Update to the Technical Review of Sustainable Growth Plans for Shifnal

Land to the east of Park Lane, Shifnal

September 2020

Turley

Contents

Executive Summary		i
1.	Introduction	1
2.	Proposed Housing Growth in Shifnal and Shropshire	4
3.	Local Housing Need	7
4.	Wider Context of Housing Need	12
5.	A Connected Place – The M54/A5 Growth Corridor	17
6.	Understanding Local Market Demand in Shifnal	22
7.	Accommodating Growth and Realising Benefits	31
8.	Conclusions	36

Client
Miller Homes

Our reference
MILQ3023

September 2020

Executive Summary

1. This technical report has been prepared on behalf of Miller Homes ('Miller') to inform wider representations to the Regulation 18 Pre-Submission Draft of the Shropshire Local Plan ('the Draft Plan') which the Council is consulting on until 30 September 2020. It represents an update to our previous technical report, which shared the same title and was submitted on behalf of Miller and Wallace Homes to the "Preferred Sites" consultation document in January 2019.

2. The purpose of this report remains to provide a technical review of the proposed level of growth in Shifnal, in the context of local and wider housing needs and its ability to sustainably accommodate growth. In building upon the conclusions in our earlier technical report, the analysis in this report recognises and reinforces:

   - The clear direction provided by Government as to the importance of boosting the supply of housing as set out in the ongoing consultations with regards immediate and long-term changes to the national planning system;

   - The sustained ambitions of the Council to respond positively in providing for housing to meet local needs, with the Draft Plan continuing to provide for 1,400 homes per annum (30,800 homes between 2016 and 2038) thus exceeding the current outcome of the standard method (1,177dpa). It does, however, fall below the outcome of the revised method currently being consulted upon by the Government (2,129dpa);

   - The spatial distribution advanced by the Council, which recognises the scale and role of individual settlements – as evidenced through the hierarchy – and the importance of growing key centres such as Shifnal;

   - The positive implications of the Council's support for the regionally and nationally significant M54 Growth Corridor with regards Shropshire's economy and by implication the need for housing, noting specifically the location of Shifnal;

   - The extent to which the adopted Core Strategy and Site Allocations and Management of Development Plan have provided a supportive framework to enable growth in the housing stock of Shifnal, responding and serving to mitigate to date evident housing demand pressures; and

   - The credentials of Shifnal as a sustainable location for further housing growth in the context of its social and transport infrastructure, as well as the approach advanced in the Draft Plan to allocate a significant amount of new employment land to respond to demand generated by the M54 Corridor and in the interest of supporting the settlements sustainable growth.

3. The evidence presented in this report supports the approach taken by the Council to plan positively for accommodating identified long-term housing needs but indicates that the proposed requirement is likely to underestimate the full need for housing. The report identifies that:

- **The NPPF / PPG strongly support the position taken by authorities such as Shropshire to identify a housing requirement which is higher than that implied as a '*minimum*' level through the standard method.** This particularly recognises economic ambitions relating to the M54 growth corridor with a clear commitment across a range of strategies to ensure that this investment is successful, with the outlined aspiration representing a significant potential growth in employment opportunities across the corridor. Furthermore planning for a higher level of provision is necessary to respond to the pressing need to deliver much needed affordable homes to address the consequences of historic under-provision;

- **Whilst the proposed housing requirement is higher than the outcome of the current standard method, up-to-date demographic projections suggest higher levels of need are likely to arise where recent growth is sustained.** This is reflected in the outcome of the new standard method proposed by Government, which it is acknowledged is only out for consultation but reflects the impact of these more recent projections on need in the county; and

- **Planning for higher levels of housing need is also considered prudent in the context of the significant housing need pressures identified in the Greater Birmingham/ Black Country HMA**, with which both Shropshire as a whole and Shifnal are identified as having strong functional housing market relationships. There is little evidence to date that the full scale of need associated with either a minimum level, or indeed those associated with delivering the HMA's economic growth ambitions, will be accommodated in the current generation of Local Plans. The result will be a continued displacement of housing demand pressures, which will in turn place greater pressure on local housing markets in Shropshire, as well as other areas, where connections are strongest. The opportunity exists for the Council to take an even more positive approach in providing for these needs again with reference to the unique position it has in joining housing markets through the M54 Corridor.

4. The report also provides strong evidence-based support for the proposed policy approach of allocating and identifying future further potential land for housing growth in Shifnal. However, the analysis identifies – in the face of higher potential need pressures and in responding to evidence of market signals and the delivery of new employment opportunities – that the Plan should incorporate greater flexibility to support this land, which is currently identified as safeguarded land, in coming forward in the plan period where justified. The report shows that:

- **Recently higher housing delivery in Shifnal has served to mitigate what were increasingly acute affordability issues arising from the historic under-provision of housing, in the face of strong demand.** Where it is recognised that the population of Shifnal will continue to grow and that its location in the M54 Corridor is a material factor in shaping demand there is a risk that the curtailing of new housing provision later in the plan period will result in a reversion to these adverse consequences.

- **The continued growth of the settlement's population through its attraction of families can be expected to reinforce the settlement's future vitality and sustainability.** It will also reasonably result in a continued local demographically driven demand to be generated which if unmatched by supply through the plan period in Shifnal will lead to the potential displacement of need and exacerbate market pressures; and

- **The parallel delivery of new employment space will have a positive impact in creating opportunities for more people to live and work in Shifnal**. However, where it is recognised that the settlement currently already has a reasonable level of employment and that its strong connectivity means that it retains a small proportion of its labour-force it is important to recognise that re-balancing will not happen immediately. The potential alignment between a reduction in housing delivery and the realisation of new employment opportunities on the proposed employment allocation later in the plan period will only potentially serve to exacerbate supply / demand issues later in the plan period if not mitigated through flexibilities to enable new housing to be delivered. This would need to respond to evidence of rising demand pressures and an accompanying growth in new employment being realised in the settlement. The settlement's existing social infrastructure provides a strong basis to accommodate sustainable growth in this manner.

1. Introduction

1.1 This technical report has been prepared on behalf of Miller Homes ('Miller') to inform wider representations to the Regulation 18 Pre-Submission Draft of the Shropshire Local Plan ('the Draft Plan') which the Council is consulting on until 30 September 2020. It represents an update to our previous technical report, which shared the same title and was submitted on behalf of Miller and Wallace Homes to the "Preferred Sites" consultation document in January 2019.

1.2 Our previous analysis has been reproduced and fully updated as appropriate within this report, such that reference no longer needs to be made to the earlier submission. We have, however, highlighted the consistency of our conclusions, and the evidence upon which they are based, where applicable.

1.3 The purpose of this report remains to provide a technical review of the proposed level of growth in Shifnal, in the context of local and wider housing needs and its ability to sustainably accommodate growth. In building upon the conclusions in our earlier technical report, the analysis in this report recognises and reinforces:

- The clear direction provided by Government as to the importance of boosting the supply of housing as set out in the ongoing consultations with regards immediate and long-term changes to the national planning system;

- The sustained ambitions of the Council to respond positively in providing for housing to meet local needs, with the Draft Plan continuing to provide for 1,400 homes per annum (30,800 homes between 2016 and 2038) thus exceeding the current outcome of the standard method (1,177dpa). It does, however, fall below the outcome of the revised method currently being consulted upon by the Government (2,129dpa);

- The spatial distribution advanced by the Council, which recognises the scale and role of individual settlements – as evidenced through the hierarchy – and the importance of growing key centres such as Shifnal;

- The positive implications of the Council's support for the regionally and nationally significant M54 Growth Corridor with regards Shropshire's economy and by implication the need for housing, noting specifically the locational implications for Shifnal;

- The extent to which the adopted Core Strategy and Site Allocations and Management of Development Plan have provided a supportive framework to enable growth in the housing stock of Shifnal, responding and serving to mitigate to date evident housing demand pressures; and

- The credentials of Shifnal as a sustainable location for further housing growth in the context of its social and transport infrastructure, as well as the approach advanced in the Draft Plan to allocate a significant amount of new employment land to respond to demand generated by the M54 Corridor and in the interest of supporting the settlements sustainable growth.

Introducing Shifnal

1.4 As shown in the following plan, Shifnal is situated in the eastern most part of the authority of Shropshire, which is shaded in blue. It is located circa 4 miles from Telford, around 13 miles from Wolverhampton and 34 miles from Birmingham, to its south east. Shifnal is directly served by a railway station – with hourly links to Shrewsbury and Birmingham New Street – and is also linked to the motorway network via the M54.

Figure 1.1: Location of Shifnal

Source: Turley

Report structure

1.5 **Section 2** of this report summarises the Draft Plan's proposals with regards the planned provision for housing and the future growth of Shifnal. This is subsequently framed within the context of:

- The appropriate and justified local housing need in Shropshire with reference to national planning policy and guidance, including the potential implications of the ongoing Government consultation, which is concisely summarised in **section 3**;

- The scale, urgency and nature of housing needs at the strategic level, recognising as shown in Figure 1.1 the proximity of Shifnal to Wolverhampton, the Black Country and Greater Birmingham all of which are acknowledged as facing significant housing market pressures. This is explored in **section 4**;

- Specific drivers of housing need along the M54 corridor given Shifnal's proximity. This includes a recognition of the economic growth potential and planned transport infrastructure along the corridor. This is presented in **section 5**; and

- Analysis of the local housing market in Shifnal reflecting on the role that the increase in the provision of new housing in recent years has had in mitigating demand pressures factoring in the above and other evidence as to the nature of housing need in the settlement in **section 6**.

1.6 Within this context, **section 7** highlights the ability of Shifnal to sustainably contribute towards accommodating growth, and the local benefits that could be realised through its development. This is drawn together with the preceding analysis to inform the conclusions of this report, which are summarised in **section 8.**

2. Proposed Housing Growth in Shifnal and Shropshire

The proposed housing requirement for Shropshire

2.1 Policy SP2 of the Draft Plan proposes a requirement of around 30,800 homes over the twenty two year plan period (2016-38). This equates to 1,400 homes per annum on average.

2.2 In justifying this scale of provision, reference is made to the standard method of assessing the minimum need for housing, which suggests that at least 25,894 homes – or 1,177 per annum – are needed in Shropshire. The Draft Plan highlights its approach of providing flexibility beyond this minimum.

2.3 The extent to which this is appropriate and justified by the available evidence is considered further in section 3, but it is noted that the policy explanation confirms that this flexibility is intended to:

- Respond to specific sustainable development opportunities;
- Increase the delivery of family and affordable homes;
- Support the delivery of specialist housing for specific groups including older people;
- Support the diversification of the labour force; and
- Support wider aspirations, including increased economic growth and productivity.

