

## Shropshire Council Response:

### Matter 4 – Housing and Employment Land Needs (policy SP2)

#### Issue

Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national planning policy in relation to the overall provision for housing and employment land.



## Questions

### Housing

*Question 1. Is the preferred approach to housing growth and the housing requirement set out in Policy SP2 of 30,800 dwellings (1,400 dwellings per annum) over the plan period of 2016 to 2038, justified, positively prepared and consistent with national policy?*

#### **Shropshire Council Response:**

- 1.1. The level of residential development (known as the housing requirement) proposed for Shropshire is documented within draft Policy SP2 of the draft Shropshire Local Plan. It forms an integral part of the proposed spatial strategy for the level and distribution of development across Shropshire, which is primarily captured within draft Policy SP2, and then expanded upon within the wider draft Policies of the draft Shropshire Local Plan.
- 1.2. Shropshire Council considers that the proposed housing requirement of around 30,800 dwellings over the proposed plan period from 2016 to 2038 (equating to around 1,400 dwellings per annum) is justified, positively prepared and consistent with national policy.
- 1.3. The proposed housing requirement is considered to be 'positively prepared' as it has been informed by and will meet local housing need, as calculated using Government's Standard Methodology.
- 1.4. Specifically, the local housing need calculated for Shropshire (as at April 2020) equates to some 25,894 dwellings between 2016 and 2038. This calculation is documented within the Local Housing Need Assessment (**EV069**). The proposed housing requirement of 30,800 dwellings over the proposed plan period from 2016 to 2038 is sufficient to meet this local housing need and support the long-term sustainability of the County.
- 1.5. Furthermore, it also provides some flexibility to respond to changes to local housing need over the proposed plan period, and provides an opportunity to:
  - a. Respond positively to specific sustainable development opportunities;
  - b. Increase the delivery of family and affordable housing to meet the needs of local communities and support new families coming into Shropshire;
  - c. Support the delivery of specialist housing for older people, people with disabilities and the needs of other groups within the community;
  - d. Support the diversification of our labour force; and
  - e. Support wider aspirations, including increased economic growth and productivity.

- 1.6. The preparation of the draft Shropshire Local Plan, including the proposed housing requirement, has also been positively informed by engagement and 'duty to cooperate' discussions undertaken with adjoining and closely related Local Planning Authorities.
- 1.7. This process did not identify any unmet cross-boundary housing need within adjoining Local Planning Authorities which would be appropriately and sustainably met within Shropshire.
- 1.8. The proactive engagement and duty to cooperate discussions that have occurred with adjoining Local Planning Authorities is summarised within the relevant Statements of Common Ground (SoCG) (documents **EVO28-EV040, GC4e, GC4f, GC4r and GC4s**) and within the Duty to Cooperate Statement of Compliance (**EVO42**).
- 1.9. However, Shropshire Council was informed about unmet housing and employment need forecast to arise within the Black Country. The Shropshire administrative area does not adjoin any of the Black Country Authorities administrative areas. Furthermore, Shropshire is a self-contained Housing Market Area (HMA) rather than being a part of the Greater Birmingham and Black Country Housing Market Area (GBBCHMA) containing the Black Country Authorities.
- 1.10. The information provided regarding forecast unmet housing and employment need in the Black Country was considered in relation to the wider relationship of Shropshire and the Black Country, including road and rail links and the pattern of movements between these two areas, particularly between the central and eastern areas of Shropshire and with the areas of Wolverhampton and Dudley.
- 1.11. Ultimately, Shropshire Council considered the forecast unmet housing need in the Black Country to be a relevant strategic matter for the preparation of the draft Shropshire Local Plan. It was determined through duty to co-operate discussions with the Black Country Authorities that part of their unmet housing need could be appropriately and sustainably met within Shropshire.
- 1.12. Specifically, a contribution of around 1,500 dwellings is proposed towards the unmet housing need forecast to arise within the Black Country. This proposed contribution is captured within the proposed housing requirement.
- 1.13. Paragraphs 3.72-3.129 of Chapter 3 of the Housing Topic Paper (**GC4i**) provides further details on the process undertaken to inform the identification of an appropriate contribution to the unmet housing need forecast to arise within the Black Country.

- 1.14. The proactive engagement and duty to cooperate discussions that have occurred between Shropshire Council and the Black Country Authorities, the agreement of the resultant proposed contribution towards the unmet housing need forecast to arise within the Black Country, and the agreement of the approach to achieving this contribution are summarised within the SoCG (**EVO41**) completed between Shropshire Council and the Black Country Authorities, and within the Duty to Cooperate Statement of Compliance (**EVO42**).
- 1.15. The proposed housing requirement is considered to be 'justified' as it represents an appropriate strategy which has been informed by a proportionate and robust evidence base and consideration of reasonable alternatives.
- 1.16. As documented in paragraph 1.4, the proposed housing requirement has been informed by and will meet local housing need, as calculated using Government's Standard Methodology. This calculation is summarised within the Local Housing Need Assessment (**EVO69**).
- 1.17. As also documented in paragraphs 1.4-1.5, the proposed housing requirement also provides flexibility to respond to changes to local housing need, supports long-term sustainability, responds to identified opportunities in the county, and incorporates the 1,500 dwelling contribution towards the unmet housing need forecast to arise within the Black Country.
- 1.18. In this way it positively responds to and has been informed by wider available evidence such as that within the Strategic Housing Market Assessment (SHMA) (**EVO97.01** and **EVO97.02**) relating to the need for affordable housing (the delivery of which is a key priority in Shropshire) and the housing needs of other groups within the community, particularly older people given the demographics of Shropshire.
- 1.19. It has also been informed by the aforementioned proactive engagement and duty to cooperate discussions with adjoining and closely related Local Planning Authorities, extensive consultation through the iterative Regulation 18 'Plan Making' consultations undertaken as part of the Local Plan Review process, consideration of wider policy objectives for Shropshire, and consideration of the development opportunities identified as part of the Local Plan Review process.
- 1.20. Furthermore, Sustainability Appraisal (**SD006.01-SD006.22**), Habitats Regulations Assessment (**SD008.01-SD008.03**) and Equality and Social Inclusion Impact Assessment (**SD010**) were also undertaken, through an iterative process reflecting that undertaken in the preparation of the draft Shropshire Local Plan,

to both inform the identification of and appraise the suitability of the proposed housing requirement.

- 1.21. Shropshire Council considers that the various proposed policy mechanisms within the draft Shropshire Local Plan that will facilitate the achievement of the proposed housing requirement and the housing land supply (**GC4j**) identified in support of the draft Shropshire Local Plan provide confidence regarding the deliverability of the proposed housing requirement over the proposed plan period.
- 1.22. As referenced within the response to Question 3 of Matter 3 and summarised within Chapter 2 of the Housing Topic Paper (**GC4i**) and the Sustainability Appraisal undertaken to inform the preparation of and assess the sustainability of proposals within the draft Shropshire Local Plan (**SD006.01-SD006.22**), the identification of this proposed housing requirement has been informed by the consideration of reasonable alternatives, in a manner reflective of the iterative process utilised to undertake the Local Plan Review.
- 1.23. The proposed housing requirement is considered to be 'consistent with national policy'. In summary:
- 1.24. Consistent with Paragraphs 7-11, 20, 23 and 60-61 of the National Planning Policy Framework (NPPF), the proposed housing requirement is sufficient to meet local housing need (as calculated using Governments Standard Methodology – see document **EVO69**).
- 1.25. It has also been informed by proactive engagement and duty to cooperate discussions with adjoining and closely related Local Planning Authorities and incorporates the 1,500 dwelling contribution towards the unmet housing need forecast to arise within the Black Country – further information on this process is provided earlier in this response.
- 1.26. Furthermore, the proposed housing requirement also forms an integral part of the spatial strategy for the level and distribution of development across Shropshire. Shropshire Council strongly believes that this proposed spatial strategy will positively contribute to the achievement of sustainable development and the long-term sustainability of Shropshire. It is also considered to directly respond to the unique and varied characteristics of Shropshire and the needs of our diverse communities. This position is supported by the conclusions of the Sustainability Appraisal undertaken to inform and assess the sustainability of the draft Shropshire Local Plan (**SD006.01-SD006.22**).
- 1.27. It is also supported by policy mechanisms which manage housing delivery and a robust housing land supply which provides confidence regarding the deliverability of the proposed

housing requirement over the proposed plan period (as summarised within the Five Year Housing Land Supply Statement (**GC4j**)).

