

Telford and Wrekin Local Plan 2011-31 - Examination Hearings

Matter 2 – Duty to Co-operate & Relationship to Other Plan Areas

2.1 Has the Council satisfied the Duty to Co-operate set out in section 33A of the Planning and Compulsory Purchase Act 2004?

2.2 Given that the Plan seeks to set a housing requirement that exceeds its stated assessment of Telford & Wrekin's housing needs, is the Council's position of not seeking to meet any unmet housing demand from the West Midlands conurbation or South Staffordshire sufficiently justified? [Inspector's note: the Council is also asked to comment on findings in paragraph 6.13 of the PBA Objectively Assessed Housing Need Report]

Joint statement submitted by:

Birmingham City Council

Dudley Borough Council

Sandwell Borough Council

South Staffordshire District Council

Walsall Borough Council

City of Wolverhampton Council

Introduction

1. This statement is submitted jointly on behalf of the four Black Country Authorities, Birmingham City Council and South Staffordshire District Council. For clarity and consistency with Telford and Wrekin's evidence, this is referred to as the Greater Birmingham Area. This is part of the wider Greater Birmingham and Black Country Housing Market Area (GBBCHMA)¹. Telford and Wrekin is referred to as Telford throughout this statement.
2. The Telford and Wrekin Objectively Assessed Housing Need (OAN) Report (Doc C2a(i)) identifies an OAN of 497 dwellings per annum (dpa), approximately 10,000 over the plan period. This has been tested against an employment forecast as required by the National Planning Framework / Guidance (NPPF/NPPG) and is considered to provide a sufficient labour supply to meet anticipated economic growth. The submitted plan, however, sets a requirement for 15,555 dwellings or 778 dpa, based on a 'policy on' acceleration of economic growth. Doc C2a(i) identifies the implications of this approach and tested a scenario of 750 dpa and paragraph 6.13 states that accommodating unmet housing need from the nearby conurbation could assist all parties .

Telford & Wrekin, which has grown historically as an overspill town for the Black Country, may be well placed to resume this role as unmet housing need ripples outwards from Birmingham. Importing need in this way could benefit both areas – the donor areas by relieving capacity constraints, and Telford & Wrekin by helping to make more sustainable settlements, pay for affordable housing and support necessary infrastructure.

3. A further document, the Telford and Wrekin Strategic Housing Market Assessment 2016 (Doc C2b(i)) considers the type and tenure of dwellings required and confirms the OAN. An internally prepared Technical Paper: Housing Growth (Doc B2a) considers these evidence documents and seeks to justify the higher level of growth but does not consider that there is sufficient evidence to demonstrate that this is likely to originate from the conurbation / South Staffordshire
4. Birmingham City Council, the Black Country Authorities and South Staffordshire District Council have had various meetings and discussions with Telford going as far back as 2013, where the issue of the shortfall in the conurbation and capacity in Telford was first discussed. Formal representations at earlier consultation stages have inquired as to the source of Telford's additional growth and seeking

¹ Birmingham, Solihull, Black Country, Bromsgrove, Redditch, Tamworth, Cannock Chase, Lichfield, South Staffordshire, Stratford upon Avon (part), North Warwickshire (part).

acknowledgement that it should help offset the well acknowledged shortfall in the GBBCHMA. This is not reflected in the submitted plan and it is not considered that this omission is *sufficiently justified by the evidence*.

5. In order for the plan to be found sound it needs to comply with para 182 of the NPPF (below) and a modification is requested stating that the planned housing provision above OAN will offset some of the shortfall in the Greater Birmingham and Black Country Area. A failure to acknowledge this also runs the risk of double counting, which is of no benefit to any party.

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 where it is reasonable to do so and consistent with achieving sustainable development*

6. The Telford and Wrekin Local Plan Duty to Cooperate Statement (Doc A6) includes the formal correspondence dealing with the key points.

