



Committee and Date

**Cabinet
17 April 24**

Item

Public



Local Plan – Additional Material for Examination in Public

Responsible Officer:

Mark Barrow

email: Mark.barrow@shropshire.gov.uk

Tel: 01743 258919

Cabinet Member (Portfolio Holder):

Cllr Chris Schofield

1. Synopsis

This report seeks Cabinet approval to submit and consult upon additional material to the Local Plan Examination as a response to the Inspectors' Interim Findings into the Local Plan.

2. Executive Summary

- 2.1. The purpose of this report is to seek Cabinet approval for the submission of additional material to the Local Plan Examination in Public, and for this material to be subject to a public consultation in line with the expectation of the government appointed planning inspectors.
- 2.2. In July 2023, Cabinet agreed a range of new material to be submitted to the Local Plan Examination. Subsequently, the Council and the Planning Inspectorate received a CPR54 Pre-Action Protocol letter from a third-party objector to the Plan which argued the additional material was unlawful. In taking account of these issues, the examining Inspectors raised some soundness issues with some parts of the additional material. It should be noted that issues of soundness are capable of being remedied through the Examination process.
- 2.3. Following a further exchange of correspondence with the Inspectors, revised additional material has now been prepared. This has included the assessment of

revised options for informing the overall level of housing and employment requirements over the plan period. This additional material is captured in the following documents:

1. Sustainability Appraisal Report (April 2024) – Appendix 2
2. Housing and Employment Topic Paper (April 2024) – Appendix 3
3. Green Belt Topic Paper (April 2024) – Appendix 4

2.4. It is recommended that Cabinet agree Appendices 2, 3, and 4 to be submitted to the Local Plan Examination and for these documents to be subject to public consultation. The following documents also respond to the Inspectors Interim Findings and have already received approval by Cabinet on 19th July 2023 (Background Paper 2) and are therefore not part of this recommendation:

1. Draft DP Policy: Housing Provision for Older People and those with Disabilities and Special needs;
2. Updated Schedule of Main Modifications June 2023

2.5. This new information (appendices 2-4) provides further technical assessment work, principally through additional Sustainability Appraisal (SA), and provides a reasoned and justified response on a number of key points. Importantly, the new material provides a justification for why it is felt the Council needs to propose an upward adjustment to its currently submitted housing and employment requirements, and how this is proposed to be delivered.

2.6. The proposals are included in Appendix 3 Housing and Employment Topic Paper and recommend that the Council continue its strategy of planning for 'high' growth for both housing and employment delivery, plus continuing to seek to deliver contributions to the Black Country, agreed through the legal Duty to Cooperate process and previously agreed by Cabinet and full Council. As such it is proposed that the housing requirement is to be increased by 500 dwellings to a total of 31,300 dwellings over the course of the Plan period, and that the employment requirement is proposed to be increased by 20 hectares to a total of 320 hectares over the course of the Plan period.

2.7. In accommodating this proposed uplift, a number of options have been considered and subject to further Sustainability Appraisal; a process documented in Appendices 2 and 3 to this report. It is considered that due to the significant windfall opportunities available, and taking into account significant existing land supply for both housing and employment, there is no requirement for the Plan to allocate additional land to accommodate this uplift.