- 1.28. Consistent with the requirements of Paragraphs 20 and 22 of the NPPF, the housing requirement is set-out in a strategic policy, (draft Policy SP2) of the draft Shropshire Local Plan and covers a minimum 15 year period (Shropshire Council is subject to the transitional arrangements regarding the need to consider a longer period of at least 30 years).

*Question 2. Is the housing requirement in the Local Plan appropriately aligned with forecasts for jobs growth?*

**Shropshire Council Response:**

- 2.1. The draft Shropshire Local Plan sets out in Policy SP2 the housing strategy to deliver a requirement for 30,800 dwellings from 2016 to 2038. This housing requirement seeks to:

*"...meet housing need and support the long-term sustainability of the County. It also provides some flexibility to respond to changes to LHN over the plan period and an opportunity to:*

- a. Respond positively to specific sustainable development opportunities;*
- b. Increase the delivery of family and affordable housing to meet the needs of local communities and support new families coming into Shropshire;*
- c. Support the delivery of specialist housing for older people, people with disabilities and the needs of other groups within the community;*
- d. Support the diversification of our labour force; and*
- e. Support wider aspirations, including increased economic growth and productivity."*

- 2.2. The Economic Development Needs Assessment (EDNA) (**EVO43**) considered the housing requirement as one growth scenarios for the draft Shropshire Local Plan. The EDNA concluded the housing requirement would have a jobs growth forecast of a minimum of 12,145 jobs. To align with this job growth forecast, the housing requirement seeks to support the diversification of the labour force.

- 2.3. This objective has to be achieved within a County population with a significant ageing demographic compared with the populations of the West Midlands and the UK. It is also expected the anticipated population growth will be driven by in-migration

into the County. This in-migration is also expected to be characterised by a significant ageing demographic. The housing strategy must therefore seek to balance two key objectives of supporting the delivery of specialist housing for the elderly and disabled on the one hand with increasing the delivery of family and affordable housing to meet the needs of local communities and to increase the supply of labour coming into the County.

- 2.4. This housing strategy, built around the housing requirement for 30,800 dwellings, will help to deliver the objectives of the Shropshire Economic Growth Strategy (SEGS) (**EV044**). The SEGS recognises housing to be an important consideration for businesses so that employees can secure the type of housing they want in Shropshire. This key part of the economic strategy must also be balanced with the delivery of high-quality employment and ensure a sufficient supply to retain younger people and families in the County. This will help to deliver a 'step change' in our economic performance and help attract a more balanced demographic to settle in Shropshire.
- 2.5. The Housing Requirement Scenario in the EDNA has a job growth forecast for local housing need alone (not including a contribution towards Black Country unmet need) of 12,145 jobs. This does fall short of the job growth forecast of 19,627 jobs for the Regeneration Strategy, taken to represent the SEGS and to direct the Draft Local Plan, with an employment requirement of 300ha. This is set out in the Employment Requirement Topic Paper (Chapter 5 paragraphs 5.1- 5.23) (**EV112**).
- 2.6. The addition of the Black Country contribution to the Shropshire employment need would bring the job growth forecast for the Housing Requirement Scenario closer to the anticipated job growth for the Regeneration Strategy. [The Black Country housing contribution is expected to deliver an additional labour supply of 1,715 people but it is considered that these people will be absorbed by the forecast jobs growth in Shropshire].
- 2.7. The Employment Topic Papers identify the need for an additional 2,300 jobs to influence the commuting flows for employment in Shropshire from the Black Country employment contribution. This opportunity is identified in the EDNA in paragraph 4.38.
- 2.8. This would raise the job forecast for the Housing Requirement Scenario to 14,445 jobs (from 12,145 jobs plus 2,300 jobs). This more closely aligns with the job forecast for the Regeneration Strategy at 19,627 jobs, as shown in the EDNA.
- 2.9. It is acknowledged that the Regeneration Strategy (at 19,627 jobs) is still around 5,200 jobs higher than the adjusted Housing Requirement Scenario (at 14,445 jobs). Further, the Regeneration Strategy would increase with the addition of the

Black Country employment contribution increasing employment need in Shropshire to 21,927 jobs (19,627 jobs plus 2,300 jobs).

- 2.10. Nevertheless, the Housing Requirement Scenario would still increase to a higher level at 14,445 jobs. In addition, the employment land requirement associated with the Housing Requirement Scenario has also been adjusted upwards.
- 2.11. The employment land requirement originally forecast to be 151ha rose in the EDNA to 181ha with the Black Country contribution of 30ha. The employment land requirement was then further adjusted in the Employment Topic Papers to take account of the less efficient use of land in Shropshire. The EDNA determined the employment requirements on a 40% development density which was adjusted to 26% for Shropshire.
- 2.12. The employment land requirement for the Housing Requirement Scenario therefore increased from a baseline of 151ha to an adjusted requirement at 280ha. This adjusted requirement aligns very closely with the employment land requirement for the Draft Local Plan (based on the Regeneration Strategy Scenario) at 300ha from 2016 to 2038. A greater efficiency in the use of employment land in Shropshire, advocated in the draft Local Plan for larger employment allocations, could therefore increase the jobs forecast for the Housing Requirement Scenario further possibly bringing the number close to the forecast for the SEGS Regeneration Scenario.
- 2.13. Critically, the EDNA records in Table 8.10, the anticipated effect of the forecast population change in the County on all the employment growth scenarios for the Draft Local Plan. This effect serves to lift the burden on housing delivery to provide the labour supply to meet the jobs growth forecast in Shropshire.
- 2.14. It is anticipated that the development of 30,800 dwellings will bring an increase in the 16+ population of around 26,300 people. This would positively influence the economic spatial strategy by more than generously providing for the labour supply required by forecast jobs growth in the EDNA.
- 2.15. Conversely, the EDNA anticipates that only 2,243 persons are expected to be economically active and only 2,079 persons are expected to enter employment in the County. It is therefore expected that whilst Housing Requirement Scenario does not fully align with the job growth forecast it is equally not forecast to provide the required labour supply in Shropshire.
- 2.16. The Council consider that increasing the housing requirement even further is not an appropriate solution. Shropshire will not reach a better alignment between labour supply and jobs growth by increasing the overall supply of housing. Rather the economy needs to achieve the desired 'step change' in the growth of



employment with an improvement in economic performance in order to influence the demography of the County and the migration flows that drive population change in Shropshire.