2.4 The Draft Plan also asserts that this scale of provision:

"…incorporates 1,500 dwellings to support the housing needs of the emerging Black Country Plan, where evidence indicates housing delivery opportunities are constrained. This reflects a positive approach to cross boundary cooperation and responds to the functional relationship between the two areas. This cross-boundary housing need will be accommodated through the distribution of growth outlined in this policy"[1]

The proposed growth of Shifnal

2.5 Policy S15.1 proposes that *'Shifnal will fulfil its role as a Key Centre and the largest settlement in the north of the Shropshire Green Belt'*. It also proceeds to state that:

[1] Regulation 18: Pre-Submission Draft of the Shropshire Local Plan (2020), paragraph 3.7

"Shifnal will be the focus for investment, employment, housing and development on the M54/A5 Strategic Corridor through Shropshire with access to Junctions 4 and 3 with proximity to Wolverhampton and the i54 major investment site"[2]

2.6 In terms of the scale of development in Shifnal, the same policy proposes that:

- The town will deliver around 1,500 dwellings; and
- The town will make available around 41 hectares of employment land to provide choice and competition in the market.

2.7 It confirms that:

"New housing and employment will make provision for the needs of the town and surrounding hinterland, including attracting inward investment and allowing existing businesses to expand"

2.8 The land proposed to deliver the above levels of development consists primarily of the saved SAMDev mixed use and residential allocations and the following residential and employment allocations:

- Land adjoining Meadow Drive (SHF013) – Residential (65 dwellings)
- Land adjoining Beech House between A464 and Park Lane (SHF015 & SHF029) – Residential (65 dwellings)
- Land between Windmill View and The Monument on A464 (SHF022 & part SHF023) – Residential (100 dwellings)
- Land east of Shifnal Industrial Estate, Upton Lane (SHF018b & SHF018d) – Employment (39 ha)

2.9 Further to land proposed to be allocated in the Plan, it is also proposed that a further 92.8ha is safeguarded (Table DP25.1).

2.10 In summarising the strategy for the settlement, it is stated that the Local Plan seeks to:

"…secure a better balance between the currently committed and the likely future scale of housing, the current deficit in employment land and the largely low quality employment opportunities in the town. The strategy seeks to address both the immediate need to provide for housing and employment development to 2038 and to also provide for the future growth of a town that is inset into the Green Belt and restricted by national policy"[3]

Implications

2.11 The remaining sections of this report reaffirm the evidence to support the approach taken to both:

[2] Regulation 18: Pre-Submission Draft of the Shropshire Local Plan (2020), page 240

[3] Regulation 18: Pre-Submission Draft of the Shropshire Local Plan (2020), paragraph 5.208

- Plan positively for the needs of existing and future residents across Shropshire by planning for a housing requirement which is above that calculated as the minimum starting point using the standard method and incorporates an acknowledged unmet housing need from an adjacent HMA; and

- Enable Shifnal to continue to grow recognising its strategic significance in the context of planned growth corridors and associated investment and the housing demand pressures currently in evidence in the town set in the context of an increase in recent levels of supply.

2.12 Where the above are supported the following sections highlight the extent to which the Plan must acknowledge evidence of higher housing need, locally and in the wider context, and the extent to which Shifnal can continue to play a more positive role in contributing to meeting these needs within the plan period.

3. Local Housing Need

3.1 The current consultation on the Draft Plan is being undertaken in the context of the most recent National Planning Policy Framework (NPPF) published in February 2019.

3.2 The NPPF retains at its core the Government's commitment to ensuring that the planning system achieves the parallel objectives of delivering the homes that are needed, supporting the ongoing development of a strong, responsive and competitive economy, making effective use of land and protecting and enhancing the natural environment[4].

3.3 The NPPF confirms that a *'local housing need assessment conducted using the standard method' should be used to 'determine the minimum number of homes needed'*[5]. Accompanying Planning Practice Guidance (PPG) reaffirms that the standard method formula is *'to identify the minimum number of homes expected to be planned for'* and *'does not produce a housing requirement'*[6]. There is no policy constraint on planning for a level of housing provision in excess of the minimum figure calculated, with any such uplift to be considered '*prior to and separate from considering how much of this need can be accommodated in a housing requirement figure*'[7].

3.4 The PPG confirms that the Government is '*supportive of ambitious authorities who want to plan for growth*' by surpassing any '*minimum starting point*' derived from the standard method[8].

3.5 On 6 August, the Government launched two separate consultations, one of which ('*Planning for the future'*) proposes fundamental reforms of the planning system. The other proposes and seeks views on '*changes to the current planning system*', including changes to the standard method for assessing local housing need. In proposing a revision to the standard method calculation, the Government is clear that it is intended to *inter alia*:

- Achieve a better distribution of homes towards high demand areas and in emerging demand areas across the country; and

- Be consistent with the Government's ambition for a housing market that supports 300,000 homes by creating a method with a suitable overall national number that enables achievement of that aim. The revised standard method indicates a national need for some 337,000 homes per annum, compared to approximately 265,000 homes under the current method. This is noted as being designed to provide enough land to account for the drop-off rate between permissions and completions.

3.6 The Council has presented a timetable for the future stages of Local Plan preparation beyond the current consultation. This confirms an intention to publish a Regulation 19

[4] MHCLG (2018) National Planning Policy Framework, paragraph 8
[5] MHCLG (2018) National Planning Policy Framework, paragraph 60
[6] PPG Reference ID 2a-002-20180913
[7] Ibid.
[8] PPG Reference ID 2a-010-20180913

(publication) version of the Local Plan in autumn / winter 2020, before its submission in early 2021. This timetable is relatively tight where the Council presumably intends to reflect on responses to its consultation.

3.7 The transitional arrangements proposed by Government mean that the current standard method would apply in the case of Shropshire, where this timetable is followed. This recognises that the consultation document confirms that:

"Authorities close to publishing their second stage consultation (Regulation 19), should be given 3 months from the publication date of the revised guidance to publish their Regulation 19 plan and a further 6 months to submit their plan to the Planning Inspectorate"[9]

3.8 Where the publication date of revised guidance is anticipated to be no earlier than winter 2020, this would likely require the Local Plan to be submitted for examination in early 2021.

3.9 Our previously submitted technical report included a detailed overview of current national planning policy, and supported the Council in its positive approach to providing for future housing needs arising within the area. The Draft Plan outlines an intention to provide for 1,400 homes per annum (30,800 between 2016 and 2038), a level of provision which exceeds the current outcome of the standard method (1,177dpa). This suggests the provision of some 4,906 homes above the minimum. This suggests a degree of uplift even where, as noted in section 2, the Plan indicates that the requirement includes 1,500 homes to meet needs from the Black Country housing market area (considered further in the following section of this report).

3.10 This approach continues to comply with the NPPF and appropriate planning guidance. This recognises the PPG's acknowledgement of circumstances where an uplift is appropriate, including the need to reflect economic growth ambitions and planned infrastructure investment. It is clear for example that, as explored further in section 5 of this report, the recognised potential of the M54 Growth Corridor means that it is critical that the Council's approach to plan for a higher requirement is maintained. This will ensure in accordance with the NPPF / PPG that the planned provision of housing does not constrain the future potential of the economy or lead to a more unsustainable future for local communities.

3.11 A failure to provide the homes needed to support planned and anticipated investment would have significant implications, both in terms of posing a risk that the local economy and businesses are constrained in their growth and that there are adverse consequences with regards to the sustainability of growth including further pressure and an overheating of the local housing market.

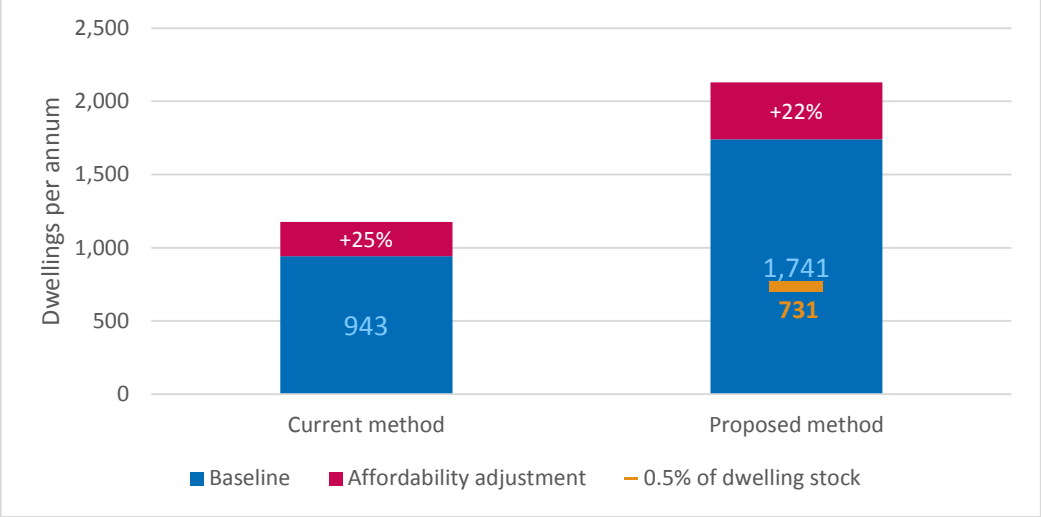
3.12 In this context, it is similarly agreed that planning for a level of provision above the minimum is important in responding positively to an acknowledged need to boost the supply of affordable housing provision. Policy SP2 confirms the intention to provide for around 7,700 affordable homes or 350 homes per annum. As the Draft Plan acknowledges, the Council's evidence base – in the form of the 2020 Local Housing

[9] MHCLG, Changes to the current planning system (August 2020), paragraph 43

Need Assessment (LHNA) – confirms the full need is considerably higher calculating an estimated need to provide 799 affordable homes a year over the plan period. This level of need represents some 57% of the overall proposed requirement and will require a significant increase from recent levels of delivery. The last published Annual Monitoring Report confirms that in the last seven years the highest annual level achieved has been 441 (2016/17) with the average in the last seven years being only 244 affordable homes per annum[10]. Evidently planning for a level above the current proposed requirement would further support the delivery of additional affordable housing and mitigate a risk that the aspired boost in provision is not achieved.

3.13 Where the proposed level of housing provision compares favourably with the outcome of the current standard method, it notably falls far below the need for 2,129 dwellings per annum calculated through the revised method that has been proposed by Government. Figure 3.1 shows that this is entirely due to the use of 2018-based household projections as a new baseline, which are higher and thus take precedence over the new stock-based metric and replace the more dated 2014-based projections that feature as the baseline of the current method.

