

Leader of the Council – Cllr Patrick Harley

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3 March 2021

Shropshire Council

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Dear Sirs

Re Shropshire Local Plan Regulation 19 Consultation

Thank you for Consulting Dudley Metropolitan Borough Council (and the other Black Country authorities) on the Shropshire Local Plan Regulation 19 Consultation. Following discussions through the Association of Black Country Authorities (ABCA), this letter provides Dudley Metropolitan Borough Council's supplementary response to the ABCA consultation response.

Background

Including through ABCA, Dudley Metropolitan Borough Council has engaged actively and positively in the various stages of the Shropshire Local Plan. Our most recent engagement was as part of the ABCA response to the Regulation 18 consultation in September 2020. The ABCA representations addressed three principal issues – housing, employment land and minerals and waste, all associated with the requirement for the Local Plan to address the Duty to Cooperate and specifically to respond positively to help address the identified shortfall of land to meet growth needs arising in the Black Country. ABCA also requested that the Plan should contain a mechanism which would allow the Council to trigger a review of the Plan in the light of the rate and location of housing delivery or in the event of a greater



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need for additional housing - either associated with meeting the needs of Shropshire, or adjacent housing market areas including the Black Country.

We note the amendments made to the Regulation 18 Plan in responding to the representations from ABCA around the issue of employment land provision. We also note that the Plan retains the commitment to attribute an element of the housing target to meet Black Country needs.

Given the scale of the quantitative and qualitative shortfall in the Black Country and based upon the evidence available, Dudley Metropolitan Borough Council considers statements saying that issues in the Plan might be subject to review insufficient. Instead a firmer undertaking to conduct an early review should be made in the Plan to ensure that it provides clear commitment to help meet projected development needs for the future.

As it stands, the Regulation 19 Plan still does not positively or effectively respond to cross-boundary strategic matters and as such we **object** to the Shropshire Local Plan and its proposed Strategic Approach.

We set out our detailed assessment of the key Duty to Co-operate issues below. These include employment and housing issues that need to be addressed in order for the Plan to be made sound.

Employment

The Shropshire Local Plan makes provision for the incorporation of 30ha of land within the overall employment land target to meet needs arising in the Black Country. The evidential basis for this approach is set out in the Economic Development Needs Assessment (EDNA) published by Shropshire Council in December 2019, which identifies strong labour market



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linkages with the Black Country and Wolverhampton in particular and suggests that close co-operation on employment land supply balance is recommended going forward.

The Black Country employment land requirement ranges between 592ha (baseline growth) and 870ha (aspirational growth based on West Midlands Combined Authority SEP). Existing Black Country urban employment land supply (including recent completions) provides approximately 305ha of land, leaving a shortfall of between 263 ha and 500 ha, depending on the growth scenarios applied. The Black Country Authorities are considering all opportunities to bring forward additional employment land within the urban area, and land within the Green Belt, but this exercise will not make a significant impact upon addressing the unmet need. Work to find sites in other areas is on-going, and it will include some proportion of the consented 'West Midlands Interchange' at Four Ashes in South Staffordshire. However, contributions secured through the Duty to Co-operate are limited to a total of 50ha in total (including 30ha in the Shropshire Local Plan).

The 2015 West Midlands Strategic Employment Sites Study defines 'strategic sites' as those sites that provide at least 25ha that can bring net additional activity and jobs to the region and attract nationally or internationally mobile business activity. The Study found that the Black Country and Southern Staffordshire has a severe lack of strategic employment land on sites of a minimum of 25ha in size to meet demand for large industrial type units.

The 2017 West Midlands Land Commission report similarly concluded that "*the shortfall of land for employment space is at least as pressing as the shortage of land for new homes, and possibly more so*" (paragraph 5.20).

An update to the West Midlands Strategic Sites Study, commissioned by the three West Midlands LEPs and Staffordshire County Council, is anticipated to be published in early 2021. However, there remains a lack of strategic high-quality employment land. This was



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recognised in the Secretary of State decision on the proposed West Midlands Rail Freight Interchange in May 2020. This referred (paragraph 17) to “a significant level of need for additional logistics floor-space in the region” and the “strong market demand and shortage in the supply of large warehouse buildings and sites within the proposed WMI [West Midlands Interchange] Market Area”.