Telford's role

7. Telford was designated as a New Town in 1968, with a specific remit to accommodate residents from the neighbouring conurbation:

The enlarged new city will take around 100,000 people from the overcrowded West Midlands conurbation by the mid to late 1980s. With the existing population of about 70,000, and growth by natural increase, the population will rise to around 220,000.²

8. The 2011 Census recorded Telford's population as 167,000. Provision at 750 dpa will lead to growth of about 31,000 (Doc C2a(i)) over the plan period resulting in a total population of around 200,000 by 2031, comfortably within the target size of 220,000.
9. Previous plan targets have exceeded 1,000 dpa and went as high as 1,330 via the RSS Phase Two Revision. Although this plan was never formally adopted, it was examined in public and its policies agreed by the region's planning authorities. Telford was identified as a Settlement of Significant Development, with a role to meet longer term above trend needs emanating from the Major Urban Areas.
10. Figure 5 in doc B2a shows that completions have exceeded 750 dpa in recent years and the trajectory (Figure 1 doc B2b) for the next five years anticipates higher than

² Telford New Town Brochure – attached as Appendix 1

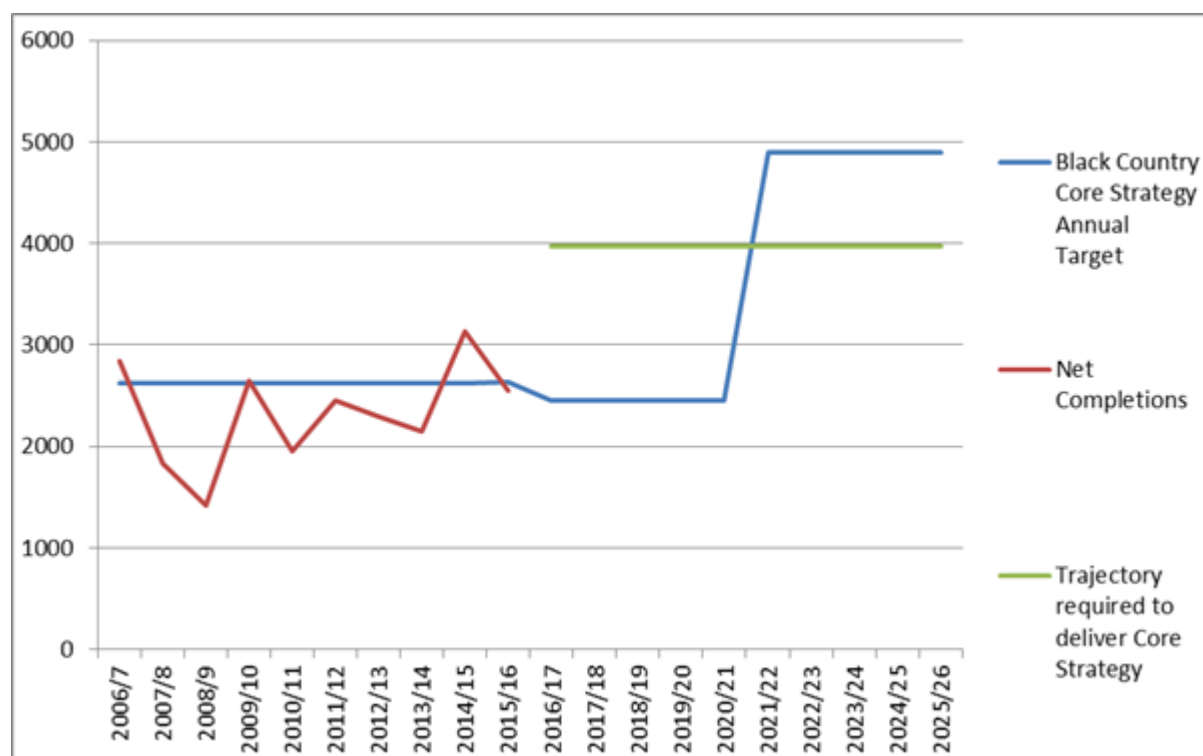
average completions also. There is evidence, therefore, to suggest that this elevated housing requirement is deliverable, provided that it is acknowledged that the above OAN supply will meet unmet needs from the Greater Birmingham Area.