Figure 3.1: Comparing the Current and Proposed Standard Method for Shropshire

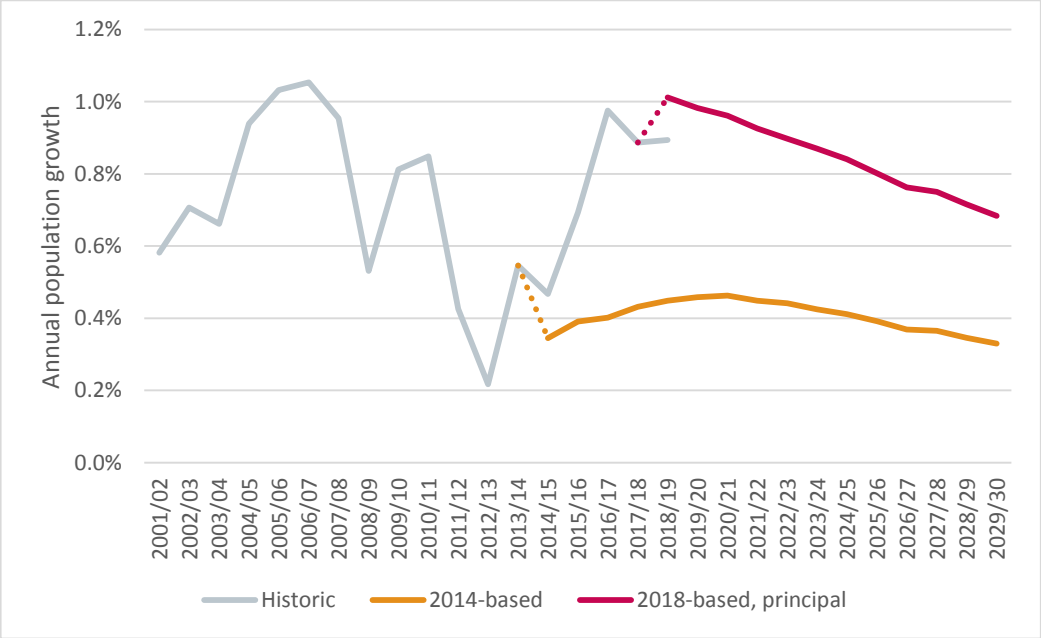


Source: Turley analysis

3.14 The 2018-based projections suggest that a continuation of more recent demographic trends could lead to the formation of considerably more households in Shropshire than anticipated by the 2014-based projections, over the period for which the baseline is calculated (2020-30). This is at least partially because the population has grown beyond the relatively low rate anticipated by the 2014-based projections, returning to the levels of growth experienced circa 10-15 years ago.

[10] Shropshire Council: Authority's Monitoring Report 2016-17, Table 15

Figure 3.2: Historic and Projected Population Growth Rates in Shropshire



Source: ONS

3.15 In the context of the above, the Council is advised to give further consideration in the next iteration of its Local Plan to the scale of need, where the current standard method – and the modestly higher provision of 1,400 homes per annum planned – increasingly looks to be underestimating the full scale of need in Shropshire.

3.16 Irrespective of the scale of need, it is similarly important to recognise that the plan must provide for an appropriate supply of housing land to meet needs. Paragraph 59 of the NPPF clearly states that:

"To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay"[11]

3.17 To ensure that Local Plans deliver the homes needed, their identification of an appropriate supply of land must therefore be based upon:

- An understanding of the geographies of housing market need, to ensure that new homes are provided where needs arise;
- An appreciation of the segmentation of the market with regards to different needs for different products (size, tenure etc.) generated by different groups in the housing market; and

[11] Ibid. paragraph 59

- A consideration of the above factors to ensure that the demand for new homes is understood in the context of the proposed supply to ensure that housing land is developed and boosts supply.

3.18 Sections 6 and 7 of this report consider the importance of adhering to these national policy requirements in the context of planning specifically for the future needs in Shifnal, considering the planned supply of housing land in the context of both the strategic needs identified but also more localised demand.

4. Wider Context of Housing Need

4.1 The Draft Plan recognises the importance of joint working between strategic policy-making authorities and as referenced in earlier sections asserts that it provides for 1,500 homes to support the needs of the emerging Black Country Plan.

4.2 Such a proactive approach is strongly supported and welcomed, particularly where it is clear that there is a significant wider context of housing need in areas proximate to Shropshire and in particular the Black Country.

4.3 Where the analysis in the previous section affirms that the local need pressures facing Shropshire are likely to be higher than the Council has acknowledged to date, this should not dissuade the Council from continuing to plan positively in this regard with the importance and existence of unmet not alleviated. This section initially recognises the work undertaken by Shropshire and the Black Country authorities to affirm the scale of unmet housing need. It then considers how such needs could evolve to highlight the importance of maintaining a positive approach in seeking to provide for unmet housing needs through the Shropshire Local Plan.

Unmet housing needs in the wider areas

4.4 Published correspondence from last year clearly emphasised the critical role of Shropshire in addressing the unmet housing needs of the Black Country[12].

4.5 This was framed in the context of an estimated shortfall in the order of 22,000 homes over the period to 2036, but an extension to the plan period to 2038 was then considered likely to elevate this to around 26,000 homes. The subsequent publication of an Urban Capacity Review Update actually elevated the scale of this shortfall to circa 29,300 homes over the period to 2038[13]. This was reportedly equivalent to 41% of the homes needed in the Black Country according to the standard method, and it is notable in this context that proposed revisions to the method, as introduced for Shropshire in the previous section, only slightly lower the outcome for this area by less than 2%.

4.6 The published correspondence indicates – even in the context of a smaller shortfall – that the Black Country authorities have engaged with surrounding authorities '*to understand if they would consider accommodating some of our unmet housing…needs*', but describes a '*mixed*' response and states that '*no local authorities have made a binding commitment in the form of the required statement of common ground to contributing towards addressing the shortfall*'.

4.7 Shropshire is one of four authorities – alongside South Staffordshire, Lichfield and Cannock Chase – that are referenced as testing their ability to contribute. It notes, however, that the competing pressure to address the unmet needs of Birmingham means that '*a significant shortfall*' is likely to remain. Our previous technical evidence

[12] Correspondence 30.09.2019 – Association of Black Country Authorities with Shropshire Council (listed on the Shropshire Local Plan evidence base)

[13] Black Country Urban Capacity Review, December 2019, paragraph 2.1.40

summarised the findings of the 2018 Greater Birmingham HMA Strategic Growth Study, highlighting the scale of the identified shortfall.

4.8 In this context it is noted that in September 2020 the *'Greater Birmingham and Black Country Housing Market Area (GBBCHMA) Housing Need and Housing Land Supply Position Statement' (July 2020)* was published. This statement makes reference to the recalculated shortfall for the Black Country HMA noted above but also updates the position for the Greater Birmingham HMA. It implies for the period 2011 to 2031 that the shortfall has reduced to 2,597 dwellings.

4.9 There nonetheless remains a shortfall, where the supply picture is taken at face value. The full scale of the issue, and its implications for the displacement of demand to other areas such as Shropshire, is evidently more significant where it is recognised that firstly the full need for housing over even this period is likely to be underestimated and secondly the scale of unmet need is only likely to increase beyond 2031. The statement is clear to recognise that the scale of this shortfall for the Birmingham HMA is not yet known but where the Shropshire Plan looks to 2038 this is evidently of significant importance.

4.10 In considering the first issue it is important to recognise that where the Black Country has used the standard method as a basis for comparing need and supply he 2018 Greater Birmingham HMA Strategic Growth Study's concluded OAN continues to be referenced. Specifically it is noted that reference is primarily made to the baseline assessment of need as opposed to the higher need identified in the study reflecting the implications of the momentum behind the Midlands Engine Strategy[14]. This will evidently need revisiting in the context of the ongoing Government consultation on revisions to the standard method.

4.11 The latest Supply Position Statement does not provide any reassurance that the full scale of need and the need beyond 2031 is being adequately provided for in the emerging generation of Local Plans. Indeed it is noted that the statement concludes by confirming in this context that *'there may also be scope for contributions from local authorities outside the HMA but with a strong functional link to it, such as Shropshire, to help address the shortfall up to and beyond 2031'*[15].

4.12 This only emphasises the crucial role of Shropshire in this regard, and demonstrates the need to make the largest possible contribution towards positively addressing what is acknowledged as being a significant issue for the larger HMA area.

Understanding housing market relationships to the Greater Birmingham / Black Country HMA

4.13 Whilst Shropshire falls outside of the defined Greater Birmingham / Black Country housing market area (HMA) the correspondence between the Black Country authorities and Shropshire Council referenced above clearly articulates the joint recognition of the strong functional economic relationships between the two areas. As outlined at the

[14] DCLG (Mar 2017) Midlands Engine Strategy

[15] Greater Birmingham and Black Country Housing Market Area (GBBCHMA) Housing Need and Housing Land Supply Position Statement (July 2020, published September 2020), paragraph 6.3

start of the section, the Council has acknowledged the important functional relationships which impact on the operation of the housing market in Shropshire. Specific reference is made to the fact that:

- Between 2010/11 and 2017/18 the total number of residents exported from the Black Country to Shropshire was 16,100 and 7,320 exported from Shropshire to the Black Country. This equated to a net total of 8,810 people migrating from the Black Country to Shropshire; and

- 2011 Census data indicates that some 2,180 working age residents from the Black Country travelled to work in Shropshire and that 4,615 residents travelled to work in the Black Country.

4.14 Building on the above, it is also the case that where the geography is extended to including the Birmingham HMA as well the scale of the relationships is even more pronounced. Similar analysis of the 2011 Census dataset reveals that:

- 14% of the circa 11,800 people moving to a new address in Shropshire during the year prior to the Census had moved from the Greater Birmingham/Black Country HMA; and

- Of the Shropshire residents who work outside of their home district[16], 21% work in the Greater Birmingham/Black Country HMA[17].

4.15 This clearly reinforces the strong functional housing market relationships between Shropshire and the Greater Birmingham/Black Country HMA and by implications the relevance and importance of the identified issues of unmet housing needs noted above.

4.16 Where the Black Country authorities have recognised the above to affirm their support for proposed allocation of the M54 Junction 3 site – recognising the strong existing and proposed enhanced transport links from the site into the Black Country – it is important to recognise that the same is true of other potential settlements and potential development sites with strong linkages via the corridor.

4.17 Looking specifically at Shifnal, data from the 2011 Census[18] has been used to undertake similar analysis with regard to commuting origin and destination of the town's workforce and residents[19]. In this regard it can be seen that approximately 15% of the Shifnal workforce commute in from the Greater Birmingham/ Black Country HMA. This represents the same proportion as arising from other parts of Shropshire and is only exceeded by the flows from Telford and Wrekin to which proximity is a key consideration.

[16] Circa 30% of the authority's residents.
[17] The percentage of all Shropshire's residents who work within the GB/BC HMA is circa 6%.
[18] ONS via Nomis (2011) Census 2011 - WU03EW - Location of usual residence and place of work by method of travel to work (MSOA level)
[19] Whilst the majority of analysis conducted at a Shifnal level in this report aligns with Shropshire Council's definition of the town as the Parish in the Preferred Sites Consultation document, commuting data is available only at the Middle Super Output Area (MSOA) level. This means that the analysis which uses 2011 Census commuting patterns data defines Shifnal as 'MSOA E02006008: Shropshire 025'.