2.17. This presents a number of critical facts about the plan strategy:

- a. the ageing demography of the County indicates the labour supply will not come entirely from the new housing growth in the County as indicated in the Employment Strategy Topic Paper (Chapter 5 paragraphs 5.33-5.47);
- b. the employment land requirement is expected to draw more investment into Shropshire than anticipated in any current job growth forecasts for Shropshire as indicated in the Employment Requirement Topic Paper (Chapter 3 paragraphs 3.1-3.10) and the Employment Strategy Topic Paper (Chapter 2 paragraphs 2.1-2.14) (**GC4n**);
- c. the effect of drawing more investment into the County is expected to support the broader objectives of:
  - i. influencing the demography of the migration flows into the County;
  - ii. retaining young people and working age people to both live and work in the County;
  - iii. attracting in-commuters from neighbouring authorities or retaining out-commuters within Shropshire through supporting unmet needs within the sub-region;
  - iv. encouraging those who are workless but who wish to secure a job to enter the employment market or to encourage those in need of help to access education and training to secure a full time or higher quality job; and
  - v. encouraging those already in work to remain in full time employment beyond the statutory retirement age or to fulfil more than one role in the employment market through a combination of part time jobs (double jobbing).

2.18. The Council has also identified through the Employment Topic Papers, that economic forecasting does not appear to reflect the evidence of the performance of the County. The monitoring of delivery of employment land, floorspace and jobs indicates that take up in the County is likely to exceed the forecast growth.

2.19. The potential for a higher growth is supported by stronger short-term growth in the delivery of developed land for Class B development of 12.5ha/year from 2016 to 2020. This is significantly higher than the medium-term rate of 9.6ha/year from 2006 to 2016 (Employment requirement Topic Paper Chapter 4 paragraphs 4.17-4.20). The rate of 12.5ha/year from

2016 to 2020 also reflects a return to the historical employment delivery rate of 12.45ha/year between 1989 and 2006.

- 2.20. The short-term rate from 2016 to 2020 has brought forward around 1,733 jobs in Class B employment within 4 years. This would question the Experian Scenario estimate for 6,500 jobs in Class B uses and the Regeneration Scenario estimate of around 7,500 jobs in Class B uses, for the 22 years from 2016 to 2038.
- 2.21. The Council expects that the local economy will perform well and strongly over the plan period. The Employment Topic Papers anticipate total jobs between 29,178 and 35,627 with around 14,000 jobs in Class B or equivalent land uses. These are expected to help the County to achieve the objectives for the economic spatial strategy to:
  - a. retain young people and better qualified, economically active people within the County;
  - b. bring a better demographic mix of in-migrants through changes to the mix and type of housing developed; and
  - c. positively influence the ageing demography of the County.

*Question 3. What provision is made within the Local Plan to fulfil the identified unmet housing needs of the Black Country, and will the Local Plan's approach be effective in addressing this sustainably within the plan period, in accordance with national policy?*

**Shropshire Council Response:**

- 3.1. Shropshire Council's proposed contribution towards meeting the unmet housing need forecast to arise within the Black Country and the proposed approach to sustainably delivering this proposed contribution is summarised within Paragraph 3.7 of the explanation to draft Policy SP2. This states:

*"Shropshire's housing requirement of around 30,800 dwellings 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 and delivered through policies S1-S21 of this Local Plan."*

- 3.2. Further detail on Shropshire Council's proposed contribution to the unmet housing need forecast to arise within the Black Country and the proposed approach to meeting this proposed contribution is provided within Chapter 3 of the Housing Topic Paper (**GC4i**).

3.3. The proposed contribution and the proposed approach to achieving this contribution have been positively informed by proactive engagement and duty to cooperate discussions between Shropshire Council and the Association of Black Country Authorities (ABCA) undertaken throughout the Local Plan Review process. This has been summarised within Chapter 3 of the Housing Topic Paper (**GC4i**) and is also documented within the SoCG (**EV041**) between these parties.

3.4. ABCA's response to the Regulation 18: Pre-Submission Consultation (Appendix 1 of **GC4i**) supported both the proposed contribution and the proposed strategy for meeting this need. Specifically, their response stated they *"strongly support the Local Housing requirement of 30,800 homes as set out in Policy SP2 of the Regulation 18 Local Plan in terms of it incorporating 1,500 dwellings to support the housing needs of the emerging Black Country Plan. We agree that this reflects a positive approach to cross-boundary cooperation and responds to the functional relationship between the two areas.*

*We note that this contribution will be accommodated through the distribution of development proposed in the Regulation 18 Plan, and consider that allocations in the principal settlements in the eastern areas of the County closest to the Black Country including Shifnal and Bridgnorth are well placed to meet this need."*

3.5. ABCA's representations (A0377) to the Regulation 19 Pre-Submission Consultation similarly supported both the proposed contribution towards the unmet need forecast to arise within the Black Country and the proposed strategy for meeting this need, stating *"We confirm our support for the Plan provision for up to 1,500 homes attributed to meeting needs arising in the Black Country. The allocation of significant levels of development in both Bridgnorth and Shifnal could credibly meet Black Country needs given existing migrations patterns, geographical proximity and physical links."*

3.6. The SoCG (**EV041**) completed between Shropshire Council and the Black Country Authorities includes agreement of the following matters relating to housing:

a. Shropshire Council has accepted the principle of meeting a proportion of the 'unmet' housing need forecast to arise within the Black Country in a way which recognises the functional relationship between the areas and which respects the character of Shropshire.

b. A contribution in Shropshire of around 1,500 dwellings towards meeting the unmet housing need forecast to arise within the Black Country.

- c. That this contribution would not be met on a specific site allocation or within a specific settlement, but rather this unmet housing need would be simply incorporated within the Shropshire Local Housing Need and met in accordance with the proposed strategy for the distribution of development across Shropshire.
- 3.7. Shropshire Council considers that the proposed approach to delivering the proposed contribution is effective, sustainable and consistent with national policy.
- 3.8. The proposed spatial strategy for the level and distribution of development is primarily captured within draft Policy SP2 of the draft Shropshire Local Plan, and then expanded upon within the wider draft Policies of the draft Shropshire Local Plan.
- 3.9. With regard to the level of residential development, draft Policy SP2 explains that between 2016 and 2038, around 30,800 dwellings (equating to around 1,400 dwellings per annum) will be delivered in Shropshire.
- 3.10. This level of development is sufficient to meet local housing need (as calculated using Government's standard methodology), provides flexibility to respond to changes to local housing need, support the long-term sustainability and responds to identified opportunities in the county, and incorporates the 1,500 dwelling contribution towards the unmet housing need forecast to arise within the Black Country.
- 3.11. Shropshire Council considers that the various proposed policy mechanisms within the draft Shropshire Local Plan that will facilitate the achievement of the proposed housing requirement and the housing land supply (**GC4j**) identified in support of the draft Shropshire Local Plan provide confidence regarding the deliverability of the proposed housing requirement over the proposed plan period.
- 3.12. With regard to the distribution of residential development, draft Policy SP2 explains that a core principle of this spatial distribution is 'urban focus', by which the majority of residential development will be directed into identified 'urban' areas. These urban areas are:
  - a. Shrewsbury, the proposed Strategic Centre of Shropshire;
  - b. The five proposed Principal Centres and 11 proposed Key Centres of Shropshire;
  - c. The two new proposed Strategic Settlements in Shropshire; and
  - d. The proposed Strategic Site of RAF Cosford in Shropshire.
- 3.13. However, recognising the rurality of much of Shropshire and the importance of ensuring the long-term sustainability of our rural

communities, development in urban areas will be positively complemented by appropriate new development within the proposed Community Hubs and to a lesser extent Community Clusters<sup>1</sup>. Development within the wider rural area will consist of affordable housing, where there is evidenced local needs, and appropriate rural employment and economic diversification.

