

June 2020

Levett–Therivel
sustainability consultants

Wyre Forest District Local Plan sustainability appraisal consideration of alternatives: update

1. Many aspects of life in the UK have changed since the sustainability appraisal / strategic environmental (SA/SEA) for the Wyre Forest District Local Plan was published in July 2019, including the UK's departure from the European Union, the publication of new population projections, and coronavirus. The legal judgement "Save Historic Newmarket" ([2011] EWHC 6060 (Admin)) concluded that the 'reasonable alternatives' considered in a SA/SEA should be revisited if there have been 'material changes of circumstance': Box 1 cites the legal judgement. The judgement applies to the public consultation stage of plan-making, and it does not specify what a 'material change of circumstance' is. However for purposes of clarity and comprehensiveness, this paper considers the significant changes to the planning context mentioned above, to determine how they affect the alternatives considered in the SA/SEA of the Wyre Forest District Local Plan, and the choice of preferred alternatives.

Box 1. "Save Historic Newmarket" judgement about SA/SEA reasonable alternatives

"17. It is clear from the terms of Article 5 of the Directive and the guidance from the Commission that the authority responsible for the adoption of the plan or programme as well as the authorities and public consulted must be presented with an accurate picture of what reasonable alternatives there are and why they are not considered to be the best option... Equally, the environmental assessment and the draft plan must operate together so that consultees can consider each in the light of the other.... However that does not mean that when the draft plan finally decided on by the authority and the accompanying environmental assessment are put out to consultation before the necessary examination is held there cannot have been during the iterative process a prior ruling out of alternatives. But this is subject to the important proviso that reasons have been given for the rejection of the alternatives, that those reasons are still valid if there has been any change in the proposals in the draft plan or any other material change of circumstances and that the consultees are able, whether by reference to the part of the earlier assessment giving the reasons or by summary of those reasons or, if necessary, by repeating them, to know from the assessment accompanying the draft plan what those reasons are." (our underlining)

2. **Brexit:** The election of December 2019 returned the Conservative Party to power with a large majority on a message of 'getting Brexit done'; the UK formally left the European Union on 31 January 2020; and the transition period is currently expected to end on 31 December 2020. The trade agreements between the UK and other countries, and the expected rules for in-migration by EU and non-EU citizens have not yet been agreed. A 'hard Brexit' – where the UK and EU trade on World Trade Organization terms - is a distinct possibility.

3. Different studies about the economic impact of Brexit make different assumptions about post-Brexit trade barriers/tariffs; foreign investment; migration of skilled and unskilled workers; regulations around issues such as competition, health and environmental protection; and productivity¹. However most studies suggest that Brexit will harm the UK's economy, particularly under a 'hard Brexit'. This would, on average, reduce the need for employment land and negatively affect the housing market.

4. Studies that have assumed a change in migration generally assume that overall net migration to the UK will be reduced as a result of Brexit, also negatively affecting the GDP. The amount of change will depend on the government's approach to immigration, for instance restricting in-migration of low-skilled workers from the EU but relaxing controls on skilled workers from non-EU countries.² In Wyre Forest district, international and cross-border migration account for less than 6% of all net migration³, with the great majority of in-migration being from other areas in England. As such, any reduction in in-migration from other countries is likely to affect the district less than other parts of the country. Nevertheless, it is likely that changes related to Brexit will have some negative effect on the need for homes and employment land in Wyre Forest District.

5. **Population projections:** Figure 1 shows the government's 2014, 2016 and 2018 population projections for Wyre Forest District. Contrary to the England average population projection which decreases between the 2014 and the 2018 projection, the Wyre Forest District 2018 population projection is greater than the 2014 and 2016 projections. In 2036, the end year of the Local Plan, the 2014 population projection for Wyre Forest District is for 104,300 people and the 2018 population projection is for 109,529⁴.

6. Government guidance⁵ recommends that local authorities should use the 2014 household projections as the basis for calculating their housing requirement, despite the existence of more recent population projections. The guidance notes that:

"The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes."

In other words, government wants local authorities to work towards the 2014 household projections because they are usually higher than the subsequent household projections.

¹ Tetlow, G. and A. Stojanovic (Nov. 2018) Understanding the economic impact of Brexit, Institute for Government,

www.instituteforgovernment.org.uk/sites/default/files/Economic%20impact%20of%20Brexit%20summary.pdf

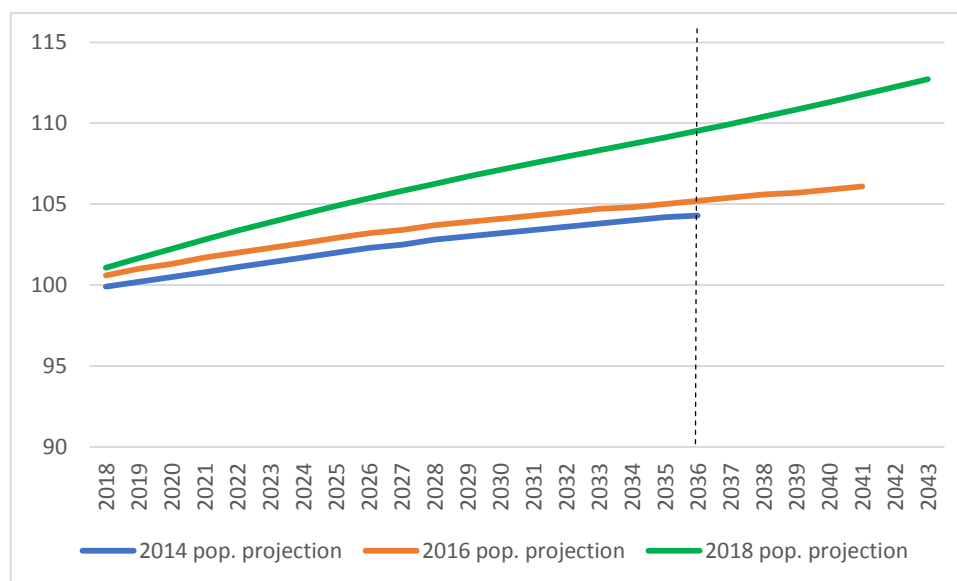
² Ibid.