Table 4.1: Place of residence for Shifnal workforce, 2011

Origin of Shifnal's Workforce	Number	%
Telford and Wrekin	759	36%
Shifnal	**522**	**25%**
Rest of Shropshire	328	15%
Greater Birmingham/Black Country HMA	**315**	**15%**
South Staffordshire	92	4%
Wolverhampton	91	4%
Other	202	10%
All people working in Shifnal	**2,126**	**100%**

Source: Census 2011

4.18 A higher proportion (18%) of Shifnal residents also commute out to the Greater Birmingham/Black Country HMA. This is again only exceeded by the proportion of people commuting to Telford and Wrekin and exceeds the number of people who commute to other parts of Shropshire. This again serves to reinforce the importance of the relationship with this HMA.

Table 4.2: Place of work for Shifnal residents, 2011

Place of work for Shifnal residents	Number	%
Telford and Wrekin	1,220	40%
Greater Birmingham/Black Country HMA	**565**	**18%**
Rest of Shropshire	534	17%
Shifnal	**522**	**17%**
Wolverhampton	211	7%
Birmingham	112	4%
Other	222	7%
All workers from Shifnal	**3,063**	**100%**

Source: Census 2011

Implications

4.19 The evidence presented within this section has reaffirmed the importance of acknowledging Shropshire's exposure to the housing market pressures facing the proximate Greater Birmingham/ Black Country HMA.

4.20 Specifically this recognises that whilst this HMA is facing significant housing need pressures, which are in turn anticipated to increase as it seeks to support its economic

ambitions, the full need for housing is not being addressed in the current generation of adopted and emerging Local Plans.

4.21 The implication of both the scale of housing market pressures arising from the Greater Birmingham/ Black Country HMA and the strength of relationships between Shropshire as a whole and Shifnal specifically is that it is reasonable to assume that there will continue to be displacement of demand over the plan period.

4.22 This confirms that the approach proposed in the Draft Plan to provide for a level of unmet housing need to support the emerging Black Country Plan is correct. Importantly, however, in the context of a recognition of potentially higher local housing needs the extent to which this will be achieved by the proposed requirement is less certain. Furthermore it is important to recognise that over the plan period the opportunity exists to capture the full benefits associated with the attraction of new residents through the parallel provision of new housing and enhancements to transport and social infrastructure. These aspects are considered with specific reference to Shifnal's future sustainable growth in the remaining sections of this report.

5. A Connected Place – The M54/A5 Growth Corridor

5.1 As previous sections have identified, Shropshire and, in the context of the analysis in this report, Shifnal are evidently recognised as benefiting from significant locational advantages based on the strategic connectivity facilitated by existing transport infrastructure.

5.2 The Shropshire Economic Growth Strategy[20] identifies the *'M54/A5 East growth corridor'* as one of the key strategic corridors and growth zones. It is recognised as a:

"…key road and rail transport corridor which reinforces Shropshire's close proximity to the West Midlands and the growth potential that will develop from the Land Commission as part of the Combined Authority structure"[21]

5.3 This section considers the economic growth potential of the M54 corridor including both road and rail links and the policy support for its contribution to wider regional, sub-regional and local planning policy and economic strategy.

5.4 As the Draft Plan recognises the investment in this strategic corridor provides an important consideration in understanding the impact of the realisation of this potential in sustaining and increasing housing demand pressures in Shifnal and other settlements along the corridor over the longer-term and the influence this could have on shaping housing need in the locality[22].

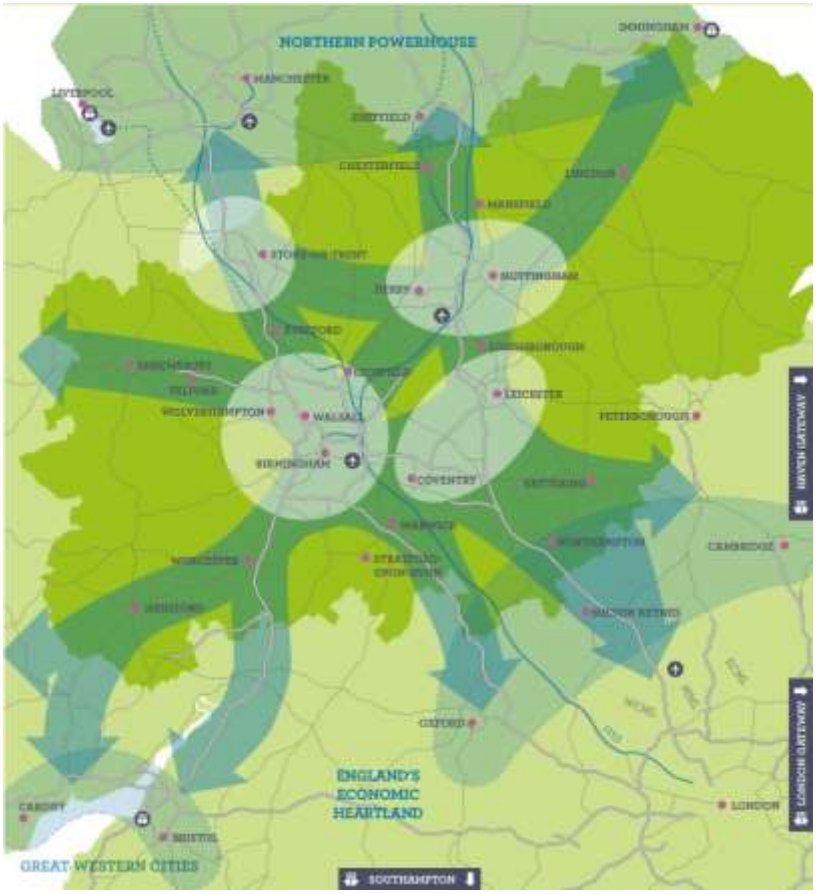
The Economic Growth Potential of the M54 Corridor

Policy and Strategy Context

5.5 The Midlands Connect Strategy[23] establishes a spatial framework for investment based on four Strategic Economic Hubs and six intensive Growth Corridors, which are judged as critical to the economy of both the Midlands and the UK as a whole. The adopted West Midlands Strategic Transport Plan (STP)[24] highlights that focused infrastructure improvements in these areas could boost the UK economy by up to £800 million per annum by 2036[25]. One of the identified Growth Corridors covers the M54, stretching westwards between Birmingham and Shrewsbury. This corridor encompasses Shifnal, and the town is also situated just outside the Birmingham, Solihull and the Black Country Strategic Economic Hub. This can be seen in Figure 5.1.

[20] Shropshire Council (2017) Economic Growth Strategy for Shropshire 2017 – 2021
[21] Ibid.
[22] Regulation 18: Pre-Submission Draft of the Shropshire Local Plan, paragraph 4.91
[23] Midlands Connect (2017) Midlands Connect Strategy: Powering the Midlands Engine
[24] West Midlands Combined Authority (2017) West Midlands Combined Authority Strategic Economic Plan: Making our mark… the West Midlands, the best region in the UK to do business
[25] West Midlands Combined Authority (2015) Movement For Growth: The West Midlands Strategic Transport Plan

Figure 5.1: Midlands Connect Strategy – Intensive Growth Corridors and Strategic Economic Hubs



Source: Midlands Connect

5.6 Shropshire Council is a member authority of the Marches Local Enterprise Partnership (MLEP), a partnership between local government and business which aims to accelerate the area's economic growth. MLEP published a draft Local Industrial Strategy (LIS) in December 2019. This introduces the A5/M54 growth corridor as *'one of the largest housing and commercial opportunities in the West Midlands.'*[26] This builds on the MLEP adopted Strategic Economic Plan (SEP)[27], which identified roads such as the M54, A5 and A49 and key rail lines as forming key growth corridors, all of which are in close proximity to Shifnal.

5.7 Similarly the Economic Growth Strategy for Shropshire[28], referenced in the introduction to this section, was adopted by Shropshire Council in 2017, and, identified the M54/A5 East area as a major '*strategic corridor and growth zone'*. The Strategy also outlines plans to increase the county's annual GVA by 12% before 2021 (from a current base of £6 billion), unlocking £300 million of private sector investment, creating 3,700 new jobs, and building 1,375 homes every year in Shropshire.

[26] The Marches Local Industrial Strategy, December 2019, Executive Summary
[27] The Marches Local Enterprise Partnership (2014) Strategic Economic Plan: Accelerating Growth through Opportunity
[28] Shropshire Council (2017) Economic Growth Strategy for Shropshire 2017-2021

5.8 Outside of the M54 Corridor, the Local Plan also acknowledges the importance of the investment which will be realised as a result of HS2. An additional strategic growth corridor linking the M54 to the A41 (north and east of Shifnal) is also highlighted within the Strategy, linking Shropshire to the HS2 hub at Crewe and to the North West, Cheshire and beyond. Whilst it is recognised that principally the delivery of the Northern Gateway will impact most significantly on the northern market towns in Shropshire it will also, via connections to the national rail network, have wider impacts across the County and in settlements such as Shifnal across the M54 corridor. This needs to be considered in the context of improvements to rail connectivity in Shifnal in recent years which are considered at the end of this section.

Providing for growth associated with the M54 Corridor

5.9 The *M54 Growth Corridor – Strategic Options Study* was published in June 2019. This study confirmed that it built upon the *draft West Midlands Spatial Investment and Delivery Plan* (July 2018) which it notes *'identified 27 potential corridors/strategic development opportunities, one of which being the M54 corridor.* Furthermore it noted this previous study stated: *'that the M54 corridor has potential for significant employment growth focusing on key sectors set out in Shropshire's Economic Growth Strategy linked to the advanced manufacturing opportunities to create a hub maximising the opportunity of i54…and RAF Cosford'*[29].

5.10 The 2019 study provided a series of recommendations to the Council including, inter alia, that they should:

- Prioritise the strategic employment sites at J3, Cosford and Stanton Road to drive forward the County's corporate objective of economic growth whilst also delivering balanced employment and residential growth; and

- Prioritise employment sites that help redress the current imbalance between residential and commercial sites.

5.11 It proceeds to state that: *'These potential allocations will provide 'fit for purpose' employment land that meets the needs of the modern occupier and responds to market demand. This approach will assist in diversifying the economy by attracting occupiers in higher value sectors that drive economic productivity and retain talent in the County'.*[30]

5.12 It is noted that within the study, as part of a consideration of a number of sites along the corridor, two sites adjacent to Shifnal were considered including the proposed allocation noted in section 2 and considered further in section 7, the other being land referred to as the Lodge Hill Estate adjacent which includes the land promoted by our client Miller Homes. It is noted that where the site is understood to be being promoted primarily for residential uses subject to the outcome of discussions *'the site could be available within a 10 year delivery period…'*[31].