- 3.14. Shropshire Council strongly believes that this proposed spatial strategy for the distribution of development will positively contribute to the achievement of sustainable development and the long-term sustainability of Shropshire. It is also considered to directly respond to the unique and varied characteristics of Shropshire and the needs of our diverse communities. This position is supported by the conclusions of the Sustainability Appraisal undertaken to inform and assess the sustainability of the draft Shropshire Local Plan (**SD006.01-SD006.22**).
- 3.15. With specific regard to the proposed contribution to the unmet housing need forecast to arise within the Black Country, the proposed distribution of development allows for development within settlements located in the eastern and central areas of Shropshire, these are the components of Shropshire Council's administrative area with the strongest migration and commuting links to the Black Country Authorities (as documented within Figures 9 and 11 of the Housing Topic Paper **GC4i**) and also the closest in terms of geographical proximity and benefit from the most direct transport links.
- 3.16. The level of development proposed within each of these settlements is considered to positively respond to the proposed spatial strategy for the level and distribution of development; the settlements role within the settlement hierarchy; national policy; existing commitments (including sites with Planning Permission, Prior Approval or allocated within the adopted Local Plan without Planning Permission) and completions already achieved within the proposed Plan period; each settlement's specific characteristics, constraints and opportunities; and our understanding of the importance of ensuring the long term vitality and sustainability of communities.
- 3.17. It is also considered that the levels of development proposed within these settlements are sufficient to meet the needs of the relevant communities, whilst also providing the opportunity to positively support the delivery of the proposed contribution to the unmet housing need forecast to arise within the Black Country.

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<sup>1</sup> Community Clusters reflect Shropshire Council's positive approach to localism. As communities with aspirations maintain or enhance their sustainability can 'opt-in' to take an appropriate proportion of development, managed through a proposed policy mechanism (draft Policy SP9).

- 3.18. As such, by achieving the proposed spatial strategy for the level and distribution of residential development, which in itself is considered to positively contribute to both the achievement of sustainable development in Shropshire and the long-term sustainability of Shropshire, so too will the proposed contribution to the unmet housing need forecast to arise within the Black Country be achieved in a sustainable manner.
- 3.19. It is considered that this approach provides greater confidence regarding deliverability than the alternative option of identifying specific site(s) upon which to achieve the proposed contribution to the unmet housing need forecast to arise within the Black Country, as:
- a. It is not reliant on the delivery of a specific site(s).
  - b. It provides greater flexibility.
  - c. It is fully integrated into and forms an integral part of the sustainable strategy for the level and distribution of residential development across Shropshire.
- 3.20. As such, Shropshire Council is confident of the deliverability of the proposed contribution (1,500 dwellings) to the unmet housing need forecast to arise within the Black Country and the effectiveness of the proposed approach to delivering this proposed contribution in a sustainable manner.
- 3.21. As documented above, this approach has been informed by proactive engagement and duty to cooperate discussions with ABCA and is subject to agreement with ABCA within a SoCG (**EVO41**). This is consistent with Paragraphs 24-27 of the National Planning Policy Framework (NPPF). It is also consistent with the expectation that Plans are based on “...*effective joint working on cross-boundary strategic matters...*” as per Paragraph 35(c) of the NPPF.
- 3.22. Furthermore, in positively responding to the best available evidence provided by ABCA regarding the unmet housing need they forecast will arise within their administrative area, Shropshire Council has “...*dealt with rather than deferred...*” this strategic issue, which is also addressed within Paragraph 35(c) of the NPPF.
- 3.23. Paragraph 21 of the NPPF includes “*Plans should make explicit which policies are strategic policies. These should be limited to those necessary to address the strategic priorities of the area (and any relevant cross-boundary issues, to provide a clear starting point for any non-strategic policies that are needed)*...” consistent with this requirement, the proposed spatial strategy for the level and distribution of residential development (which includes the proposed contribution to the unmet housing need forecast to arise within the Black Country) is primarily captured

within draft Policy SP2 of the draft Shropshire Local Plan, and then expanded upon within the wider draft Policies of the draft Shropshire Local Plan.

- 3.24. Paragraph 61 of the NPPF includes *“any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”*
- 3.25. There is no defined methodology for calculating an appropriate contribution to unmet housing need arising within another Local Planning Authority area, other than this general expectation that it is *“taken into account”*. Shropshire Council considers that it has effectively achieved this - further details are provided within Chapter 3 of the Housing Topic Paper (**GC4i**).
- 3.26. It should also be noted that there is no defined methodology for how any unmet housing need that is *“taken into account in establishing the amount of housing to be planned for”* should be delivered. However, Shropshire Council considers that by integrating the proposed contribution to the unmet housing need forecast to arise within the Black Country into the Shropshire Local Housing Need and meeting it in accordance with the proposed spatial strategy for the level and distribution of development across Shropshire, it has positively responded to the expectation that it is *“taken into account”* when *“establishing the amount of housing to be planned for”*.
- 3.27. As such, Shropshire Council considers that its approach to achieving the proposed contribution to the unmet housing need forecast to arise within the Black Country, specifically through its incorporation into the Shropshire Local Housing Need and meeting it in accordance with the proposed spatial strategy for the level and distribution of development across Shropshire, is effective, sustainable and consistent with national policy.

*Question 4. The soundness of proposals for the land allocations in the Local Plan will be considered at Stage 2 of the Examination. However, given that many ‘saved’ sites which are not before us are included in the housing land supply, is it realistic that this examination can determine if the Council have a 5-year supply of deliverable housing land?*

**Shropshire Council Response:**

- 4.1. Shropshire Council considers that it is appropriate and necessary for the Planning Inspectors to confirm whether a 5-year housing land supply exists in Shropshire.

- 4.2. We would note that the process of determining whether a five year housing land supply exists during the examination of a draft Local Plan inevitably involve the consideration of sites that are not proposed for allocation within the draft Local Plan that is the subject of the examination. This is because a housing land supply invariably extends beyond sites that are proposed for allocation within the draft Local Plan.
- 4.3. For instance, as summarised within Paragraph 3.8 of the explanation to draft Policy SP2 of the draft Shropshire Local Plan:
- “The types of site available to achieve the housing requirement in Shropshire are varied and extensive. They include small, medium and large:*
- a. Sites with planning permission or prior approval;*
  - b. Sites with a ‘resolution to grant’ planning permission;*
  - c. Saved SAMDev Plan allocations;*
  - d. Local Plan allocations; and*
  - e. Windfall opportunities, where sites comply with the requirements of this Local Plan.”*
- 4.4. These sources of housing land supply of course extend beyond those that are specifically allocated within the draft Shropshire Local Plan. It also extends beyond the proposed ‘saved’ allocations within the adopted Local Plan.

*Question 5. The Council in response to our initial questions said that they wish to ‘fix’ their 5-year housing land supply and have included 10% buffer. Assuming it is agreed that we can determine if the Council have a 5-year supply of deliverable housing land, PPG at Paragraph: 010 Reference ID: says that “When confirming their supply through this process, local planning authorities will need to be clear that they are seeking to confirm the existence of a 5 year supply as part of the plan-making process, and engage with developers and others with an interest in housing delivery (as set out in [Paragraph 74a of the Framework](#)), at draft plan publication (Regulation 19) stage.” Can the Council please confirm if they did this and if so, provide evidence of it?*

**Shropshire Council Response:**

- 5.1. When responding to the Planning Inspectors Initial Questions (ID2), Shropshire Council specified that it wished for the Planning Inspectors to confirm the 5-year housing land supply position in Shropshire through the plan-making process.