The Greater Birmingham and Black Country Housing Market Area (GBHMA) shortfall

11. It is helpful that both the Telford OAN Report (Doc C2a(i)) and the Greater Birmingham and Solihull LEP / Black Country Strategic Housing Needs Study (Doc G4) were undertaken by the same consultants (Peter Brett Associates), and so benefit from a common methodology and start / end dates, thus enabling direct comparison.
12. The Birmingham Development Plan Inspector has confirmed that the City's shortfall is 37,900 dwellings over the plan period, which is comparable with the estimate of 37,500 for the Greater Birmingham and Black Country Housing Market Area as a whole (Doc G4) Both studies suggest that Telford's surplus could be used to offset the GBHMA shortfall. Whilst it is acknowledged that Telford is a self-contained HMA, that does not preclude it accommodating growth from elsewhere. HMA boundaries are not hermetically sealed, therefore it needs to be demonstrated where the additional growth is coming from. Work is ongoing to establish how much of the shortfall can be accommodated within the GBHMA, but this is yet to be completed.
13. Unfortunately plans do not emerge in a logical sequence and they should not be delayed given the imperative Government places on full local plan coverage. A pragmatic approach, therefore, would be to discount the Telford surplus from the GBHMA shortfall particularly given its growth pressures, acknowledged unmet need and evidence that the relationship between the Greater Birmingham Area and Telford is significant and strengthening.
14. The Black Country has recently commenced a review of its Joint Core Strategy which will extend the existing Plan period from 2026 to 2036. This work is at an early stage with the Issues and Options consultation programmed for early 2017. The Core Strategy review will need to consider options for meeting the Black Country OAN as well as considering whether there is any scope to go beyond this. At this stage, the evidence indicates that, while housing delivery has been maintained at just below target levels despite the recession, a step change is required to deliver targets 2016-26 (see figure 1). The Core Strategy set an overall target averaging 3,150 homes per annum. Recently published CLG 2014-based household projections imply a growth in households of 3,360 per year, indicating that housing need is increasing. However, it is unlikely that securing additional accelerated growth will be achievable within the existing strategy, due to lack of readily available brownfield land,

constrained development viability and the capacity and business models of the volume housebuilders. This means that the Black Country will be challenged to meet its own OAN let alone accommodating the shortfall associated with the wider HMA. South Staffordshire too is shortly to commence a review of its Core Strategy given its strong functional linkages with the Black Country.

Figure 1: Black Country Core Strategy Housing Targets



Inter Housing Market Area Issues

15. The Planning Advisory Service has published an updated version of its Objectively Assessed Need and Housing Targets Technical Advice Note³ and this now offers some advice on dealing with inter HMA issues. Paragraph 5.29 identifies the limitations of HMAs noting that migration and commuting links span long distances beyond any reasonable HMA boundary. It states that major conurbations, Birmingham being a specific example, have long exported housing via direct migration or the ripple effect. It concludes that:

they (major conurbations) are likely to generate unmet cross-boundary need, over and above past trends.

³ <http://www.pas.gov.uk/documents/332612/6549918/OANupdatedadvicenote/f1bfb748-11fc-4d93-834c-a32c0d2c984d>

16. Paragraph 5.30 confirms that the NPPF does not consider HMA boundaries to be inviolate, it states that:

The NPPF (paragraph 182) says that plans should cater for cross boundary unmet need whenever this is reasonable and sustainable, and Inspectors have confirmed that this includes imports from beyond the HMA, including both boundary-hopping and long-distance overspill.

Detailed Evidence

Migration

17. If the number of households in Telford is to grow faster than required to meet its OAN, then it needs to be demonstrated where the additional households are likely to come from. Paragraphs 2.9 to 2.11 of Doc B2a uses 2011 Census data to show that the largest combined migration flows (in and out) are between Telford and Shropshire and these exceed combined Black Country flows by threefold. Doc 2a also considers flows between Telford and elsewhere in the country argues that as total flows between Telford and the Greater Birmingham Area account for only 20% of the total, there is little evidence to suggest that the surplus capacity is likely to meet unmet needs from the Greater Birmingham Area. This is misleading, as Table 1 shows, the only source of net in-migration is the GBBCHMA.