5.13 Where it is agreed that the allocation of new sites, including that at Shifnal, are critical to capturing investment and securing a new generation of jobs it is important to

[29] Avison Young, 'M54 Growth Corridor – Strategic Options Study' Final Report (June 2019), paragraph 1.4
[30] Avison Young, 'M54 Growth Corridor – Strategic Options Study' Final Report (June 2019), Executive Summary
[31] *Ibid,* paragraph 4.72

recognise that in recent years, the Marches has already managed to attract significant inward investment interest along the corridor. The 2019 study confirms that the i54 is recognised as one of the most desirable places to invest within the West Midlands with key occupiers including Jaguar Land Rover, Eurofins and Moobs. It observes that the site is already fully occupied with Wolverhampton City Council having obtained planning consent for the western extension in 2019 offering up an additional 60 hectares to bring forward for employment which will create a further 1,600 jobs. Similarly reference is made to the T54 development which provides an extension to the existing Stafford Business Park and an opportunity for further inward investment in proximity to i54. It is noted that the development of both sites has raised the profile of the M54 as an attractive investment opportunity.

Neighbourhood Planning Support for Shifnal's Enhanced Rail Service

5.14 In considering the sustainability of Shifnal's location within the growth corridor and its own success in attracting investment to provide new homes, a point returned to in the following section, it is noted that it has assisted in securing greater provision of rail transport services. This has been observed and supported within neighbourhood planning policy. As outlined in Shifnal's adopted Neighbourhood Plan[32], research by the Shifnal Forward Transport Action Group (SFTAG) identified:

"…an increase in numbers who are using Shifnal Station in recent years at peak times in both directions. With more people living in the new developments, use will increase in the plan period and discussions are taking place with rail service providers to meet this need longer term."

5.15 This is illustrated by the fact that, over the year to April 2014, rail passengers increased by 9.5%, the SFTAG largely attributing this to the impact of new residents.

5.16 The aspiration of the Neighbourhood Plan was therefore to increase rail capacity and improve provision of bus services and infrastructure. This was achieved in 2017 when the West Midlands Franchise was announced, which provided Monday-Saturday services stopping at Shifnal every hour on the Birmingham-Shrewsbury line, increasing to nearly every half-hour at rush hour[33]. The settlement's growth has thus assisted in securing more services – a position supported by the Neighbourhood Plan.

5.17 Through adding improved rail services to its already strong road links along the M54 Growth Corridor, Shifnal now evidently represents an even more sustainably connected settlement within the corridor.

Implications

5.18 It is apparent that there is a significant degree of strategic support from a national to a local level for realising the economic growth potential of the M54 corridor.

5.19 The realisation of investment along the corridor forms an integral part of the Midlands Growth Engine proposals and aligns with national priorities to support the delivery of

[32] Shifnal Town Council (Dec 2016) Shifnal Neighbourhood Plan 2014-26
[33] http://maps.dft.gov.uk/west-midlands/

new jobs and to create sustainable connections. This position is strongly supported by Shropshire and articulated within its economic strategy and the emerging Marches LIS.

5.20 There is already evidence of the corridor's impact in attracting investment and development. Existing strategies provide assurance that this will be sustained.

5.21 Shifnal's location on the growth corridor, and the strong connectivity benefits this creates, form an important context for understanding both current demand pressures but also the extent to which these are likely to continue to increase where the corridor's investment is realised. At a local level, there has evidently been success in recent years in elevating the regularity of rail services to Shifnal. This has reinforced its connectivity into the corridor and specifically the national rail infrastructure which itself will continue to be enhanced through the delivery of HS2. This investment in improvements to rail connectivity has also responded to Shifnal's own growth. This again forms important context to its ongoing credentials for accommodating sustainable growth, an aspect which is considered in further detail in section 7 of this report.

6. Understanding Local Market Demand in Shifnal

6.1 This section considers in more detail the operation of the local housing market in Shifnal. This is considered in the context of the strategic drivers of demand for new homes identified in the preceding chapters and the recent growth of Shifnal's housing offer.

Changing rates of delivery

6.2 The Draft Plan reports that *'high rates of delivery'* have been achieved in Shifnal, *'at around 200 dwellings per annum from 2016'*. This is more than double the average provision of 70 dwellings per annum over the preceding decade[34] (2006-16).

6.3 The lower rates of historic provision are understood to largely relate to the planning framework in place at different times, as acknowledged by the Council during the Preferred Sites consultation. It highlighted that:

"In the context of regional policy, Shifnal was not a preferred location for development even though the role, function and accessibility of the settlement were attractive to the market. The removal of regional policy and the preparation of the Core Strategy (2011) and SAMDev Plan (2015) allowed the market demand for development in Shifnal to be expressed at least in terms of housing development"[35]

6.4 In the context of a supportive policy framework, the demand for housing has therefore clearly been mirrored in escalating levels of development.

6.5 This is set to continue, with sites capable of delivering a further 573 new homes having received planning permission or prior approval as of March 2019[36]. Indeed the Draft Plan expects that*:*

"…the housing development market will continue to explore Shifnal as a preferred investment location in the M54 corridor and these demands will continue to subject the town to significant growth pressures"[37]

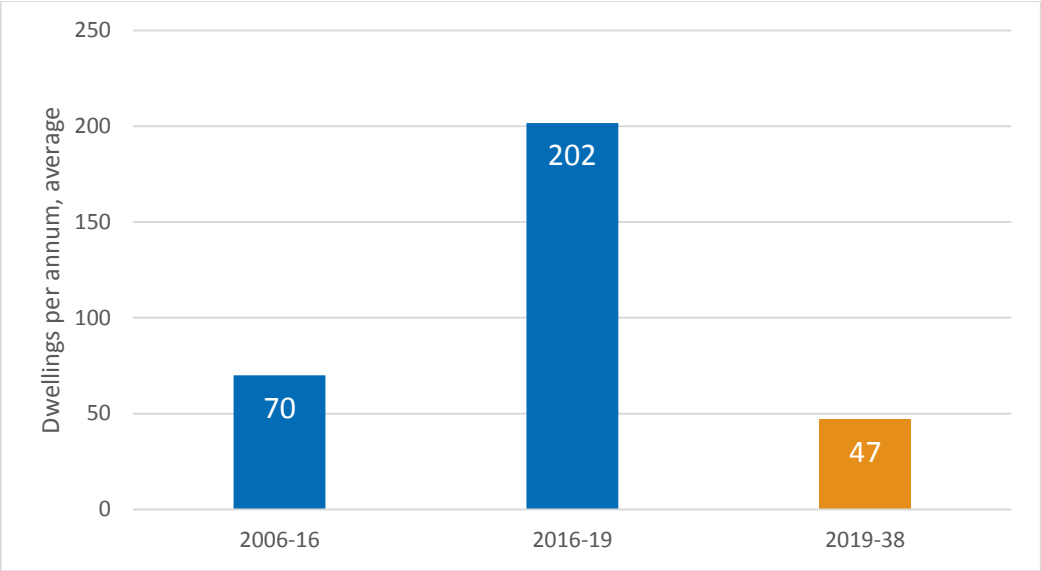
6.6 Previous engagement with local estate agents[38] has revealed that the new homes brought to market have proved very popular, with strong rates of build-out confirmed. The profile of those purchasing new housing as well as the demographic and stock profile of the town overall are considered later in the section.

6.7 As set out in section 2, the Draft Plan appears to propose a positive strategy that will continue to grow the housing stock of Shifnal, by providing 1,500 additional homes

[34] Authority's Monitoring Report 2016-17, Table 7
[35] Shropshire Council (November 2018) Shropshire Local Plan Review Consultation on Preferred Sites, paragraph 18.4
[36] Shropshire Council (March 2020) Five Year Housing Land Supply Statement, to 31st March 2019
[37] Regulation 18: Pre-Submission Draft of the Shropshire Local Plan, paragraph 5.201
[38] Fields of Shifnal, Key Angels, DB Roberts in December 2018/ January 2019

over the plan period (2016-38) as referenced in Policy S15.1. When recognised, however, that some 40% of these homes have already been completed in three years to date (2016-19) the Draft Plan could actually slow the rate of growth in Shifnal, reducing recent delivery by over three quarters and falling below even the rate of development seen prior to 2016 as shown at Figure 6.1.

Figure 6.1: Historic and Implied Future Rate of Housing Delivery in Shifnal



Source: Shropshire Council

6.8 While the proposed supply could technically enable the delivery of 47 dwellings per annum on average in Shifnal from 2019 onwards, based on recent evidence of demand sites with planning permission are likely to build out faster such that supply is exhausted long before the end of the plan period. The Draft Plan acknowledges this prospect, and envisages a situation where the town sees little or no housing development later in the plan period[39].

6.9 Where the Draft Plan identifies safeguarded land for housing, including the land to which Turley's wider representatives relate, this by design is not intended to be released until after the end of the plan period. The analysis below and in section 7 highlights that this could present challenges where supply is deliberately constrained in the context of growing demand. The evidence highlights that this would suggest a greater flexibility in supporting additional housing provision in the plan period with at least a recognition that safeguarded land may need to be developed within the plan period would represent a proactive approach to mitigating such issues.

Relieving affordability pressures

6.10 The significantly increased housing delivery seen in Shifnal since 2016 has responded positively to its status as one of the least affordable areas of Shropshire at that point.

[39] Paragraph 5.204

6.11 This is shown in evidence produced by the Council, which compared incomes to house prices in each settlement as summarised at Table 6.1 below[40]. Median house prices in the town were found to equate to circa 7.5 times the median income, surpassing the ratio of 6.6 recorded in Shropshire and more modestly exceeding the national average. Shifnal recorded the second highest ratio in Shropshire, just behind Much Wenlock and in line with Broseley. Entry level house prices, at the lower quartile, were still further detached from lower quartile earnings, the former being some 10.1 times the latter. This again exceeded the ratio recorded in Shropshire and England (9.0/8.9 respectively) and was the second highest in the county. Each of the ratios for Shifnal had worsened since similar analysis was presented in the 2014 update to the Shropshire Strategic Housing Market Assessment[41] (SHMA), where the town's median and lower quartile affordability ratios were stated as 4.3 and 5.0 respectively.

