast employment growth
 - 320 homes per year does not support jobs growth and is not realistic
 - The Council has not demonstrated how the adverse impact of meeting a higher requirement would 'significantly and demonstrably outweigh the benefits' of not doing so, or how those needs would be met elsewhere in the Housing Market Area

7.99 Employment land requirement responses:

- **1 comment in support of the employment land requirement of 35ha**
- **3 general comments were received** relating to the need to protect employment sites, sites issues and the need to provide housing to support jobs
- **2 comments that the employment land requirement is too low**, namely because the figure did not support the potential for growth and was not aspirational enough
- **238 comments stated that the employment land requirement was too high.** Reasons given included:
 - Site related issues
 - There is an over-allocation in Biddulph
 - Over-supply of employment land in Leek
 - Employment land provision is not proportionate to housing growth in Cheadle and the Rural Areas
 - Modelling used to assess needs is out of date

Discussion and analysis

Housing requirement

7.100 As set out in this report, the primary test in establishing housing requirements in Local Plans is the application of paragraphs 14 and 47 of the NPPF which require objectively assessed needs for development to be met in full as far as is consistent with the policies set out in the Framework. An OAN range of 235 to 330 homes per year has been identified but this is set against a higher need for affordable housing (224 to 432 per year)

7.101 Paragraphs 7.17 and 7.18 of this report set out the requirement to consider whether affordable housing needs can be met as a viable proportion of market housing and if a further uplift to the housing requirement is necessary to help address affordable housing needs. The scope to do this is considered below.

7.102 Delivering 224 to 432 affordable homes per year at a rate of 33%¹⁰ overall would indicate a need for 679 to 1309 homes per year. This is significantly above the level of housing planned for in the adopted Core Strategy (300 homes per year) and the average annual rate of development at 178 per year 2005/06. Accordingly, such a level of growth is not considered to accord with the NPPF which requires Local Plans to be “aspirational but realistic” (NPPF, Para. 154).

¹⁰ Affordable housing requirement of adopted Core Strategy Policy H2

- 7.103 Whilst the affordable housing need is high, it should be recognised that it is calculated on an entirely different basis than the demographic and economic led OAN scenarios. For example, affordable housing needs are assessed on the ability of a household to pay and the suitability of their current housing rather than demographic change and economic growth. Affordable housing needs can often relate to existing households who are entitled to affordable housing, or who will be over the plan period, as their current housing is unsuitable due to for example, overcrowding.
- 7.104 Consequently, affordable housing need does not necessarily translate directly into the need for new housing development as households who move into suitable (affordable) housing may free up market homes to be occupied by people for whom they are suitable.
- 7.105 Furthermore, the Council is actively engaged on initiatives alongside the planning process to support the provision of, and improvements to, affordable housing in the district beyond the level supported by market housing. For example, external funding is sought from the Homes and Communities Agency (HCA) to build more new houses and refurbish underutilised property. This can help to improve on the 33% threshold that would normally be considered viable and improve the suitability of existing property
- 7.106 Nevertheless, due to high affordable housing need, it is clear that in setting the housing requirement for the Local Plan, the Council must consider the scope to improve affordable housing delivery by increasing the overall level of development, even if this does not result in the full affordable housing needs being met.
- 7.107 The implications of a series of options for a housing requirement that all incorporate the necessary uplifts are considered in Appendix 6, namely; 235, 260, 330 and 450 homes per year.
- 7.108 Consideration of various potential options based on scenarios from the assessment of objectively assessed need is set out Appendix 6. A Sustainability Appraisal of these scenarios is also provided in Appendix 3. Of the scenarios appraised within the range of the objectively assessed need, 330 homes per year provides the greatest benefits in terms of support for the local economy and the provision of affordable housing. However, given the issues raised in this report including the prevailing housing market conditions and historical low rate of development, it is considered that a Local Plan housing requirement just below the top of the range is more likely to be “aspirational but realistic” as required by the NPPF.
- 7.109 On the basis of the above, and the appraisals set out in the appendices, it is recommended that an annual housing requirement of 320 (4800 gross over the plan period 2016 to 2031 and 5440 gross from the base date of

the assessment, 2014) is taken forward into the Preferred Options Local Plan on the basis that the scenario:

- Most closely accords with the housing policy set out in the NPPF as it fully meets demographic housing needs and helps to address the affordable housing need. It also increases the scope to provide specialist housing such as Self-Build and Custom Build
- Supports the provision of approximately 870¹¹ additional jobs up to the year 2031. This will help to set a positive economic strategy for the District in line with to Paragraph 21 of the NPPF
- With a pro-active approach to delivery taken by the Council, is “aspirational, but realistic” when considered in the context of an historic average delivery rate of 178 homes per year
- Is deliverable in terms of the supply of suitable housing land, the scope to release land from the Green Belt and infrastructure capacity
- Is consistent with the requirement agreed by the Council in 2016. The majority of sites required for this level of development were not found to give rise to significant landscape or heritage impacts, including on the setting of the Peak District National Park
- Provides a balanced range of social, economic and environmental effects as set out in the Sustainability Appraisal the most consistent with the four aims of the Corporate Plan (2015-2019) when read as a whole

7.110 In terms of the previous consultation feedback on the annual requirement of 320, it is considered that the new evidence in respect of the objectively assessed needs addresses the concerns about the lack of economic benefits, aspiration and meeting housing needs. The updated evidence also draws on the latest projections as published by Government. Whilst, the majority of comments called for a reduction in the housing requirement due to issues such as a flawed methodology for assessing needs, landscape impacts and infrastructure, the evidence as outlined in this report does not support this position.

7.111 If the recommended development requirement is taken forward into the Preferred Options Local Plan, it will be particularly important for the Council to be pro-active in ensuring the delivery of housing sites in order to maintain a five year housing land supply and pass the newly proposed Housing Delivery Tests as proposed by Government. The Council has already begun to develop a strategy to accelerate delivery and incentivise starts on site. It is also considered that the certainty that a newly adopted Local Plan would give to investors and developers will also help to facilitate an uplift in development.

¹¹ Total workforce jobs support under the combined jobs growth + partial catch up scenario. The recommended Preferred Option requirement (320 per year) is likely to support the delivery of slightly fewer jobs than if the full scenario housing figure was met (329)

Employment land requirement

7.112 In drawing its conclusions, the ELR Update reports states:

“Whilst it is acknowledged that there is not a direct causal link between housing and employment land requirements, there is nevertheless a need to ensure that the two dovetail together to avoid any unsustainable outcomes.

As such, if SMDC was to consider going for the top end of the employment land range, it would need to be mindful of the housing implications by either considering a higher level of housing delivery, or reviewing other policy interventions to minimise any adverse labour force and economic implications. This could include the need to ‘claw back’ out-commuters and planning for a mix of housing which encourages the retention of residents of an economically active age or encourages younger economically active people to move into the District.

It is recognised that this may be difficult to achieve and would therefore require a strong policy intervention by the Local Authority, set out in its Local Plan”

7.113 With this and other factors in mind, an employment land requirement of approximately 27ha is recommended up to the year 2031 for the Preferred Options Local Plan on the basis that:

- It is at the top of the OAN range for employment and so closely corresponds with the proposed housing requirement to support sustainable development
- Provides the greatest scope for business growth and wider economic benefits as identified in the Sustainability Appraisal
- There is a sufficient supply of suitable sites to accommodate this level of development
- This option is more closely aligned with the Government’s economic aspirations as set out in the NPPF and the recent Industrial Strategy

7.114 In relation to the previous consultation feedback regarding the preferred option employment land requirement as agreed in March 2016 (35ha), the concerns that the level of growth is not high enough are addressed by the new evidence of need. The recommendation is to plan for the highest of the scenarios recommended by the evidence. Of the comments that made the case for a lower requirement, it is considered that the evidence does not support this position. Site related concerns will be considered separately.

Next steps

- 7.115 The agreed housing and employment land requirements to be included in the Local Plan Preferred Options will, alongside details of commitments, completions (as at 31 March 2017), a housing windfall allowance and an estimate of future housing completions in the Peak District National Park, help to determine the number and size of allocations needed in the Preferred Options Local Plan. Site allocations are due to be agreed by the Council in June ahead of public consultation on the Preferred Options Local Plan which will commence shortly afterwards.
- 7.116 It should be noted that the Preferred Options development requirements may need to be reviewed prior to the submission of the plan to the Secretary of State in response to consultation feedback and changes to national policy if the proposals set out in the recent Housing White Paper are implemented by Government. If necessary, the Council may also decide at a later date to make the case for the use of alternative methodology for calculating the objectively assessed need for housing as discussed in Paragraph 7.25 of this report.

Dai Lerner
Executive Director - Place

Web Links and

Background Papers

National Planning Policy Framework:

<https://www.gov.uk/guidance/national-planning-policy-framework>

National Planning Practice Guidance:

<https://www.gov.uk/government/collections/planning-practice-guidance>

Local Plan evidence base:

<http://www.staffsmoorlands.gov.uk/article/1163/Evidence-base>

Location

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