Table 1: Net Migration Flows between Telford, GBHMA, Shropshire and rest of UK

| | Out of T&W | Into T&W | Net |
|-----------------------|---------------|---------------|--|
| GBBC HMA | 12,940 | 16,670 | +3,730 (+3,290 from South Staffs and the Black Country) |
| Shropshire | 18,940 | 16,860 | -2,080 |
| North West | 7,330 | 6,380 | -950 |
| Wales | 6,630 | 5,720 | -910 |
| South West | 6,120 | 5,260 | -860 |
| Total (all UK) | 86,800 | 84,100 | -2,700 |

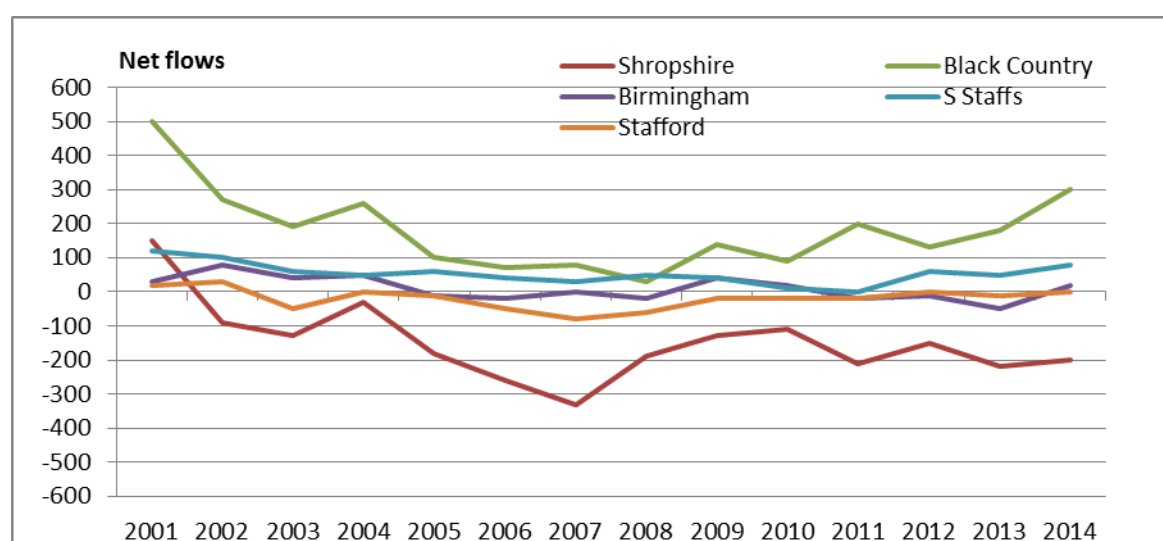
Source: 2000-14 Migration Data from NHSCR

18. A more detailed analysis of migration data based on the NHS Central Register (NHSCR) shows that:

- Net in -flows from the Black Country and to a lesser extent South Staffordshire to Telford are on an upward trajectory since 2008
- Net out-flows from Telford to Shropshire have stabilised over a similar timeframe

19. As set out in paragraph 6.12 of Doc C2a(i) Shropshire has an adopted Core Strategy. It is understood that Telford has not made any agreement with Shropshire to claw back any of its out-migration to meet its own growth requirements and that Shropshire has made no request of Telford to meet any of its unmet need. Due to its age structure, Shropshire requires in-migration to grow; between 2001 – 15, population growth by natural change was negative every year.
20. As mentioned previously, recent completions in Telford have been relatively high, and the trajectory suggests that this will continue up until 2021. It is suggested, therefore, that there may be a relationship between this and the growth in net migration to Telford from the Greater Birmingham Area.

Figure 2: Migration Flows – 2001 - 2014



Source: NHSCR

Population Change

21. Between 2001 and 2014 population grew across the West Midlands urban area. Growth in Birmingham and the Black Country has been particularly welcome as it vindicates established urban renaissance policies, reversing the population decline that characterised the latter part of the twentieth century. Indeed Birmingham's population is now nearly as high as at its 1950's peak. This has prompted the City Council to release Green Belt to the north east of the city to accommodate 6,000 new homes, of which 5,000 are deliverable by 2031. Doc G4 also confirms that scope for meeting future housing needs within the existing built up area of the wider GBBCHMA are limited.