- 5.2. Shropshire Council considers that it is appropriate and necessary for the Planning Inspectors to confirm whether a 5-year housing land supply exists in Shropshire. If deemed appropriate to do so by the Planning Inspectors, we would also wish to explore whether the examination process could 'fix' the five year housing land supply as per paragraph 75 of the National Planning Policy Framework (NPPF).
- 5.3. Shropshire Council considers that it has a robust housing land supply. The most recent assessment of this supply is summarised within the document 'Five Year Supply Statement 2021 – Draft Shropshire Local Plan document' (**GC4j**), which covers the period from 2021/22 to 2025/26, and concludes that Shropshire Council currently has 6.59 years supply of deliverable housing land against the proposed housing requirement within the draft strategic policies of the draft Shropshire Local Plan.
- 5.4. The methodology utilised to undertake this assessment is considered both cautious and robust. It includes the application of a 10% buffer, reflecting the fact that it supports a draft Local Plan. Our understanding of housing completions is informed by extensive engagement with developers, landowners, applicants and site promoters. Furthermore, assumptions on delivery timescales and delivery rates for specific sites have also been informed by targeted engagement with developers, landowners, applicants and site promoters.
- 5.5. However, this assessment was not the subject of specific engagement as the time of the Regulation 19 consultation on the draft Shropshire Local Plan. Indeed, the base date for this assessment (31<sup>st</sup> March 2021) is after the close of the Regulation 19 consultation, which was undertaken between the 18<sup>th</sup> December 2020 and 26<sup>th</sup> February 2021. Furthermore, as this consultation focused on the draft Shropshire Local Plan, it did not specifically state that Shropshire Council was seeking to confirm the existence of a 5 year supply as part of the plan-making process.

*Question 6. Should the Local Plan include a housing trajectory showing the expected rate of delivery of housing land?*

**Shropshire Council Response:**

- 6.1. The proposed spatial strategy for the level and distribution of development across Shropshire, is primarily captured within draft Policy SP2 of the draft Shropshire Local Plan. This includes the proposed housing requirement of 30,800 dwellings over the period from 2016 to 2038.

6.2. The explanation to this draft Policy includes the following:

*"Having reflected on the various components of the housing land supply and best available information regarding likely timescales for their delivery, past rates of delivery, past trends within the market, known factors which may influence the housing market and housing delivery rates in the short to medium term and the myriad of other factors which are unknown and may influence the housing market and housing delivery rates in the short, medium and long-term, **the expected rate of housing delivery over the Local Plan period is around 1,400 dwelling per annum, which is consistent with the annual housing requirement.** Whilst it is acknowledged that there will inevitably be fluctuations over time, which may result in annual rates of delivery falling below or exceeding this level, it is expected that this will 'balance out' to ensure that the housing requirement is achieved.*

*As such it is considered that this expected rate of delivery over the Local Plan period of around 1,400 dwellings per annum forms the most **robust trajectory of future housing delivery in Shropshire and will be used to assess annual housing delivery.***

*This is considered a reasonable and precautionary approach to preparing a housing trajectory. This trajectory of future housing delivery will be kept up to date and a revised version published each financial year within Shropshire Council's Authority Monitoring Report (AMR)."*

6.3. Shropshire Council remains of the opinion that this represents a reasonable and precautionary approach to the provision of a high-level housing trajectory within the draft Shropshire Local Plan. This will be complemented by a more detailed trajectory within the Authority Monitoring Report (AMR), which ensures that the detailed housing trajectory can be updated periodically to reflect the most current understanding of future delivery rates.

6.4. To provide confidence in the deliverability of the proposed housing requirement within the draft Shropshire Local Plan, a more detailed 'snapshot' housing trajectory has been prepared within the document 'Housing Trajectory for Shropshire (March 2022)' (**GC4p**). This provides an indication of potential future levels of residential development over the proposed Plan period to 2038, based on currently available information.

6.5. However, whilst this does provide a more detailed indication of potential future levels of housing delivery at this time, it will perhaps inevitably be subject to change as a result of the known

factors which may influence the housing market and housing delivery rates in the short to medium term and the myriad of other factors which are unknown and may influence the housing market and housing delivery rates in the short, medium and long-term.

- 6.6. As such Shropshire Council considers that it is more appropriate for this more detailed housing delivery trajectory to be included with an AMR, as referenced within the explanation to draft Policy SP2. This is because an AMR is capable of being reviewed on a periodic basis, to reflect the most current understanding of future delivery rates.

### **Employment Land**

*Question 7. Is the preferred “balanced growth” approach and the resulting employment land requirement set out in Policy SP2 of around 300 hectares (14ha per annum) over the plan period of 2016 to 2038, justified, positively prepared and consistent with national policy?*

#### **Shropshire Council Response:**

- 7.1 The Draft Local Plan proposes an employment land requirement of 300 hectares (ha) to be delivered at a rate of 14ha per year over the Plan period from 2016 to 2038. This requirement includes a contribution of 30ha (around 10%) towards the unmet employment needs identified in the Black Country for the period from 2020 to 2039.
- 7.2 The evidence base for these requirements is the Shropshire Economic Growth Strategy (**EV044**), the Local Economic Growth Strategies for the Market Towns (**EV045.01 to 05**), the Shrewsbury Big Town Plan (**EV099**), the Economic Development Needs Assessment (**EV043**), the Employment Requirement Topic Paper (**EV112**), the Employment Strategy Topic Paper (**GC4n**), the Employment Land Review (**EV046**), the Strategic Employment Areas and Sites - Phase 1 Shrewsbury (**EV111.01**) and Phase 2 Shropshire (**EV111.02**).
- 7.3 The approach to Balanced Growth is explained in the Employment Topic Papers. The Employment Strategy Topic Paper (**GC4n**) identifies in paragraph 4.4 that:
- “The economic spatial strategy in the [Draft Local Plan] builds on key delivery aims relating to the scale of growth established by the employment land requirement” [and]*  
*“The distribution of the employment land requirement seeks to achieve a sustainable pattern of development, aligning land investment opportunities with the tiers of the*

*settlement hierarchy particularly to focus greater opportunity and stronger investment potential into the markets of the main urban centres."*

7.4 In focusing the scale and distribution of employment land on the tiers of the settlement hierarchy, it is also identified in paragraph 4.6 that the approach to Balanced Growth ensures:

*"The economic spatial strategy seeks to build on the housing spatial strategy to ensure that a balance can be achieved between the scale and distribution of new housing growth and the increasing employment needs of the growing population." [and] "This approach also builds on the connectivity of the main urban centres along strategic corridors that give access to the rail network, other public transport services, the strategic road and motorway network and the principal electronic communications networks across the County."*

7.5 This approach to Balanced Growth is evidenced by the distribution of the housing requirement across the tiers of the Settlement Hierarchy. This housing distribution is shown in Table 9 of the Strategy Paper (**GC4n**) as follows:

Settlement Hierarchy	Projected Spatial Distribution		
	Preferred Distribution in SA	Policy S1 - S20 Guidelines	Policies S1 - S21 Distribution
	%	dws	%
Shrewsbury	30%	8,625	28%
Principal Centres	24.5%	7,500	24%
Key Centres	18%	5,150	17%
Strategic Settlements		1,350	4%
Rural Areas *	27.5%	8,175	27%
<b>TOTAL</b>		30,800	

7.6 In the supply of housing, the spatial strategy sought to deliver the distribution proposed in the Regulation 18 stages of the Plan. The addition of the Strategic Settlements to the Settlement Hierarchy supported (and drew a proportion) of the development proposed in the other tiers of the Settlement Hierarchy. The housing spatial strategy has a clear urban focus with around 70% of the housing delivery directed into the urban areas.