In quantitative terms, the employment land requirement identified in Shropshire’s EDNA is between 164ha and 264ha (including the current proposed 30ha Black Country contribution). The existing supply in Shropshire is 276ha and the Plan target 300ha. This suggests that there is headroom that could be attributed to meeting needs arising in the Black Country and the 30ha contribution could be increased further. The increase to the employment land contribution should also reflect qualitative factors which in this case includes the significant and increasing demand for advanced logistics premises in locations with good accessibility to the M54. Further consideration of the qualitative factors is outlined below.

The employment sites in Shifnal and Bridgnorth could be assumed to be capable of contributing towards non-strategic needs arising in the Black Country given their size and distance from the motorway network. This in turn would limit the range of occupiers who are likely to be attracted to them and so would be unlikely to be attractive to large scale and footloose inward-investment requirements. This is consistent with the findings of the EDNA, which acknowledges that demand for ‘Big Box’ units (10,000 sqm plus) has been generally limited within Shropshire. However, this is in part as a result of there being no readily available supply of suitably located, high quality larger stock to offer recently. Furthermore, the EDNA concludes that newly developed modern stock has largely catered to smaller occupiers and trade counter uses, and much of the existing larger stock is dated and in need of refurbishment in order to meet the requirements of modern occupiers.



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From the evidence, it is clear that there will continue to be a significant quantitative and qualitative shortfall of land in the Black Country and neighbouring areas. The M54 Growth Corridor has been identified in the Strategic Options Study (2019) as a “*key strategic gateway for both Shropshire and its neighbours*” and a “*key growth Corridor for both employment and residential development, resulting from the strong transport links present and critical mass from the presence of nationally significant education, training and employment opportunities*”. The provision of just 30ha towards Black Country employment needs is not considered sufficient to respond positively or effectively to cross-boundary strategic matters and the alternative locations for such developments primarily along the M6 and M54 transport corridors is extremely limited; there are only so many junctions that could accommodate further growth.

Given the scale of the quantitative and qualitative shortfall and the size of Shropshire relative to its neighbours, we request that the Shropshire Local Plan should increase its employment requirement to provide for significantly more than the 30ha of employment land identified so far. In view of the headroom referred to above, there is a need for strong evidence as to how much land could sustainably and practically be delivered on the sites identified in the Regulation 19 document (e.g. at Shifnal and Bridgnorth) and through continuing consideration of strategic sites. In particular, land to the north of M54 Junction 3 has been promoted as a potential Strategic Employment Site, with potential to provide 75ha of employment land. This could complement development at Shifnal and take up opportunities that might arise at Cosford. The potential for employment, and housing, development in the area north of Junction 3 was strongly supported by ABCA in its September 2019 response to Shropshire’s consultation on Strategic Sites. We remain in support of this proposal and take the view the Shropshire Local Plan should support a strategic settlement (which as referred to below) would also help to meet the housing needs of the Black Country.



Housing

Turning to housing, the Shropshire Local Plan makes provision for up to 1,500 homes attributed to meeting needs arising in the Black Country. As referred to above, whilst the proposed allocations in the Plan at Bridgnorth and Shifnal could make some contribution towards Black Country needs given existing migrations patterns, geographical proximity and physical links, they are not strategic and do not benefit from direct access and visibility from the M54 corridor. Furthermore, it is likely that there will continue to be a significant shortfall of land to meet Black Country housing needs even in the light of this contribution and those of other emerging neighbouring Local Plans.

The Black Country has provided detailed evidence in the form of an Urban Capacity Review Update 2019. This study has demonstrated that the Black Country's housing need, between 2019–2038, is 71,500 homes, of which 44,500 homes can be accommodated in the urban area leaving a shortfall of 27,000. This shortfall is likely to increase by around 5,000 homes as a result of the publication in December 2020 of the new national method to calculate local housing need. An updated Urban Capacity Review is in preparation to inform the Draft Black Country Plan.

From the evidence, it is clear that the Black Country cannot accommodate all of its needs in its existing urban areas. As you will know, the Black Country authorities have engaged in discussions with neighbouring local authorities as part of our Duty to Co-operate requirements, but the Green Belt is an issue for authorities over a wide area (including Shropshire) as well as for the Black Country (see below).