³ 2018 projection (see note 4) components of change

⁴ 2014 projection

<https://www.ons.gov.uk/file?uri=%2fpeoplepopulationandcommunity%2fpopulationandmigration%2fpopulationprojections%2fdatasets%2flocalauthoritiesinenglandtable%2f2014based/table2.xls>; 2016 projection <https://www.ons.gov.uk/file?uri=%2fpeoplepopulationandcommunity%2fpopulationandmigration%2fpopulationprojections%2fdatasets%2flocalauthoritiesinenglandtable%2f2016based/table2.xls>; 2018 projection <https://www.ons.gov.uk/file?uri=%2fpeoplepopulationandcommunity%2fpopulationandmigration%2fpopulationprojections%2fdatasets%2flocalauthoritiesinenglandtable%2f2018based/table2.xls>

⁵ Gov.uk (July 2019 update) Housing and economic needs assessment, <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

Figure 1. Wyre Forest District population projections 2014, 2016 and 2018

7. Wyre Forest's case is unusual in that the 2014 projections are the lowest of the three projections. The reasons for this are provided in the Housing Topic Paper of June 2020: an increase in net internal migration over the past 20 years, dominated by young retirees, with the number of additional households thus being much higher than would be expected from the population increase. The Wyre Forest Local Plan uses the 2016 projections as its basis because they are felt to more accurately reflect the situation in the district than the 2014-based predictions. If the 2018 projections were used, even more homes would be needed.

8. **COVID-19:** The coronavirus pandemic has significantly affected the UK population, with more than 300,000 cases and 42,000 deaths⁶. Economically it has triggered the worst economic recession in nearly a century. The Office of National Statistics employment figures⁷ only go to the end of April 2020, and so show only the economic effects of the start of lockdown. However the number of people claiming unemployment rose by more than 125% between March and late May 2020⁸. The OECD predicts a 11.5% decrease in the country's GDP in 2020, the greatest reduction of all developed countries⁹. The most recent (May 2020) Bank of England Monetary Policy Report uses an 'illustrative scenario' of a 14% reduction in GDP in 2020, with an associated 14% decline in household consumption; the scenario is for this slump to be reversed by end 2021.

9. Although it is unclear how coronavirus will continue to affect the UK and Wyre Forest District Council, the virus will clearly continue to have a negative effect in terms of the economy, employment and household spending for at least another year or two. In turn, this will reduce the demand for employment space and new housing.

⁶ <https://coronavirus.data.gov.uk/>

⁷ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/employmentintheuk/latest>

⁸ <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/uklabourmarket/june2020>

⁹ <https://www.oecd.org/economic-outlook/>

10. The public response to COVID-19, including much greater use of green spaces, and increased walking and cycling, has also highlighted the importance to people of green spaces, homes with gardens, and facilities that are easily accessible by non-car modes. The proposed Local Plan includes significant new areas of publicly accessible green space. The Eastern Extension site will convert 88ha of farmland into 1400 homes including more than 40ha of green infrastructure, with public footpaths linking the site to an extensive network of footpaths beyond the site (including the long-distance Monarchs Way). The Eastern Extension site also adjoins the Offmore Farm and Comberton Estate neighbourhoods, both of which have very little publicly accessible open space, and so would significantly improve existing local residents' access to open space. Lea Castle Village includes significant amounts of green space with paths/cycleways. In accordance with the reasoned justification paragraph 33.38 for Policy 33.21 of the Local Plan, the Burlish golf course is being managed by the local authority as a nature reserve as part of a long term vision to create a Country Park. Funding has been sought to develop a cycle route through it, further increasing residents' access to green spaces.

11. **Conclusion:** The three changes in circumstance between September 2019 and June 2020 discussed above pull in different directions:

Change in circumstance	Expected changes: June 2020 compared to Sep. 2019	
	No. homes required to 2036	Employment land required to 2036
Brexit	↓	↓
Population projections	↑	↑
COVID-19	↓ with more access to green space	↓ temporarily, then possibly ↑ post 2020

12. Brexit and COVID-19 suggest that the Wyre Forest Local Plan would need to change its housing and employment land numbers downward, at least in the short to medium term. In contrast, the most recent population projections suggest that the Local Plan should change its housing and employment land numbers upward. Open space is expected to become more valued.

13. Given the volatility of circumstances – it is not yet clear whether Brexit will be hard or soft, whether coronavirus will have a second spike or not etc. – the alternatives considered for the Wyre Forest Local Plan, in terms of number and location of development, continue to be reasonable, as do the choices of preferred alternatives. The Local Plan review, which will be carried out within five years of plan adoption, will provide an opportunity to revisit these alternatives depending on how the next year or two work out.