7.7 The distribution of the employment requirement between the tiers of the Settlement Hierarchy sought to establish a similar urban focus. This sought to identify further new site allocations to influence the distribution of existing employment

commitments in the County, to seek a better balance with the distribution of the housing requirement.

- 7.8 The distribution of the employment requirement is identified in Table 7 of the Strategy Paper (**GC4n**) as follows:

Settlement Hierarchy	Projected Spatial Distribution		
	Preferred Distribution in SA	Policy S1 - S20 Guidelines	Policies S1 - S21 Distribution
	%	ha	%
Shrewsbury	30%	100	27%
Principal Centres	24.5%	172	46%
Key Centres	18%	91	24%
Strategic Settlements		12	3%
Rural Areas*	27.5%	0	0%
<b>TOTAL</b>		375	

- 7.9 This required a re-focusing of employment development in the County. This reoriented proposed new employment sites towards the Principal Centres and Key Centres to achieve the urban focus and to balance development into Shrewsbury and the Principal and Key Centres. The economic spatial strategy is now expected to have a strong urban focus with around 85% of the employment land focused into the urban areas.

- 7.10 This reflected responses to the Regulation 18 stages of the Plan which advocated a strong urban focus to the economic spatial strategy to achieve strategic objectives including:

*“an ‘urban focus’ to locate opportunities where investment is most likely to be delivered; a good range and choice of suitably located and deliverable employment land and premises and strategic investment sites; the support of high-quality education and training opportunities; good quality housing to meet a range of needs and improvements to the highway and public transport networks.”*

- 7.11 This approach also considered the sustainability of the proposed scale of growth to ensure the vision, spatial strategy and key objectives in the SEGS (**EVO44**), for promoting economic development and employment were achievable.

- 7.12 The presentation of the Balanced Growth approach in the Strategy Topic Paper also addresses the following strategic objectives for the economic spatial strategy:

- a. Improving Productivity - a primary barrier to achieving a ‘step change’ in Shropshire’s economic performance is the scale of Shropshire as the fourth largest Local Authority in

England. This presents a challenge in coordinating the scale and quality of the employment land offer with the size and spatial distribution of the working age population and their movements between home and work. This significantly affects individual productivity (GVA per Head) which in Shropshire is lower than for the smaller County of Herefordshire. These two rural Counties also have lower GVA per Head than the much smaller urban area of Telford & Wrekin with its younger population. The Shropshire economic spatial strategy seeks to address this economic challenge partly through better quality and more accessible employment opportunities to help retain a younger workforce and balance Shropshire's ageing demographic.

- b. Higher Quality Employment - the ageing demographic of Shropshire may be balanced by retaining the talent and skills of young people and graduates, supporting the 'middle' range of our working population and helping individuals, couples and families to live and work in Shropshire. Opportunities for good quality employment and career advancement are key factors for this younger demographic. Their needs will also be met through the housing offer, the affordability of the area, and having cultural and vibrant hubs in main urban centres. Shropshire has two challenges: to retain those who may leave Shropshire to seek 'better' employment elsewhere which removes skills and resources from the local economy and to provide advancement for those who are under-employed and encourage young people or those with lower skills to access employment in the County;
- c. Managing Labour Supply – balancing new economic development and employment generation with the delivery of new housing focused into the main urban centres of Shrewsbury, the Market Towns and Key Centres to meet the strategic objectives in Policy SP2, providing for the delivery of a growing and diverse labour force;
- d. Broader Range of Employment Uses - Shropshire has a diverse economic structure with a long-standing focus on 'service industries'. Changes to the planning system following the Use Class Order Amendment (2020) creates a need for greater flexibility in the delivery of employment generating uses. This is recognised in the Economic Development Needs Assessment and introduced through Policy SP13 in the Draft Local Plan. The employment land requirement also recognises the demands this broader range

of uses might place on the employment land supply particularly in the main urban areas;

- e. Choice and Competition - the response to these pressures is considered to have delivered an employment land requirement that will improve the investment potential and employment opportunity in the County. This will be achieved by offering a greater range, choice and quality of investment locations and development opportunities. These changes should withstand the demands of a broader range of employment generating uses and the significant competition for employment land from alternative land uses.
  - f. Efficient Use of Land - the Draft Local Plan seeks to deliver a high growth strategy with an urban focus to encourage investors into the market, providing a range and choice of sites in attractive and sustainable locations. This strategy also seeks to deliver a more effective approach to the planning of development; to improve the efficient delivery of built floorspace (plot ratios) and to increase the out-turn of employment especially in the urban markets of the County.
  - g. Modern Floorspace - the EDNA identifies that overall, Shropshire has a higher proportion of units constructed pre-1970 than might be expected. This will require a higher rate of replacement of existing stock (churn) to attract modern-day occupiers. The employment land requirement therefore seeks a high proportion of new Class B and Class E(g) units to deliver a supply of premises to meet modern occupier needs. The employment land requirement includes a replacement allowance to replenish ageing premises with modern stock and to manage the significant loss of employment premises to other uses.
- 7.13 The employment land requirements and the expected delivery of employment was considered in the Economic Development Needs Assessment (EDNA) set against a number of potential growth scenarios informed by an Experian Jobs Growth Forecast.
- 7.14 The findings of the EDNA are summarised in the Employment Requirement Topic Paper (Chapter 5). This identified a requirement for between 141ha and 234ha to meet local needs rising to 171ha to 264ha with the addition of 30a to contribute towards unmet needs arising in the Black Country. These Scenarios considered the Standard Housing Methodology (141/171ha), the Shropshire Housing requirement (152/182ha), Experian Baseline Forecast (162/192ha), the SEGS

'Regeneration Scenario' (162/197ha), and a Past Take Up Scenario (234/264ha).

- 7.15 These potential land requirements were calculated using the forecast employment likely to be generated under each scenario using the Experian forecast. The land requirement was calculated using the expected range and number of employment types (number of jobs in each anticipated use class) and prescribed job densities (number of square metres) to support each job type. The expected out-turn of built floorspace to support these jobs was assumed to be the national average of 40% of the land developed. The EDNA therefore identified a range of land requirements below the anticipated employment land requirement of 300ha.
- 7.16 The Employment Requirement Topic Paper considered the EDNA to determine whether an employment land requirement between 171ha to 264ha would meet the objective needs of the County and contribute towards unmet need in the Black Country.
- 7.17 This considered as context, the adopted Core Strategy requirement of 290ha (14.5ha per year) and the Regional Spatial Strategy requirement at 288ha (14.4ha per year) from 2006 to 2026 (20 years). These requirements taken over the longer 22 years of the Draft Local Plan would indicate employment land requirements between 317ha and 319ha. The indicative requirement for 300ha is therefore lower than that indicated by previous rates.
- 7.18 The Employment Requirement Topic Paper looked further at completed development in Shropshire from 2006 to 2020 and at the committed supply of employment development with permissions at 2020. This indicated that employment development in Shropshire is delivered at a lower density of 26% of built floorspace than the standard density at 40%.
- 7.19 The Employment Requirement Topic Paper re-calculated the employment land requirements in the EDNA in paragraphs 5.17 – 5.23. This indicated that the lower density of development in Shropshire would require each EDNA Scenarios to provide more land to achieve the outcome identified in the EDNA:
- Standard Housing Methodology requires 263ha not 171ha;  
Shropshire Housing Requirement requires 279ha not 182ha;  
Experian Baseline Forecast requires 295ha not 192ha;  
SEGS 'Regeneration Scenario' requires 303ha not 197ha;  
Past Take Up Scenario requires 406ha not 264ha.