3. Recommendations

- 3.1 That Cabinet agree the Appendices 2-4 of this report to be submitted to the Local Plan Examination and for these documents to be subject to public consultation in line with the Council's Statement of Community Involvement (SCI).
- 3.2 That Cabinet agree that ahead of the public consultation any minor editorial changes to these documents are delegated to the Executive Director of Place in consultation with the Portfolio Holder for Planning and Regulatory Services.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1 It is a statutory responsibility for Councils to maintain an up-to-date Local Plan. Under the Government's 'plan-led' approach to development, the Local Plan is a key component of the overall Development Plan for the area, and should provide a positive strategy to enable an area to grow in a sustainable manner.
- 4.2 The Local Plan is a key part of the Development Plan for an area. Section 38 (6) of the Planning and Compulsory Purchase Act 2004 states if regard is to be had to the Development Plan for the purpose of any determination to be made under the Planning Acts the determination must be made in accordance with the plan unless material considerations indicate otherwise. In dealing with planning applications, section 70(2) of the Town and Country Planning Act 1990 requires a planning authority to have regard to the provisions of the Development Plan so far as it is material to the application. Other parts of the Development Plan for an area include Neighbourhood Development Plans usually prepared by Town and Parish Councils.
- 4.3. It is the purpose of the Local Plan Review to ensure that Shropshire's Development Plan remains up to date for the purposes of decision making. One of the key elements of ensuring that a Development Plan is up to date is ensuring it has at least a five years' supply of deliverable housing sites against an up-to-date housing requirement. Whilst the Council's current housing land position shows a supply of 5.64 years' supply of deliverable housing land against the housing requirement within the adopted Development Plan, and 7.20 years supply of deliverable housing land against the housing need identified within the Local Housing Need Assessment undertaken using government's standard methodology, this position needs updating at least annually, and is at risk of challenge by potential applicants. The most effective way to ensure a plan-led sustainable housing land supply in excess of five years is to have an up to date and adopted Development Plan in place which provides a range of sustainable and deliverable housing allocations.
- 4.4. The Examination in Public (EiP) is an integral part of the Plan making process, and is the point in the process where the draft plan, alongside its evidence base, is assessed by an independently appointed Planning Inspector(s). The Council submitted the Local Plan to the Secretary of State in September 2021. Stage 1 hearing sessions into the Local Plan took place in July 2022 and January 2023. Whilst the Council can present reasoned and justified evidence to support its position, decisions on timescale and regarding the need to amend the Plan in any way are with the Inspectors. This is a normal procedural part of plan making, but one that does present some risk to the Council. To counter this risk it is important the Council continues to present an evidenced and justified approach to the plan, and seeks to respond to any Inspector's concerns in a timely and efficient manner.

5. Financial Implications

- 5.1. Planned growth provides the best possible opportunity for Shropshire Council to harness growth potential by providing a stable platform for investors and developers (from both the public and private sectors). Growth also provides an opportunity to secure contributions to help maintain and improve local facilities, services and infrastructure. New growth simultaneously imposes an additional burden on local services and provides opportunities to secure investment to improve local facilities which are the responsibility of Shropshire Council and other public service providers.
- 5.2. The Local Plan process is subject to a number of costs; during its preparation, principally due to the need to commission evidence base documents to inform both site allocations and development management policies; and through the EiP, principally through the cost of the Planning Inspectorate who examine the Plan. This expenditure is both necessary and unavoidable in the pursuit of a ‘sound’ Plan. The Council has been incurring costs of the Examination since 2021 when the Plan was submitted and Inspectors appointed. These costs were planned and reserves ringfenced for this purpose. However, attempts have been made to reduce the cost to the Council with support from the Inspectors, such as holding public hearing sessions virtually.
- 5.3. There is also a financial risk to the Council of not pursuing a review of the Local Plan in a timely manner, most notably through the likelihood of increased levels of planning appeals as a result of increased challenges to the integrity of the currently adopted Core Strategy and SAMDev Plan.
- 5.4. The EiP has a significant cost implication to the Council, most notably through the cost of the Inspectorate, the need to appoint a Programme Officer to support the role of the Inspector and the cost of hiring rooms for the public hearing sessions. The estimated costs of the EiP have been included within the budget of Planning Policy and Strategy, although it should be recognised that the final cost of the EiP is not known

6. Climate Change Appraisal

- 6.1. The recommendations propose that Cabinet agree to submit additional information to the Examination in Public to support the progression of the Local Plan through Examination and eventually to adoption. The proposed Local Plan includes new policies SP3 – Climate Change and DP11 – Minimising Carbon Emissions. In combination these policies provide a more robust local policy framework for supporting the transition to a zero-carbon economy through future master-planning work and ultimately decisions on planning applications, and relate to energy and fuel consumption, renewable energy generation, carbon offsetting and mitigation and climate change adaptation.