[40] Shropshire Council (2017) Shifnal Market Town Profile – Autumn 2017
[41] Shropshire Council (2014) Strategic Housing Market Assessment 2014 Update

Table 6.1: Settlement affordability in Shropshire, 2016

Area	Lower Quartile Income	Lower Quartile House Price	Lower Quartile Affordability Ratio	Median Income	Median House Price	Median Affordability Ratio ▼
Much Wenlock	£19,755	£220,000	11.1	£35,514	£279,000	7.9
Broseley	£15,339	£151,875	9.9	£27,984	£209,500	7.5
Shifnal	**£16,783**	**£169,950**	**10.1**	**£30,944**	**£230,998**	**7.5**
England	£16,216	£145,000	8.9	£30,015	£224,000	7.5
Bishop's Castle	£16,988	£143,250	8.4	£29,590	£219,225	7.4
Church Stretton	£18,191	£170,000	9.3	£32,714	£230,000	7
Ludlow	£14,899	£130,000	8.7	£26,811	£183,500	6.8
Shropshire	£16,680	£150,000	9	£30,053	£197,998	6.6
Whitchurch	£15,207	£125,250	8.2	£27,110	£173,500	6.4
Shrewsbury	£16,540	£150,000	9.1	£29,932	£190,000	6.3
Highley	£14,540	£126,625	8.7	£25,351	£152,500	6
Albrighton	£18,602	£150,000	8.1	£33,850	£192,000	5.7
Cleobury Mortimer	£19,630	£130,000	6.6	£34,512	£188,750	5.5
Bridgnorth	£19,413	£155,125	8	£35,022	£188,250	5.4
Ellesmere	£16,578	£126,500	7.6	£29,519	£155,000	5.3
Oswestry	£15,662	£117,988	7.5	£28,068	£147,500	5.3
Wem	£17,406	£135,750	7.8	£31,076	£164,000	5.3
Craven Arms	£17,010	£120,000	7.1	£30,366	£157,000	5.2
Market Drayton	£16,805	£125,625	7.5	£30,432	£158,000	5.2

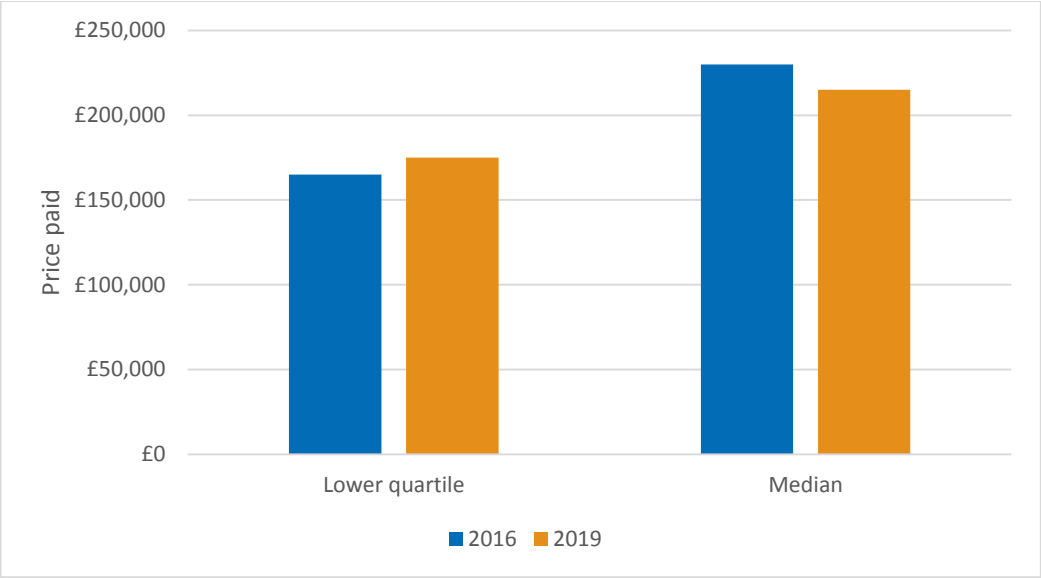
Source: Shropshire Council

6.12 It is likely that these affordability issues were a legacy of the more restrictive policies of the regional planning system, and the lead-in time required to bring sites identified in subsequent planning policies to the market and for homes to be built. They are also a reflection of increasing demand pressures arising strategically and in the context of the locational advantages enjoyed by the town as articulated in the previous two sections of this report.

6.13 The above analysis was produced in 2016, and it is important to therefore acknowledge that housing delivery has significantly increased in the intervening period with over 200 dwellings per annum reportedly completed on average since that point. While it is not possible to reproduce the analysis conducted by the Council, in the absence of publicly available income data, analysis of house price data from the Land Registry reveals that

this boost in delivery is having a positive effect in terms of alleviating rising housing price pressures with median house prices in 2019 around 7% lower than in 2016. Entry level house prices have, however, continued to rise in this time illustrating the importance of understanding the profile of demand and the attractiveness of the area to the market.

Figure 6.2: Change in Median and Lower Quartile Price Paid in Shifnal (2016-19)



Source: Land Registry; Turley analysis

6.14 The above analysis therefore clearly highlights the symptoms of longstanding demand pressures in Shifnal, which the recent boost in housing delivery has only started to alleviate. As highlighted earlier in this section, the Draft Plan threatens to markedly reduce this rate of delivery beyond the initial part of the plan period. Any such regression risks undermining the progress that appears to have been made in belatedly addressing affordability issues in this area. A shortage of supply, in an area of high demand, is likely to only resume growth in house prices and increasingly create difficulties for those on lower incomes in particular.

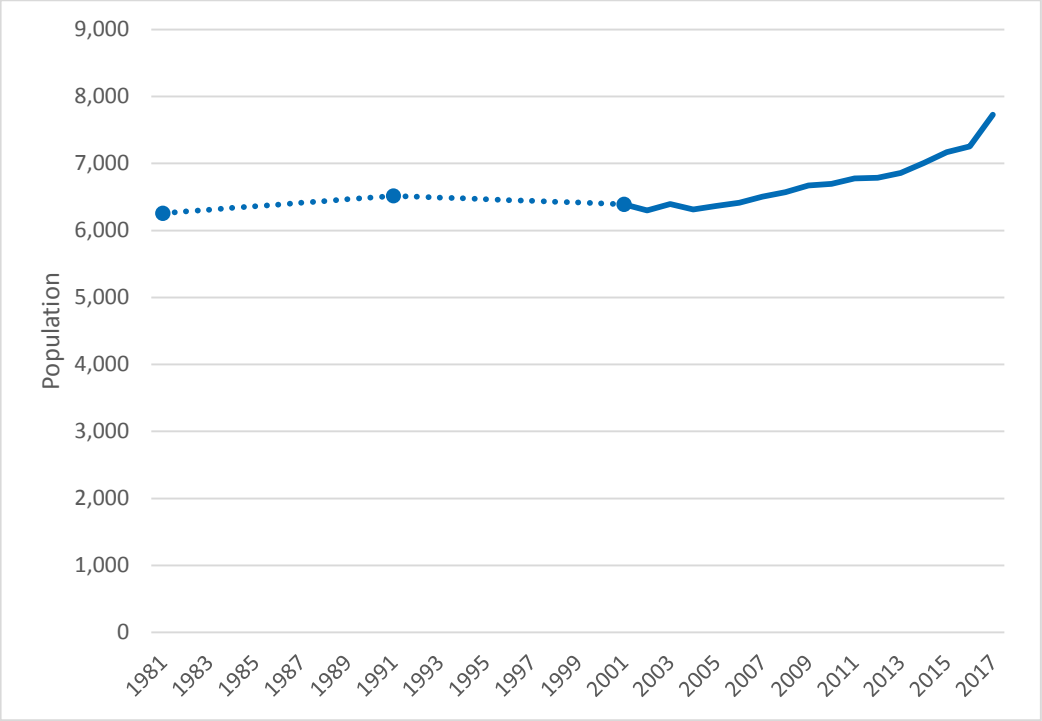
A growing population

6.15 The varying level of policy support for Shifnal's growth has had an impact on the population and demographic profile and size of the town. This will continue to have implications for future need and demand as increasing numbers of people are accommodated.

6.16 The Council's evidence base reports on the changing size of the Shifnal population back to the 1981 Census, which can be combined with more recent annual estimates of the population at parish level[42]. This is shown at Figure 6.3, which simply shows the linear trend between Census years (1981/1991/2001) before moving to annual estimates where available from 2002 onwards.

[42] ONS (2018) Population estimates for parishes in England and Wales, mid-2002 to mid-2017

Figure 6.3: Population of Shifnal (1981-2017)

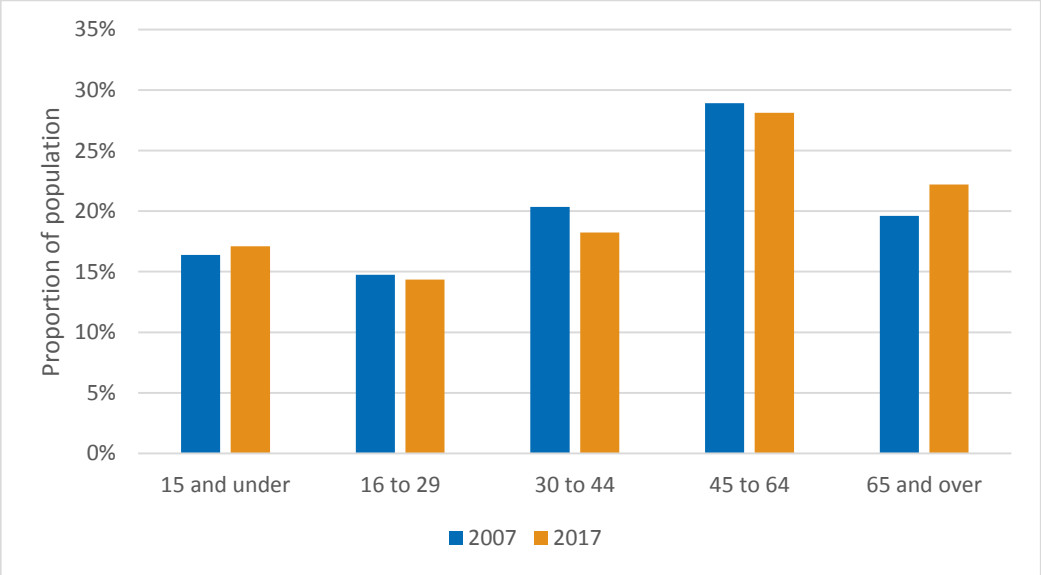


Source: ONS

6.17 The above shows that Shifnal saw very little population growth in the period from 1981 to around 2006. This is likely to have been a consequence of the limited levels of new housing delivery over this period, noting the historic policy context explained earlier in this section. Indeed between 1991 and 2001, the population of the town is estimated to have fallen. It is only over the last decade that the population of Shifnal has started to grow, by an average of 122 people per year (2007-17).

6.18 While the population of Shifnal has been growing over the past decade, it has also been ageing with the number of residents aged 65 and over increasing by over one third (35%). Circa 22% of residents were in this age group as of 2017, compared to 20% in 2007. In contrast, working age groups – ranging from 16 to 64 years – account for a diminishing share of the local population, particularly those aged 30 to 44.

