

Core Strategy Proposed Modifications in Response to the Inspector's Interim Conclusions - August 2015

Submission made by Wilmcote Parish Council in relation to housing requirement for the district in the period 2011 to 2031.

Introduction: The Core Strategy Proposed Modifications-August 2015 specifies a new housing requirement for the SoAD of 14,485 dwellings in the period 2011-2031. This is a large figure when considered against an ONS (Office for National Statistics) 2014 estimate that the population of the SoAD will increase by only 11,200 in the same period. It was therefore decided to investigate how the increase of 14,485 new dwellings has been determined and justified.

As a result of this investigation Wilmcote Parish Council OBJECTS to the revised housing requirement on the grounds that it is not sound and fails to meet the requirements of the National Planning Policy Framework

Approach Adopted by Stratford District Council: The exercise to determine the housing requirement began with consideration of the increase in job numbers in the period 2011 to 2031:

The ERM Review of OAN (Objectively Assessed Housing Need)-July 2015 states (Clause 6.6, page 48) "An OAN to match the ERM IEF (Indicative Employment Forecast) while maintaining the 2011 commuting ratio of 0.96:1 would need to be set at around 724 dpa (14,480 dwellings over the plan period)."

The following items cast doubt on the validity of the 14,485 new dwellings figure:

1. The exercise is based on a determination of the increase in job numbers using econometric modelling which gave a figure of 12,100 new jobs over the plan period. However the ERM report (July 2015, Clause C21) states that:
 - a. Employment forecasts produced by the use of econometric modelling, while useful in giving a broad indication (or 'direction of travel') of economic potential in a region or area are not a reliable source for projecting future demand for labour in an individual local authority area such as SoAD."

2. There is not a direct relationship between job numbers and housing requirements as:
 - a. It is estimated that 60% of new jobs in period 2011 to 2025 will be in the four lowest paying SIC Sectors. A large number of these low paid jobs will be filled by in-migrants

who commute from outside the district as, due to the high cost of housing, they cannot afford to live in the SoAD.

- b. Approaching 25% of residents in SoAD are currently retired and are not in employment. This percentage is expected to increase.
 - c. The significant numbers of in-migrants, out-commuters have places of employment outside the SoAD.
- iii. The increase in the new dwellings figure from 11,300 to 14,485 resulted from a considered need to maintain the commuting ratio at 0.96:1. No explanation is given as to why it is necessary to maintain this commuting ratio although it results in an increase of circa 3,180 new dwellings.
- iv. A report produced by ONS (Office for National Statistics) in 2014 estimates that the population in the SoAD will increase from 120,600 in 2012 to 131,800 in 2031, an increase of 11,200 if present trends continue. This suggests that building 14,485 new homes in this period is excessive, taking into account that some of the increase in population will involve couples with families.

Thus it does appear that there are likely to be serious inaccuracies in basing new housing requirements on the approach adopted by Stratford District Council.

Approach According to the Teachings of Paragraph 158 of the NPPF: Due to serious doubts surrounding the 14,485 new housing figure and it was decided to take a fresh approach based on the teachings of Paragraph 158 of the NPPF which states "Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals".

The following areas are of major importance when relating jobs to housing:

1. Jobs in the Lowest Paying Sectors of the SIC

It is considered unrealistic to expect the four lowest paying SIC sectors namely accommodation and food, arts, entertainment and recreation, and wholesale and retail trade to keep expanding indefinitely. It is interesting to note that in terms of new jobs forecast, SoAD has greater dependency on the worst paying three sectors than any of the neighbouring local authorities.

There are a number of problems on the horizon for the lower paying SIC sectors:

- The recent budget means that the minimum wage will rise to £9.00 an hour for those aged 25 and over by 2020 from its current level of £6.50 an hour. The hospitality and retail sectors have the highest proportion of jobs paying the minimum wage and this change can be expected to put pressure on the profitability of this sector which is not good news for lower paying jobs in the SoAD.
- It is also expected that over the next 15 years the retail sector will experience an increase in internet shopping which will result in job losses and possible store closures.
- There is no doubt that the traffic problems, including the increasing difficulty in parking are having a negative effect on the prosperity of the retail sector in the town of Stratford on Avon. It now appears that some shoppers are choosing to shop in Birmingham and Banbury and the major new shopping opportunities in Birmingham including Harvey Nichols at the Mail Box and John Lewis at Grand Central and the Gateway development in Banbury will be major attractions for serious shoppers.

2. Jobs in higher paying SIC Sectors.

It is surprising that that the Core Strategy makes no specific mention of a strategy to create new jobs in higher paid sectors in the SoAD. The lack of such jobs is one of the reasons for the high level of out-commuting but this is not a new situation.

- The Stratford Business Conference in April 2013 highlighted the lack of employment opportunities for highly qualified and skilled personnel in the SoAD and it was recognised that unless businesses that employ such personnel can be attracted into the district there will be problems in the future including an increase in the already high level of out-commuting. This out-commuting is of course being encouraged by the large number of executive homes that are currently being built in green fields around local service villages.
- There appears to be no strategy for encouraging companies who employ professional and highly skilled workers to relocate into the SoAD. The employment sites being proposed are essentially for the relocation of businesses from the Canal Quarter. Furthermore these sites are not particularly attractive from a business viewpoint and it is considered unlikely that buildings will be available in the foreseeable future. Also it is to be expected that major financial incentives will be required to attract new businesses into the SoAD.