In terms of 'non-urban' opportunities within the Black Country, ABCA has undertaken a Green Belt and Landscape Sensitivity Assessment, supplemented by comprehensive environmental evidence, including historic landscape characterization and ecological



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surveys, which severely constrain capacity to deliver large scale development across much of the Black Country.

Whilst ABCA has yet to finalise the site assessment, viability and delivery work, it is envisaged that market deliverability will also limit the capacity of the Black Country Green Belt up to 2039. This assumption is based on the case of the Birmingham Plan, where the Peter Brett Associates (PBA) Delivery Study concluded that market deliverability placed significant constraints on the amount of housing which could be delivered in the Birmingham Green Belt up to 2031. These constraints reduced the actual capacity of the urban extension identified in the Plan consultation from 10,000 to 5,000 homes, over the 15-year period of the Plan. This assumption was based on a strong housing market recovery scenario in one of the strongest housing markets areas in the West Midlands.

As the majority of the Black Country Green Belt is located primarily in Walsall and, to a lesser extent, in Dudley, these are the two main housing market areas for potential delivery of housing in the Green Belt, with only small amounts of housing potential in Wolverhampton and Sandwell. Therefore, based on a scenario that there was sufficient unconstrained capacity identified in the Black Country Green Belt, a Delivery Study based on similar principles to that completed for Birmingham, may reasonably conclude that the Black Country could only be expected to deliver some 10,000 homes in the Green Belt over the 15-year Plan period, leaving a significant shortfall to be met in neighbouring authorities.

Turning to the neighbouring authorities, the Black Country authorities have undertaken Duty to Co-operate discussions to determine their ability to accommodate some of the Black Country's unmet need. A number of local authorities - including South Staffordshire, Lichfield and Cannock as well as Shropshire - have indicated that they will seek to test their ability to accommodate additional housing needs over and above their own local needs as part of their local plan review process. At this stage, it is anticipated that these contributions could



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accommodate in the region of up to 10,500-12,500 homes and, in the best-case scenario, this would leave the Black Country with a significant shortfall of approximately 14,500-16,500 houses, plus some further 5,000 homes added to this shortfall as a result of the new national method. For clarity, this position is set out in the table below.

black country need	capacity of black country urban area	indicative market capacity of black country green belt	potential contributions from neighbouring authorities	shortfall
71,500 (plus 5,000 as a result of new national method)	44,500	10,000	10,500 – 12,500, -	9,500 - 11,500 (plus 5,000 as a result of new national method)

However, there is no certainty that the contributions from authorities outside of the Black Country will come forward. It is therefore important that firm commitments come forward now as part of the Shropshire Local Plan Review, the most advanced of all the neighbouring plans, and that those commitments are capable of meeting identified strategic needs. We request that the Shropshire Local Plan should increase its housing requirement by 3,000 to incorporate up to 4,500 dwellings to support the housing needs of the emerging Black Country Plan. Some 1,500 of this could be met by the proposed housing allocations in the Plan around Shifnal and Bridgnorth, with the addition of up to 3,000 dwellings to be met at Land to the north of Junction 3 of the M54 as part of a new Strategic Settlement. Land to the north of Junction 3 of the M54 was strongly supported by ABCA during the Strategic Sites consultation in 2019.



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Minerals and Waste issues

Our position on the minerals and waste policies DP29 to DP33 corresponds to that set out in the ABCA representations to the Regulation 18 consultation.

In brief there is evidence that facilities in Shropshire provide for both minerals and waste requirements arising in the Black Country. The availability of aggregates has been in excess above minimum guidelines and the Plan does not propose any additional site allocations. Turning to waste management, existing consented facilities are anticipated to provide sufficient capacity to accommodate forecast throughput negating the need for additional facilities.

For the reasons outlined above Dudley Metropolitan Borough Council **object** to the Regulation 19 Shropshire Local Plan on the basis it does not positively or effectively respond to cross-boundary strategic matters.

We are aware that other Black Country authorities are offering officer meetings to discuss a way forward. Dudley officers will, of course, be happy to participate. However, as Leader of the Council I would like to propose a Members' meeting to seek a resolution to the important issues.

Yours sincerely

Councillor Patrick Harley

Leader of Dudley Metropolitan Borough Council