Figure 6.4: Change in Age Structure of Shifnal (2007-17)



Source: ONS

6.19 Data availability means that this analysis cannot yet extend beyond 2017, and as such the continued boosting of housing supply in the subsequent two years to 2019 is not taken into account. Whilst further consideration is given to the demand for different types of new housing below, it is apparent that the new homes being provided recently have proved attractive to families as well as other household types. It is reasonable to assume that the result will be a positive re-balancing of the age profile of Shifnal. This could positively support its future sustainability, as considered further in section 7, which could be put at risk if housing delivery is allowed to markedly slow. Importantly it is also important to recognise that the attraction of new households associated with the recent and anticipated sustained short-term boost in housing provision will in itself serve to reinforce locally derived demographic pressures. Within the timescales of the plan period it is reasonable that new households will emerge from within mature families attracted to the area which in themselves will create further demand. Again the constraint of new supply, potentially significantly, as implied by the trajectory envisaged by the Council will mean that such need is displaced out of the community.

Understanding the profile of local need and demand

6.20 The above provides clear evidence that there is currently a strong demand for new housing and there is a clear indication from a local and strategic perspective that this will be sustained over the plan period.

6.21 This sub-section considers the profile of demand for new homes, building on the above and local intelligence obtained through engagement with local agents to inform our earlier technical report.

6.22 First it is useful to consider the overall profile of the housing stock within Shifnal to understand how this shapes the profile of demand for housing.

6.23 The Council's evidence confirms that the town has a higher rate of semi-detached and terrace properties than in Shropshire. There were fewer detached properties than for Shropshire as a whole (Census 2011), 32% compared to 39.5% across Shropshire. In contrast there were a greater percentage of household spaces which were semi-detached (38.8% compared to 33.4%).

6.24 In looking at the profile of households in Shifnal Census data analysed by the Council identified that:

- 29.4% of households were one-person households, greater than the Shropshire average (28.9%) but less than the England average (30.2%);
- 6% of households were lone parent with dependent children, higher than the Shropshire average (5.2%) but lower than England (7.1%);
- 14.1% of households were one-person pensioner aged 65 or over, greater than the Shropshire average (13.9%) and England (12.4%); and
- 14.1% of households were Married couples with dependent children, lower than the Shropshire average (15.3%) and England (15.3%).

6.25 This reinforces the point noted above with regards to the ageing of the population with this manifesting itself in the context of the household mix, noting this profile principally pre-dates the more recent delivery of new homes.

6.26 In considering the future need for housing types the 2014 update to the Shropshire SHMA[43] makes reference to the 2009 Shifnal Town Plan, which identified family homes (3+ bedrooms) and sheltered housing for the elderly as priorities. The Place Plan Review 2012/13 had 1 bedroom properties, starter homes, bungalows for disabled and elderly and 2/3 bedroom family homes as being in greatest demand.

6.27 The new homes delivered have principally been made up of traditional family sized housing with larger proportions of 4 bedroom detached houses, with some 3 bedroom semi-detached and 2 bedroom terraced houses also.

6.28 Engagement with local agents marketing residential property in Shifnal provided a further understanding of local market conditions and the profile of households moving into the new homes. This consultation indicated that:

- Growth in the number of sales was recorded in 2018, with particularly strong demand noted from families;
- Migration from Telford was identified as a key driver of the residential market, with local schools and transport (particularly the train station) also being key draws;
- It was observed that whilst demand was strong from families the limited supply of apartments meant that those brought to market are bought promptly

[43] Shropshire Council (2014) Strategic Housing Market Assessment (SHMA) 2014 update

suggesting a strong demand for entry-level properties (potentially supporting the noted increase in associated prices above); and

- Outside of the demand pressures from families within a more local context there was an acknowledged market arising from the growth in the proportion of older people, with retirement housing, extra-care facilities and down-sizing options therefore being required.

Implications

6.29 It is apparent from the above evidence that the strategic drivers of housing need articulated in the earlier sections of this report have impacted on the operation of the local housing market in Shifnal.

6.30 Whilst current local policy has enabled Shifnal to significantly increase its stock of housing there has clearly been strong demand for the new homes completed. This also reflects the legacy of previous policy which did not support the level of delivery which was cognisant of demand pressures.

6.31 The previous restriction on supply clearly led to adverse consequences when considering the comparative affordability of housing in the town. This revealed that prior to the noted recent boost in supply Shifnal had become one of the least affordable places in Shropshire, and worse than the national average. More recent evidence suggests that the strong provision of new homes has served to mitigate this issue having a positive impact on addressing unsustainable rises in prices locally. This highlights the important local relationship between strong demand and supply.

6.32 Where the Council recognises that its planned provision for Shifnal could lead to a trajectory which would see development reduced drastically in later years of the plan period there is a significant risk that these demand pressures left unchecked through supply would manifest themselves again in an acute worsening of affordability. This would be detrimental in supporting local people to purchase housing and would unravel the positive gains made through a more positive recent growth strategy.

6.33 It is also apparent that the historically limited supply of new homes influenced the age profile of the town's population. Until recently, its population has increasingly aged, with a reduction in the representation of younger households. Engagement with local agents suggests that the new homes which have been provided have proved attractive to families. This is reflected in evidence of a growing population and is also likely to be contributing to the creation of a more balanced population profile in the town. The benefits of this are considered further in the following section but it is noted in itself that this would be expected to sustain growing demand from this new population through the plan period which again if not accommodated for through increased flexibility in the supply of homes over the plan period will exacerbate previously seen consequences of unmet demand.

7. Accommodating Growth and Realising Benefits

7.1 The previous section identified the strength of the demand for new housing in Shifnal alongside the positive impact that a more recent increase in housing provision is having in responding to this demand and attracting and retaining new people in the town. In turn it also identified that the provision of new housing is already likely to be assisting in ensuring that the ageing trend seen within its population is offset and a greater balance in the age profile of the town is achieved going forward, as was previously the case.

7.2 This section responds to the Local Plan's identified need to ensure that the growth of Shifnal is sustainable. Specifically this looks at the balance between jobs and housing as well as the town's social infrastructure.

7.3 In considering these aspects, this also serves to highlight the strong credentials of Shifnal as a settlement in which growth can be sustainably accommodated. This is clearly shown within the Council's published supporting evidence to the Consultation Document relating to the development of the settlement hierarchy and the role identified for Key Service Centres such as Shifnal in its proposed spatial distribution of development.

Balancing jobs and housing

7.4 Evidently, one of the drivers of strong demand for new housing in Shifnal has been its connectivity to proximate strong economic market areas, as articulated in the previous section. Whilst this has sustained a strong demand for housing, the Draft Plan is clear to assert that the growth in new housing within Shifnal over recent years has not been matched by the accommodation of new employment opportunities. This has led to the town being increasingly perceived as a commuter settlement with comparatively low-levels of self-containment of those working in the town itself.

7.5 It is suggested that the extent of this balance should, however, be considered in the context of the recognition in the Council's evidence base that the town is in reality already an important employment location. Evidence assembled by the Council in 2017 identified that Shifnal was the seventh largest employment centre in Shropshire, and already supported a higher number of jobs than any Shropshire town outside the six largest settlements, distributed amongst 494 businesses (2.5% of Shropshire's total)[44].

7.6 The Business Register and Employment Survey enables up-to-date analysis to be conducted as to the number of jobs supported in the town and the key industries of employment. Of the circa 2,800 jobs supported in the town, it can be seen that arts, entertainment, recreation & other services is the industry supporting the largest share, followed by construction and education.

[44] Shropshire Council (2017) Shifnal Market Town Profile – Autumn 2017

Table 7.1: Employment in Shifnal, 2018

Industry	Employment	%
Arts, entertainment and recreation	450	16%
Construction	400	14%
Education	400	14%
Wholesale and retail trade; vehicle repair	350	12%
Accommodation and food service activities	300	11%
Human health and social work activities	200	7%
Professional, scientific and technical activities	175	6%
Utilities	100	4%
Manufacturing	75	3%
Transportation and storage	75	3%
Administrative and support service activities	75	3%
Other service activities	75	3%
Agriculture, forestry and fishing	50	2%
Information and communication	45	2%
Real estate activities	45	2%
Financial and insurance activities	15	1%
Public administration and defence	10	0%
Total	**2,840**	**100%**

Source: ONS

7.7 This profile is generally defined by those jobs which support the settlement's population i.e. services and the fabric of its social infrastructure. It is important to recognise that the continued growth of the settlement through its housing stock and in particular the ensuring of a more balanced age profile will have a positive impact on supporting these jobs and reinforcing the social infrastructure to which they are related. This is a point returned to later in this section.

7.8 Where the above profile does suggest that Shifnal accommodates other jobs not typically associated with supporting its population as referenced in section 2 the Draft Plan – in order to support further growth in jobs and create a better balance with housing – supports the release of 39.0 ha of employment land from the Green Belt around Shifnal over the plan period (Table DP25.1). This proposed allocation contributes to the identification of a total provision of around 41 ha of employment land in the settlement (Policy S15.1). The Draft Plan confirms that it is the Council's assumption that this will deliver around 16 hectares of built development. With regards the type of employment it is clear that it is assumed that this development is

expected *'to largely provide Class B1c, B2 and B8 uses serving the sub-regional supply chains on the A5, M54 and M6 corridors.'*[45]

7.9 It is agreed and supported this will form an important context for elevating employment opportunities in the town and offers the opportunity to create a more diverse and arguably resilient employment base within Shifnal. The potential for new employment in the town should as noted with reference to the implied anticipated end occupiers also be reinforced by the commitment to the M54 corridor articulated within the previous section, which also presents an important context for attracting high profile and higher value businesses to the site and therefore the settlement.

7.10 The cumulative attraction and creation of new jobs as a result of both a growing population and the delivery of new employment land will have a positive impact on increasing the job density in the town over the plan period. Whilst it should assist in elevating levels of self-containment it is also important to recognise that the town's strategic location means that it will always prove attractive for those looking to commute out to larger economic centres as well as those looking to commute in to access employment opportunities from the more rural peripheral areas[46].

7.11 In this context it is considered too simplistic to assume that the creation of what will be a substantial number of new jobs will not give rise to further demand pressures, coupled with those noted in section 6 in relation to the implications of a growing population. Where it is also reasonable to assume that the delivery and occupation of the employment site will take time it is likely that as new jobs are coming on stream in the town this will correspond with a period in which the supply of new homes has curtailed as a result of allocations being built out. Where there will potentially be a degree of displacement in people living in Shifnal choosing to work within the new employment opportunities a more balanced delivery of housing being sustained alongside the employment offer could mitigate the generation of in-commuting whilst not offsetting a longer-term vision to contribute to a greater balance between the two elements. This would again point to the fact that the demand for housing within the plan period. To this end it is important that policy does not preclude this and there is at least a greater flexibility in the potential requirement to release safeguarded land prior to the end of the plan period where the employment allocation is delivered successfully in this period.