7. Background

- 7.1. Following a period of plan preparation and several stages of public consultation since 2017, Shropshire Council submitted the Local Plan to the Secretary of State on 3rd September 2021. This commenced the Examination in Public (EiP) stage.
- 7.2. It is the role of government appointed independent Planning Inspector(s) to examine the soundness and legal compliance of the Local Plan, having regard to a number of factors including the Planning and Compulsory Purchase Act 2004 (as amended); the National Planning Policy Framework (the NPPF); associated national guidance (NPPG); and representations made to the Plan at the Regulation 19 stage of the plan preparation phase.
- 7.3. Paragraph 35 of the NPPF (Dec 2023) sets out how Local Plans are examined. Plans are considered 'sound' if they are:
 - a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;
 - b) Justified – an appropriate strategy, taking into account the reasonable alternatives, and based on proportionate evidence;
 - c) Effective – deliverable over the plan period, and based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground; and
 - d) Consistent with national policy – enabling the delivery of sustainable development in accordance with the policies in this Framework and other statements of national planning policy, where relevant.
- 7.4. In July 2022 and January 2023 Stage 1 hearing sessions into the Local Plan were held, focussing on legal compliance and strategic policy matters. In February 2023 the Inspectors provided their Interim Findings which confirmed the Council had complied with the legal Duty to Cooperate (DtC) and therefore the examination could continue. However, there were a number of matters the Inspectors sought further material on.
- 7.5. The purpose of this report is therefore to seek Cabinet approval for the submission of additional material to the Local Plan Examination in Public, and for this material to be subject to a public consultation in line with the expectation of the government appointed planning inspectors.
- 7.6. In July 2023, Cabinet agreed a range of new material to be submitted to the Local Plan Examination. In August 2023, the Council and the Planning Inspectorate received a CPR Part 54 Pre-Action Protocol letter (PAPL) from a third party objector to the Plan which argued that the resumption of the Examination based upon this new material would be unlawful. In October, the Inspectors sent a letter to the Council responding to the PAPL indicating they had some soundness

concerns about some aspects of the Council's additional information. This meant the Examination could not proceed as hoped at that time.

- 7.7. It should be noted there are important distinctions between issues of 'soundness' and issues of legal compliance in the context of examining Local Plans. Put simply, issues of soundness are capable of being resolved through the Examination process either through the provision of new evidence and/or modifications to the Plan. It was therefore encouraging that whilst raising issues of 'soundness' the Inspectors were indicating these issues were capable of being resolved.
- 7.8. To understand further the Inspector's soundness concerns, in November the Council sought clarification on a number of points raised by the Inspectors. The Inspectors responded in January 2024; this is included as Appendix 1 to this report and is referred to as ID37. It is considered that the Inspector's letter ID37 provides a clear summary of their expectations for additional work in order to progress the Examination positively. This has allowed officers to proceed with some confidence that we are preparing the necessary material.
- 7.9. A key issue where the Inspectors have required further work concerned the manner in which the proposed contribution to the forecast unmet need in the Black Country had been incorporated into Shropshire's housing and employment requirements. By way of recap, during the plan preparation process and as an important part of the legal Duty to Cooperate, the Council has agreed to meet 1500 dwellings and 30ha of employment land from the Black Country to support their forecast under delivery.
- 7.10. The additional SA material prepared and agreed by Cabinet in July 2023 assessed a number of growth options, all of which incorporated this proposed level of Black Country need. ID37 clarifies the Inspectors concerns regarding this manner in which this assessment was undertaken and how to remedy the situation to their satisfaction. In summary, the Council have been asked to provide further SA work which provides separate and distinct assessments of the impact of accepting the proposed unmet need from the Black Country whilst also assessing the County's own needs. Whilst fairly subtle in nature, it is recognised this is an important change to the manner in which the proposed unmet need is being assessed in the SA.
- 7.11. With reference to paragraph 5.7 of the Inspector's ID37, using the growth options set out in earlier stages of the plan preparation process, and applying an agreed Local Housing Need (LHN) base date at 2020 (25,894 dwellings over the plan period), the options, set out in Table 2.1, have been assessed to inform the decision on the housing requirement. The percentage uplifts applied relate to the varying degrees of growth aspiration above the county's LHN, and in doing so represent reasonable options for the Council to consider. In the submitted version of the Local Plan currently subject of the Examination, a 'high' growth option is preferred.

Table 2.1: Options considered for housing requirement

Option	Local Housing Need	Percentage Uplift	Black Country Contribution	Housing Requirement (rounded)
1a. Moderate Growth	25,894 dwellings	5% (1,295 dwellings)	0 dwellings	27,200 dwellings (1,236 dwellings per annum)
1b. Moderate Growth + BC Contribution	25,894 dwellings	5% (1,295 dwellings)	1,500 dwellings	28,700 dwellings (1,305 dwellings per annum)
2a. Significant Growth	25,894 dwellings	10% (2,589 dwellings)	0 dwellings	28,500 dwellings (1,296 dwellings per annum)
2b. Significant Growth + BC Contribution	25,894 dwellings	10% (2,589 dwellings)	1,500 dwellings	30,000 dwellings (1,364 dwellings per annum)
3a. High Growth	25,894 dwellings	15% (3,884 dwellings)	0 dwellings	29,800 dwellings (1,355 dwellings per annum)
3b. High Growth + BC Contribution	25,894 dwellings	15% (3,884 dwellings)	1,500 dwellings	31,300 dwellings (1,423 dwellings per annum)