3. Jobs in the proposed new settlements of Gaydon/Lighthorne Heath and Long Marston Airfield and the town of Stratford-on-Avon.

Paragraph 158 of the NPPF states that "Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated..."

- New settlement at Gaydon/Lighthorne Heath: approximately 2,300 homes within the plan period: The CS Proposed Modifications-August 2015 document states in Clause 5.1.17 "This location for creating a new community also has the added benefit of having a close relationship with Jaguar Land Rover's intentions to extend its activities and create a substantial number and range of new jobs on adjacent land".

The CS Proposed Modifications-August 2015 document gives no details of the expected number of new jobs or whether Jaguar Land Rover has given any commitment as to their future intentions.

It does appear that this proposal is dependent on Jaguar Land Rover creating a "substantial number and range of new jobs on adjacent land." It is therefore surprising that there is no evidence in the public domain that these new jobs will be created. Looking into the future in the automobile industry is always difficult and it now becoming clear that Jaguar Land Rover is intending to expand overseas rather than in the UK.

In a press release dated 14 08 2015 Dr Ralf Speth, Chief Executive Officer, Jaguar Land Rover stated:

- "The expansion of our business globally is essential to support its long-term resilient growth. As well as creating additional capacity, it allows us to invest in the development of more new vehicles and technologies which supports jobs in the UK".
- "With its established premium automotive industry, Slovakia is an attractive potential development opportunity for us. The new factory will complement our existing facilities in the UK, China, India and the one under construction in Brazil".

The feasibility study, underway with the Slovakian government, is exploring plans for a manufacturing operation with an installed capacity of up to 300,000 vehicles per year. It is anticipated that the first cars will come off the production line in 2018. A final decision is expected later this year.

It is relevant to consider the reasons for the expected decision to pick Slovakia for the new plant. In an article in the Daily Telegraph on 12 August 2015 Alan Tovey stated that Prof. David Bailey an auto industry expert at Aston University said that the decision to pick Slovakia could be a hedge against "Brexit" and fluctuations in exchange rates in the single currency. In the Guardian on 26 August 2015 Graham Ruddick stated that "The average hourly labour costs in Slovakia is below £7, less than half that of Britain, according to Eurostat figures. It was also stated that "Poland has claimed that Slovakia offered high state subsidies to win the factory..."

Aston Martin Lagonda who is also on the Gaydon site is not standing still and plans to launch its first crossover vehicle in 2019 as part of its plan to increase annual vehicle sales to around 15,000. In the Birmingham Post on 3 August 2015 Prof David Bailey assessed possible locations for the factory

to build Aston Martin's new CBX crossover model. He considered that Aston Martin is still reviewing numerous sites in Europe, the US and elsewhere.

In a speech to the Automotive News Europe Congress in Birmingham in June 2015, Aston Martin CEO Andy Palmer stated that the firm's expansion plan meant it was growing too big for its Gaydon plant but would not confirm where the new plant will be although he did fuel speculation that the new location could be Alabama.

This is clearly a serious situation as the proposed new settlement at Gaydon/Lighthorne Heath appears to be dependent on the actions of Jaguar Land Rover and to a lesser extent Aston Martin. This situation has to be clarified before a decision to proceed with this proposal can be taken.

Of course, the District Council may have a back-up integrated strategy for housing and employment at Gaydon/Lighthorne Heath but it is not mentioned in clause 6.10.14, Proposal GLH: Gaydon/Lighthorne Heath.

- New Settlement at Long Marston Airfield approximately 2,100 homes within the plan period. The CS Proposed Modifications-August 2015 states in clause 5.1.18 "The location of the new community at Long Marston Airfield is west of the B4632 on a part-greenfield/part-brownfield site. A new community can be created predominantly on an area of previously developed land. The settlement is expected to deliver 3,500 homes, of which around 2,100 will be built during the plan period up to 2031. It is noticeable that no mention is made of an integrated strategy for housing and employment in this settlement. In Proposal LMA: Long Marston Airfield, mention is made of employment opportunities but no details are given other than a brief mention of approximately 13 hectares of employment land.
- The Town of Stratford-on-Avon. There appears to be no strategy for encouraging companies who employ professional and highly skilled workers to relocate into the SoAD. It is also expected that major financial incentives will be required to attract new businesses to relocate in the town of Stratford-on-Avon.

Conclusions: As a result of this study Wilmcote Parish Council wishes to raise an OBJECTION to the revised housing requirement on the grounds that it is not sound, is not justified and fails to meet the requirements of the National Planning Policy Framework. It is recommended that the revised new housing figure of 14,485 is reconsidered.

Following appraisal of the evidence for building 14,485 new homes in the period 2011 to 2031 it is considered that there is a lack of evidence to support the proposal. In particular:

- The determination of the revised housing figure does not follow the teachings of Paragraph 158 of the NPPF which states “Each local planning authority should ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities should ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals”.
- The use of econometric modelling is not a reliable method for projecting future demand for jobs in the SoAD. This undermines the 12,100 jobs figure which is the basis on which the 14,485 new homes figure was determined.
- With an estimated population growth in the SoAD of 11,200 in the period 2011-2031 the building of 14,485 new homes is not justified.
- The proposed modifications to the Local Plan do not “ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals”. This particularly the case for both the new settlement at Gaydon/Lighthorne Heath and the new settlement at Long Marston as the strategies for housing and employment are not integrated and no account is taken of economic signals.

Wilmcote Parish Council: 11 September 2015