Shifnal's Social Infrastructure and Sustainability

7.12 In support of the partial review of the Shropshire Development Plan, in 2017 the Council produced a Hierarchy of Settlements document[47] which was considered within our previous technical report. This was subsequently updated in 2020 by the Council to inform the Draft Plan[48]. These studies outline the provision of social infrastructure in

[45] Regulation 18: Pre-Submission Draft of the Shropshire Local Plan, paragraph 5.212

[46] Shropshire Council (2017) Shifnal Market Town Profile – Autumn 2017. The Shifnal Market Town Profile notes that 24.6% of all Shifnal jobs are filled by Shifnal residents while 17.2% of working people who live in Shifnal also work there, which gives an overall level of self-containment of 20.2%. Considerably more people commute out of Shifnal than commute in. In 2011 2,514 people lived in Shifnal but worked elsewhere while 1,604 people worked in Shifnal but lived elsewhere. This means that 910 more people commuted out than commuted in.

[47] Shropshire Council (2017) Hierarchy of Settlements

[48] Shropshire Council (2020) Hierarchy of Settlements

Shropshire's settlements, namely the range of services and facilities within each settlement that support those living and working within it and its surrounding hinterland. It is stated that the hierarchy is used to inform decisions on a settlement's potential to accommodate new development.

7.13 The Hierarchy provides the following definition of Primary and Secondary Services:

- **Primary Services** – Services and facilities that people need to use on a regular basis that are essential to everyday life. These include: Nursery/Pre-School; Primary School; NHS GP Surgery; Convenience Store; Post Office; Petrol Station; and Community Hall.

- **Secondary Services** – Services and facilities that people would expect to be available in larger settlements and are not needed on a day to day basis. These include: Secondary School; Library; NHS Hospital; NHS Dentist; Chemist/Pharmacy; Supermarket; Bank/Building Society; Public House; Place of Worship; Leisure Centre; Children's Playground; Outdoor Sports Facility; and Amenity Green Space.

7.14 Separate consideration is also given to the availability of High Speed Broadband Provision, Employment Opportunities and Public Transport Links.

7.15 Shifnal scores 97 points in accordance with this methodology out of a maximum possible of 116, ranking the town alongside Bishops Castle in 10th / 11th place in the Shropshire settlement hierarchy, and as the 4th / 5th highest-scoring 'Key Centre', and therefore one with significant provision of social infrastructure.

7.16 In the context of the social infrastructure already within the town, the 2020 Sustainability Appraisal report[49] (published in July 2020) affirms that Shifnal is a sustainable settlement and that a level of development in line with that proposed within the Draft Local Plan would mean that:

"*Existing businesses are likely to be maintained and supported and opportunities to create more or higher value jobs provided… The provision of, and access to, services such as schools, doctor's surgeries and shops is likely to be maintained or enhanced… this option may also; enable more walking and cycling in the town; support access to amenities such as play areas and sports facilities*"[50]

7.17 This aligns with the Shifnal Neighbourhood Plan's objectives around the provision of health and leisure facilities, with 'Policy HL1 New Medical Facility, Land at Corner of Haughton Road/Newport Road' emphasising the importance of delivering a new medical facility as part of the residential outline application at Haughton Road. Similarly, the Neighbourhood Plan highlights that new leisure and recreation provision should be delivered alongside residential development.

7.18 A further point of note is that the Sustainability Appraisal specifically references that Shifnal's provision of public transport infrastructure is also likely to be maintained or

[49] Shropshire Council (2020) Regulation 18 Pre-Submission Draft Local Plan: Sustainability Appraisal and Site Assessment Environmental Report
[50] Ibid.

increased with opportunities to co-ordinate new development with future provision. As outlined in section 5, and highlighted as a key recent development in Shifnal's Neighbourhood Plan, the town's recent growth has facilitated the improvement of transport links and further improvements would evidently have additional positive benefits on the town's sustainability as a place for people to live and work.

Implications

7.19 Previous sections have highlighted that Shifnal is well-connected to its wider economic area and is a location that exhibits demand for further residential development, with this expressly recognised within the Draft Plan. The analysis presented in this section has served to additionally demonstrate that the town does already itself accommodates significant levels of economic activity and employment, alongside a good level of social infrastructure provision.

7.20 The Council's evidence (such as its Sustainability Appraisal) indicates that the provision of new homes and employment space will serve to support existing businesses and public services in Shifnal, delivering benefits for current and future residents and ensuring the resilience of this part of its employment base.

7.21 The proposed allocation of a large employment site in Shifnal is strongly supported as a means of sustainably accommodating inward investment and enabling local business to grow building on the advantages of the M54 corridor. This will, it is agreed, offer the opportunity to create a more sustainable balance between housing and employment in Shifnal over the plan period. However, it is important to recognise that there is a realistic prospect that where the provision of housing is curtailed, as explained in section 6, on the basis of the proposed requirement for the town, this is likely to occur in parallel to a period in which new employment would be starting to be delivered on the allocation. Where some level of displacement of people living in Shifnal and working elsewhere to living and working in Shifnal could occur the enhancement in the provision of rail transport services alongside other factors is likely to make it challenging to realise this quickly. Where the creation of jobs will elevate demand for housing locally this suggests, in tandem with the conclusions of section 6, that to realise the benefits in full associated with its location on the M54 corridor the Draft Plan should recognise the need for greater flexibility in the advancement of safeguarded land within the plan period.

7.22 The identification of future growth potential represented by the safeguarded land already responds positively to Shifnal's credentials as a sustainable location that is able to accommodate growth and this flexibility will mean that the consequences of unmet demand are mitigated at a local level.

8. Conclusions

8.1 This technical report has been prepared on behalf of Miller Homes ('Miller') to inform wider representations to the Regulation 18 Pre-Submission Draft of the Shropshire Local Plan ('the Draft Plan') which the Council is consulting on until 30 September 2020. It represents an update to our previous technical report, which shared the same title and was submitted on behalf of Miller and Wallace Homes to the "Preferred Sites" consultation document in January 2019.

8.2 The purpose of this report remains to provide a technical review of the proposed level of growth in Shifnal, in the context of local and wider housing needs and its ability to sustainably accommodate growth. In building upon the conclusions in our earlier technical report, the analysis in this report recognises and reinforces:

- The clear direction provided by Government as to the importance of boosting the supply of housing as set out in the ongoing consultations with regards immediate and long-term changes to the national planning system;

- The sustained ambitions of the Council to respond positively in providing for housing to meet local needs, with the Draft Plan continuing to provide for 1,400 homes per annum (30,800 homes between 2016 and 2038) thus exceeding the current outcome of the standard method (1,177dpa). It does, however, fall below the outcome of the revised method currently being consulted upon by the Government (2,129dpa);

- The spatial distribution advanced by the Council, which recognises the scale and role of individual settlements – as evidenced through the hierarchy – and the importance of growing key centres such as Shifnal;

- The positive implications of the Council's support for the regionally and nationally significant M54 Growth Corridor with regards Shropshire's economy and by implication the need for housing, noting specifically the location of Shifnal;

- The extent to which the adopted Core Strategy and Site Allocations and Management of Development Plan have provided a supportive framework to enable growth in the housing stock of Shifnal, responding and serving to mitigate to date evident housing demand pressures; and

- The credentials of Shifnal as a sustainable location for further housing growth in the context of its social and transport infrastructure, as well as the approach advanced in the Draft Plan to allocate a significant amount of new employment land to respond to demand generated by the M54 Corridor and in the interest of supporting the settlements sustainable growth.

8.3 **The evidence presented in this report supports the approach taken by the Council to plan positively for accommodating identified long-term housing needs but indicates that the proposed requirement is likely to underestimate the full need for housing.** The report identifies that:

- **The NPPF / PPG strongly support the position taken by authorities such as Shropshire to identify a housing requirement which is higher than that implied as a '*minimum*' level through the standard method.** This particularly recognises economic ambitions relating to the M54 growth corridor with a clear commitment across a range of strategies to ensure that this investment is successful, with the outlined aspiration representing a significant potential growth in employment opportunities across the corridor. Furthermore planning for a higher level of provision is necessary to respond to the pressing need to deliver much needed affordable homes to address the consequences of historic under-provision;

- **Whilst the proposed housing requirement is higher than the outcome of the current standard method, up-to-date demographic projections suggest higher levels of need are likely to arise where recent growth is sustained.** This is reflected in the outcome of the new standard method proposed by Government, which it is acknowledged is only out for consultation but reflects the impact of these more recent projections on need in the county; and

- **Planning for higher levels of housing need is also considered prudent in the context of the significant housing need pressures identified in the Greater Birmingham/ Black Country HMA**, with which both Shropshire as a whole and Shifnal are identified as having strong functional housing market relationships. There is little evidence to date that the full scale of need associated with either a minimum level, or indeed those associated with delivering the HMA's economic growth ambitions, will be accommodated in the current generation of Local Plans. The result will be a continued displacement of housing demand pressures, which will in turn place greater pressure on local housing markets in Shropshire, as well as other areas, where connections are strongest. The opportunity exists for the Council to take an even more positive approach in providing for these needs again with reference to the unique position it has in joining housing markets through the M54 Corridor.

8.4 **The report also provides strong evidence-based support for the proposed policy approach of allocating and identifying future further potential land for housing growth in Shifnal.** However, the analysis identifies – in the face of higher potential need pressures and in responding to evidence of market signals and the delivery of new employment opportunities – that **the Plan should incorporate greater flexibility to support this land, which is currently identified as safeguarded land, in coming forward in the plan period where justified.** The report shows that:

- **Recently higher housing delivery in Shifnal has served to mitigate what were increasingly acute affordability issues arising from the historic under-provision of housing, in the face of strong demand.** Where it is recognised that the population of Shifnal will continue to grow and that its location in the M54 Corridor is a material factor in shaping demand there is a risk that the curtailing of new housing provision later in the plan period will result in a reversion to these adverse consequences.

- **The continued growth of the settlement's population through its attraction of families can be expected to reinforce the settlement's future vitality and sustainability.** It will also reasonably result in a continued local demographically driven demand to be generated which if unmatched by supply through the plan period in Shifnal will lead to the potential displacement of need and exacerbate market pressures; and

- **The parallel delivery of new employment space will have a positive impact in creating opportunities for more people to live and work in Shifnal**. However, where it is recognised that the settlement currently already has a reasonable level of employment and that its strong connectivity means that it retains a small proportion of its labour-force it is important to recognise that re-balancing will not happen immediately. The potential alignment between a reduction in housing delivery and the realisation of new employment opportunities on the proposed employment allocation later in the plan period will only potentially serve to exacerbate supply / demand issues later in the plan period if not mitigated through flexibilities to enable new housing to be delivered. This would need to respond to evidence of rising demand pressures and an accompanying growth in new employment being realised in the settlement. The settlement's existing social infrastructure provides a strong basis to accommodate sustainable growth in this manner.

Turley
1 New York Street
Manchester
M1 4HD

T 0161 233 7676

Turley