7.12. With reference to paragraph 5.8 of the Inspectors ID38, using the growth options set out in earlier stages of the plan preparation process, and applying a baseline need of 250 hectares over the plan period (established through Council's evidence in the Economic Development Needs Assessment), the options set out in Table 2.2 have been assessed to inform the decision on employment requirement: The percentage uplifts applied relate to the varying degrees of growth aspiration above for the county's baseline employment land need, and in doing so represent reasonable options for the Council to consider. In the submitted version of the Local Plan currently subject of the Examination, a 'high' growth option is preferred.

Table 2.2: Options considered for Employment Requirement

Option	Local Employment Land Need	Percentage Uplift	Black Country Contribution	Employment Land Requirement (rounded)
1a. Productivity Growth	250ha	0%	0ha	250ha (11.5ha per annum)
1b. Productivity Growth + BC Contribution	250ha	0%	30ha	280ha dwellings (12.75ha per annum)
2a. Significant Growth	250ha	10% (25ha)	0ha	275ha (12.5ha per annum)
2b. Significant Growth + BC Contribution	250ha	10% (25ha)	30ha	300ha (14.0ha per annum)
3a. High Growth	250ha	15% (37.5ha)	0ha	290ha (13.0ha per annum)

3b. High Growth + BC Contribution	250ha	15% (37.5ha)	30ha	320ha (14.5ha per annum)
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- 7.13. Each housing and employment option has been subject to a new sustainability appraisal (SA) and clear conclusions have been reached. The full SA of these options and their conclusions can be viewed in Appendix 2 to this report.
- 7.14. Following on from the SA, and in line the Inspector's requirements, a new Housing and Employment Topic Paper has been prepared. This takes into account the conclusions of the SA process whilst also considering wider material considerations, such as deliverability. This Topic Paper is included as Appendix 3 to this report.

Proposed Housing and Employment Requirements

- 7.15. In the submitted version of the Local Plan, the housing and employment requirements are based upon delivering a 'high' growth option for the county, with the inclusion of specific contributions for 1500 dwellings and 30 hectares of employment land towards unmet needs in the Black Country. These are currently 30,800 dwellings and 300 hectares of employment land respectively.
- 7.16. As discussed earlier, the manner in which the Black Country unmet need has been incorporated into the Shropshire requirement is central to the Inspectors concerns regarding the soundness of the Plan. However, it is notable the Inspectors have agreed that the Council's approach to identifying the housing and employment land needs of Shropshire itself is sound. In ID37 the Inspectors also note that at the earlier stages of plan preparation the Council opted for a 'high' growth option partly due to the conclusions of the SA at the time.
- 7.17. The updated SA work (Appendix 2) concludes that the 'high' growth options for Shropshire incorporating the proposed housing and employment unmet need from the Black Country (options 3b in tables 2.1 and 2.2 above) are the most sustainable options.
- 7.18. The Housing and Employment Topic Paper (Appendix 3) concludes that having taken into account the conclusions of the SA and a range of other material considerations, the 'high' growth options plus a contribution to the Black Country unmet need are the preferred requirements for the plan period.
- 7.19. Therefore it is proposed that the proposed amended housing and employment requirements over the plan period (2016-2038) are:

Housing Requirement

Option 3b: High Growth Plus a 1,500 Dwelling Contribution to the Black Country Authorities Unmet Housing Needs represents around a 15% uplift on local housing need of 25,894 dwellings over the 22-year plan period (annual average of 1,177 dwellings), plus a further 1,500 dwelling uplift as a contribution toward forecast unmet housing need in the Black Country.

The resultant proposed housing requirement is **31,300 dwellings** over the proposed plan period from 2016-2038. This equates to an **annual average of around 1,423 dwellings**.

Employment Requirement

Option 3b: High Growth plus a contribution of 30 ha towards the Black Country Authorities Unmet Housing Needs represents around a 15% uplift on local employment needs of 250 ha over the 22 year plan period, plus a further 30 ha contribution toward forecast employment need in the Black Country. The resultant proposed requirement is **320 hectares** over the proposed plan period 2016-2038. This equates to an annual average of **14.5 hectares**

7.20. These proposals represent an increase of 500 dwellings and 20 hectares of employment land to the current requirements set out in the submitted version of the Local Plan. However, it is important to recognise that this would maintain the current strategy of 'high' growth and continue to deliver growth levels which would support a range of benefits to the county, including an increase in the delivery of affordable housing and support economic growth objectives. It is also recognised the SA does not identify any strongly negative environmental consequences for the delivery of this option. If agreed this will therefore need to be a main modification to the Plan.