- 7.20 The adjusted EDNA Scenarios, to reflect local circumstances, indicate the employment requirement for 300ha would meet the needs of Shropshire through the SEGS 'Regeneration Scenario'. It is anticipated that will meet an objective need in the County for around 270ha and a contribution towards unmet need in the Black Country of 30ha. This will also meet the requirements of national policy in NPPF paragraphs 11(b), 26 and 35(a).
- 7.21 The Employment Requirement Topic Paper also explain that the employment requirement of 300ha representing a stretch target for employment delivery in the County. The employment requirement of 300ha delivered over 22 years would equal a rate of 13.6ha per year. The Draft Local Plan proposes a slightly higher rate of 14ha per year to reach up to 308ha. This reflects the historical context for employment development indicated by the Core Strategy and Regional Spatial Strategy.
- 7.22 It is considered that the approach to Balanced Growth and the employment land requirement for 300ha including 30ha to contribute towards unmet need in the Black country is also consistent with national policy for the following reasons;

Sets out a clear vision and strategy – the Employment Strategy Topic Paper identifies that together the Shropshire Economic Growth Strategy (SEGS) and the Draft Plan focus and seek to deliver the following key objectives to develop:

- Shropshire's strategic location and economic relationships;
- major employment sites and its strategic corridors;
- growing and under-represented sectors;
- existing and new businesses to start, grow and succeed;
- strategic and local infrastructure to support growth;
- a more attractive housing mix with a broader range of affordable housing choices;
- the working age population and those wishing to extend their careers beyond retirement age with access training and skills development to gain employment and remain in the local labour market

Seeks to protect the environmental assets of the County - The economic spatial strategy considers the sustainability of the proposed scale of growth to ensure the economic development and employment opportunities are achievable without significant impacts on key environmental assets in the County. This focuses in particular on the:

- a. Green Belt - the urban focus in the distribution of development reflects the opportunities for sustainable growth

within East Shropshire including the M54 Corridor and the significant growth potential of Principal Centres and Key Centres in east Shropshire. This approach offers the best opportunity within the County to achieve sustainable housing and employment delivery and to enable Shropshire to utilise and respond positively to future investment opportunities and to achieve a sustainable pattern of growth supported by the Ironbridge Strategic Settlement.

- b. Shropshire Hills Area of Outstanding Natural Beauty – the Draft Local Plan responds positively to the presence of this designation covering 25% of the administrative area across the south of the County. The use of land for development is restricted under national policy to ensure major development may only occur in exceptional circumstances. Employment development within this designation represents only 1.1% of the total employment land supply in Shropshire.

*Question 8. What provision is made within the Local Plan to fulfil the identified unmet employment needs of the Black Country, and will the Local Plan's approach be effective in addressing this sustainably within the plan period, in accordance with national policy?*

**Shropshire Council Response:**

- 8.1 Shropshire Council's proposed contribution towards meeting the unmet employment need forecast to arise within the Black Country and the sustainable delivery of this development is summarised in Paragraph 3.18 of the explanation to Policy SP2:

*"Shropshire's employment requirement of around 300ha of employment land incorporates up to 30ha of employment land to support the employment needs of the emerging Black Country Plan, where evidence indicates employment delivery opportunities are constrained. This again reflects a positive approach to cross boundary cooperation and responds to the functional relationship between the two areas. This cross-boundary employment land need will be accommodated through the distribution of growth outlined in this policy and delivered through policies S1-S21 of this Local Plan"*

- 8.2 Shropshire Council's proposed contribution to the unmet employment need in the Black Country and the proposed approach to delivering this development is explained in detail in Chapter 6 of the Employment Strategy Topic Paper (**GC4n**).
- 8.3 This has been positively informed by proactive engagement and duty to cooperate discussions between Shropshire Council and

the Association of Black Country Authorities (ABCA). This is documented in the SoCG (**EVO41**) between these parties.

- 8.4 The SoCG (**EVO41**) includes agreement on the following:
- a. Shropshire Council has accepted the principle of meeting a proportion of the 'unmet' employment need forecast to arise within the Black Country in a way which recognises the functional relationship between the areas and which respects the character of Shropshire.
  - b. A contribution of around 30ha will be provided in Shropshire towards the unmet employment need in the Black Country.
  - c. This contribution would not be met on a specific site allocation or within a specific settlement, but rather would be met in accordance with the proposed strategy for the distribution of development across Shropshire.
- 8.5 ABCA's representations (A0377) to the Regulation 19 Pre-Submission Consultation welcomed the proposed contribution towards the unmet need forecast within the Black Country. This further indicated how this need might be met, stating: *In qualitative terms the employment sites in Shifnal and Bridgnorth, given their location, and the functional relationship outlined above could be assumed to be capable of meeting needs arising in the Black Country.*
- 8.6 Shropshire Council considers that the proposed approach to delivering the proposed contribution is effective, sustainable and consistent with national policy as described in Policy SP2 and explained further within the draft Shropshire Local Plan.
- 8.7 With regard to the level of employment development, the Draft Local Plan seeks to deliver around 300ha (equating to around 14ha per annum) from 2016 to 2038. The strategy for this development seeks to implement the aspirations of the Shropshire Economic Growth Strategy. This also seeks to deliver sufficient jobs to achieve a sustainable balance with the housing requirement in Shropshire. It is intended this be supported by influencing commuting flows between Shropshire and the Black Country to improve the supply of labour within the Shropshire.
- 8.8 Shropshire Council considers that these policy mechanisms will help to achieve the objective of contributing to the employment needs in the Black Country. This will also support the draft Shropshire Local Plan objectives and provide confidence in the delivery of the employment land requirement over the Plan period to 2038.

- 8.9 With regard to the distribution of employment development. Draft Policy SP2 explains that a core principle of this spatial distribution is an 'urban focus', by which the majority of residential development will be directed into identified 'urban' areas. These urban areas are:
- a. Shrewsbury, the proposed Strategic Centre of Shropshire;
  - b. five Principal Centres and 11 Key Centres;
  - c. two proposed Strategic Settlements; and
  - d. the proposed Strategic Site at RAF Cosford.
- 8.10 These will be complemented by appropriate new development within the proposed Community Hubs, Community Clusters<sup>2</sup> and the Countryside subject to appropriate policy provisions for rural employment development and economic diversification.
- 8.11 Shropshire Council strongly believes this proposed spatial strategy and the distribution of development will positively contribute to the achievement of sustainable development and the long-term sustainability of Shropshire. This directly responds to the needs of our diverse communities and to the unique and varied characteristics of Shropshire including the protection of key environmental assets. This position is supported by the conclusions of the Sustainability Appraisal to inform and assess the sustainability of the Draft Local Plan (**SD006.01-SD006.22**).
- 8.12 With specific regard to the proposed contribution to the unmet employment need forecast to arise within the Black Country. The proposed distribution of development also favours principal settlements located in the eastern and central areas of Shropshire. The level of development proposed within these settlements is considered to positively respond to the role of the settlements within the settlement hierarchy, the requirements of national policy and our understanding of the importance of ensuring the long term vitality and sustainability of communities.
- 8.13 It is considered that this approach provides greater confidence regarding the deliverability of development to assist the Black Country. This is preferable to identifying specific site(s) targeted towards the unmet employment need in the Black Country.
- 8.14 The proposed approach:
- a. is not reliant on the delivery of a specific site(s).