Table 2: Population Change 2001 - 2014

| | 2001 | 2014 | Change | % change |
|----------------------------|-------------|-------------|---------------|-----------------|
| Telford and Wrekin | 158,573 | 169,440 | 10,867 | 6.9 |
| Shropshire | 283,254 | 310,121 | 26,867 | 9.5 |
| Black Country | 1,080,955 | 1,159,678 | 78,683 | 7.3 |
| South Staffordshire | 105,942 | 110,692 | 4,750 | 4.5 |
| Birmingham | 984,642 | 1,101,360 | 116,718 | 11.9 |
| GB Area | 2,171,579 | 2,371,730 | 200,151 | 9.2 |

Source: ONS

22. Official projections suggest that population in the Greater Birmingham Area will continue to grow much faster than in Telford and Wrekin and Shropshire both in terms of absolute volumes and percentage. Capacity and delivery issues already affect the ability to provide the necessary number of new homes in the Greater Birmingham Area so it is conceivable that population will drift outwards at a greater rate than past trends suggest via the ripple effect as suggested in paragraph 6.13 of Doc C2a(i).

Table 3: Population Projections 2014 - 2031

| | 2014 | 2031 | Change | % change |
|----------------------------|-------------|-------------|---------------|-----------------|
| Telford and Wrekin | 169 | 181 | 12 | 7 |
| Shropshire | 310 | 332 | 22 | 7 |
| Black Country | 1,160 | 1269 | 109 | 9 |
| South Staffordshire | 111 | 116 | 6 | 5 |
| Birmingham | 1,101 | 1,246 | 144 | 13 |
| GB Area | 2,372 | 2,631 | 259 | 11 |

Source ONS

Commuting Flows

23. Table 4 shows that between 2001 and 2011, Telford changed from being a net supplier of labour to the Greater Birmingham Area to being a net importer. If jobs and houses continue to be provided in Telford, then it is reasonable to assume that people may relocate from the Greater Birmingham Area at an increasing rate over the plan period. This benefits Telford as in-migrants are typically of working age. Net in-commuting from Shropshire into Telford, however, declined. Again this demonstrates a strengthening over time of the functional relationship between the Greater Birmingham Area and Telford.

Table 4: Net Commuting Flows (Census Origin and Destination) into Telford and Wrekin 2001 - 2011

| | 2001 Census | 2011 Census |
|---------------|--------------------|--------------------|
| Black Country | -675 | +944 |
| South Staffs | +608 | +905 |
| Birmingham | -650 | -381 |
| Shropshire | +5470 | +2920 |

Source: 2001 and 2011 Census

Conclusions

24. Telford was identified as a New Town in 1968 and its original remit was to accommodate needs which could not be met in the conurbation. As Telford has yet to reach its target size capacity remains available. Population has grown substantially in Birmingham and the Black Country in recent years to the extent that there are well evidenced unmet housing needs. Telford's surplus capacity offers an opportunity for it to resume and accelerate its role as a New Town.
25. The Telford Plan is pursuing an economic growth strategy whereby housing growth is approximately 50% above its OAN. As Telford is a self-contained HMA, logic suggests that it needs to be determined where these additional people will come from. Birmingham, the Black Country and South Staffordshire have previously sought clarification on the origin of this additional growth and requested that in the light of Telford's historical role, it makes a contribution to the GBBCHMA unmet needs. The submitted plan does not address this matter and the justification provided in the evidence is not considered to be sufficient.
26. Whilst it is acknowledged that Telford's main interactions are with Shropshire, particularly in terms of migration, its relationship with the conurbation is also significant yet very different. The GBHMA, particularly the Black Country and South Staffordshire, is the principal source of net in-migration to Telford. Telford actually exports people to Shropshire and the rest of the UK. There is also very strong evidence that these migration flows are increasing and Telford is now also a net importer of labour from the Greater Birmingham Area, again particularly the Black Country and South Staffordshire; this suggests that the relationship is intensifying. Future growth pressures are also much greater in the Greater Birmingham Area than Shropshire and Telford, which lends further support to the view that the relationship will continue to strengthen. If this is not acknowledged then housing requirements will be double counted as internal migration is a zero sum game by definition.
27. It is requested, therefore, that a modification to the plan is made which acknowledges that the growth over and above OAN will contribute to meeting the shortfall in the GBBCHMA. This will not affect the plan's strategy; it will actually clarify it by being explicit as to where the additional growth is coming from. The NPPF is clear (para 182), in order for the plan to demonstrate that it has been positively prepared, it needs to consider unmet needs from neighbouring authorities.