Delivering the Proposed Uplift to Housing and Employment Requirements

7.21. The SA and Topic Paper go on to consider the most appropriate means for the Plan to accommodate these proposed uplifts to the housing and employment requirements. In doing so it is particularly important to recognise that 'windfall' delivery, i.e. delivery on non-allocated sites, has been especially high in some settlements in the early part of the plan period since 2016, which has meant in some settlements the allowance for additional windfall in the remainder of the plan period to 2038 is very low. Nevertheless, it is important for the Council to assess reasonable options covering a range of potential ways to deliver additional growth.

7.22. Section 7 of the Topic Paper sets out the consideration of the options for delivering the proposed 500 dwelling uplift to housing growth and Section 15 does the same for the proposed 20ha uplift to employment land. The options considered are:

- Option 1: Increasing / utilising settlement guidelines and windfall allowances.
- Option 2: Densification of proposed site allocations.
- Option 3: Increasing the size of existing site allocations.
- Option 4: A combination of two or more of the other options.

7.23. The proposed mechanism for accommodating the proposed uplift to the housing requirement is **Option 1: Increasing Settlement Guidelines and Windfall Allowances**. This option entails identifying opportunities to increase settlement guidelines and associated windfall allowances for one or more Strategic, Principal, Key Centres and/or Strategic Settlements to provide additional capacity for windfall development sufficient to achieve the proposed uplift to the housing requirement.

7.24. It is considered the most appropriate settlements/sites where an increase to development guidelines is appropriate are Shrewsbury, Whitchurch and the

Former Ironbridge Power Station Site, as the anticipated windfall allowances for these settlements/sites contained in the submitted version of the Local Plan have already been exceeded. Section 7 of the Housing and Employment Topic Paper provides the full justification. It is therefore concluded the allocation of new sites to accommodate this uplift is unnecessary.

7.25. A similar approach is proposed to accommodate the proposed uplift to the employment requirement. This takes into account the significant employment land supply of around 413 hectares already or planned to be made available in Shropshire to 2038 and reflected in the proposed settlement guidelines in the draft Local Plan. It is therefore concluded the allocation of new sites or the increase of any settlement guidelines to accommodate this uplift is unnecessary.

Future Timeframe

7.26. Should Cabinet approve the new material for consultation, it is expected this consultation will happen between April and June. Subject to the outcome of this, it is anticipated additional public hearing sessions to conclude the Stage 1 stage of the Examination and move into Stage 2 sessions (focussing on site allocations and Development Management policies) can happen in October and November.

8. Conclusions

- 8.1. The purpose of this report is to seek Cabinet approval for the submission of additional material to the Local Plan Examination in Public, and for this material to be subject to a public consultation in line with the expectation of the government appointed planning inspectors.
- 8.2. The proposals are included in Appendix 3 Housing and Employment Topic Paper and recommend that the Council continue its strategy of planning for a 'high' growth for both housing and employment delivery, plus continuing to seek to deliver contributions to the Black Country. As such it is proposed that the housing requirement is to be increased by 500 dwellings to a total of 31,300 dwellings over the course of the Plan period, and that the employment requirement is proposed to be increased by 20 hectares to a total of 320 hectares over the course of the Plan period.
- 8.3. In accommodating this proposed uplift, it is considered that due to the significant windfall opportunities available, and taking into account significant existing land supply for both housing and employment, that there is no requirement for the Plan to allocate additional land to accommodate this uplift.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

1. Council Report 15th July 2021: Shropshire Local Plan Review: Submission for Independent Examination
2. Cabinet Report 19th July 2023: Local Plan Examination in Public – Response to Inspectors Stage 1 Interim Findings
3. Aardvark Planning Law - CPR PART 54 AND PRE-ACTION PROTOCOL 15 August 2023

Local Member: All

Appendices

Appendix 1: Inspectors Letter ID37

Appendix 2: Shropshire Local Plan Updated Additional Sustainability Appraisal Report (April 2024)

Appendix 3: Housing and Employment Topic Paper (April 2024)

Appendix 4: Green Belt Topic Paper (April 2024)