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<sup>2</sup> Community Clusters reflect Shropshire Council's positive approach to localism. As communities with aspirations maintain or enhance their sustainability can 'opt-in' to take an appropriate proportion of development, managed through a proposed policy mechanism (draft Policy SP9).

- b. provides greater flexibility.
  - c. is fully integrated into and forms an integral part of the sustainable strategy for the level and distribution of employment development across Shropshire.
- 8.15 Shropshire Council is confident of the deliverability of the proposed contribution (30ha) to the unmet employment need forecast to arise within the Black Country and the effectiveness of delivering this proposed contribution in a sustainable manner.
- 8.16 As documented above, this has been informed by proactive engagement and duty to cooperate discussions with ABCA and is subject to agreement with ABCA within a SoCG (**EVO41**). This is consistent with Paragraphs 24-27 of the National Planning Policy Framework (NPPF). It is also consistent with the expectation that Plans are based on “...*effective joint working on cross-boundary strategic matters...*” in paragraph 35(c) of the NPPF.
- 8.17 In positively responding to the best available evidence provided by ABCA regarding the unmet employment need within their administrative area, Shropshire Council has “...*dealt with rather than deferred...*” this strategic issue, which is also addressed in Paragraph 35(c) of the NPPF.
- 8.18 Paragraph 21 of the NPPF includes that “*Plans should make explicit which policies are strategic policies. These should be limited to those necessary to address the strategic priorities of the area (and any relevant cross-boundary issues, to provide a clear starting point for any non-strategic policies that are needed)*...” consistent with this requirement, the proposed spatial strategy for the level and distribution of employment development (which includes the proposed contribution to the unmet employment need forecast to arise within the Black Country) is primarily captured within draft Policy SP2 of the draft Shropshire Local Plan, and then expanded upon within the wider draft Policies of the draft Shropshire Local Plan.
- 8.19 As such, Shropshire Council considers that its approach to achieving the proposed contribution to the unmet employment need forecast to arise within the Black Country, specifically through its incorporation into the employment land requirement and meeting it in accordance with the proposed spatial strategy for the level and distribution of development across Shropshire, is effective, sustainable and consistent with national policy.

*Question 9. Should the employment land requirement be also expressed in terms of the number of jobs expected to be provided?*

**Shropshire Council Response:**

- 9.1. The Draft Local Plan employment requirement of 300ha to meet the objective needs of the County and to contribute towards unmet employment needs of the Black Country is based on a number of strategic objectives including:
- a. Broader Range of Employment Uses - Shropshire has a diverse economic structure with a long-standing focus on 'service industries' but changes to the planning system following the Use Class Order Amendment (2020) creates need for greater flexibility in the delivery of employment generating uses. This is recognised in the Economic Development Needs Assessment and introduced through Policy SP13 in the Draft Local Plan.
  - b. Efficient Use of Land – seeking an improvement in the efficiency of development particularly within the urban markets of the County and in locations with proven records for commercial development and the delivery of employment. This seeks to deliver a more effective approach to the planning of development on allocated land; improving the efficiency of development in delivering built floorspace from a density of 26% upwards to 40% and increasing the out-turn of employment to meet the needs of the County.
- 9.2. The Council has addressed these objectives in the Draft Local Plan through Policy SP13 permitting a broader range of employment use and making specific employment allocations that seek a more efficient use of land.
- 9.3. The Council explain the need for this greater efficiency in the Employment Requirement Topic Paper at paragraphs 4.42–4.49 in relation to actual delivery in the County from 2006 to 2020. The implications for the employment requirement are described in paragraphs 5.17-5.23 and the effect on employment commitments is considered in paragraphs 5.24-5.36.
- 9.4. The Council wish to improve the density of employment development from 26% built floorspace towards 40% built floorspace on the employment land developed in the County. The Topic Paper sets out in paragraphs 4.28 and 4.29 that:
- "4.28 This objective is not set into policy since the provision of a standard plot ratio will be difficult to achieve across all types of sites and in all development locations. This fact would lead to the most likely outcome, that a range of plot*

*ratios are introduced to match different locations, which is the situation that already exists in the County. The Council wishes to indicate, through the economic growth and development management services, the commercial and environmental opportunities open to the market from increasing the amount of floorspace within a development in order to reduce the amount of land required to deliver these economic benefits."*

*"4.29 The Council wishes to begin working with the development industry towards this objective, starting by developing our collective understanding of how to achieve this outcome and to test suitable design solutions for Shropshire. This is considered to be better than introducing a restrictive requirement that is likely to adversely affect the important outcomes of driving forward investment and delivering much needed economic growth and employment."*

- 9.5. This objective is included in the guidelines for strategic employment allocations in the Draft Local Plan in Shrewsbury where the 49ha allocation should deliver around 20ha of built development. Shifnal where the 39ha allocation should deliver around 16ha of built development. Bridgnorth where the development of 11ha around Stanmore Industrial Estate should deliver a similar density to the existing Industrial Estate.
- 9.6. It is expected these 'exemplar' sites and the attempt to influence the market through the development process may have a broader impact on development in Shropshire over time.
- 9.7. The Council consider that seeking to influence the density of development will positively influence the out turn of employment and lies within the powers of the Local Authority. This includes consideration of the scale, layout, design and infrastructure investment as planning tools at the disposal of the authority.
- 9.8. The introduction of a jobs growth target is considered to be an objective that lies beyond the direct control of the authority.
- 9.9. Policy SP13 responds to the Use Classes Amendment (2020) and other pressures on the use of employment land in Shropshire including recycling and environmental industries. Policy SP13 introduces up to 22 separately identified employment generating uses. Some of these land uses are variously described in the Employment Density Guide (3<sup>rd</sup> Edition 2015) showing the floorspace necessary to deliver a single job but not all the uses are described in the Guide.

- 9.10. The employment densities that are described range from as low as 12-30sq.m/job for office for mixed business workspaces, through 36sq.m/job for manufacturing, up to 65-77sq.m/job for logistics and 100sq.m/job for ancillary uses e.g. fitness centres.
- 9.11. The Council regard a job growth target, identified with the employment land requirement, to be impractical for two key reasons. Firstly, a job growth target would be difficult to define since many of the uses in Policy SP13 are not sufficiently defined in terms of their floorspace requirements. Secondly, a Local Authority may influence the scale, design and layout of a development but may not stipulate preferred end users particularly to achieve a prescribed job growth target.
- 9.12. Evidence for this position comes in part from the introduction of new Class E into the Use Classes Amendment (2020). Use Class E comprises a broad range of uses from office uses to retail outlets with permitted development rights between the various uses. In response to Class E, commercial development markets have still to determine a range of suitable building types to facilitate the unrestricted changes of use. The commercial property market has yet to determine the pattern of demand for this new type of floorspace. Class E uses would therefore add to the challenge of defining a job growth target for Shropshire.
- 9.13. The Council consider that a more appropriate focus for the employment land requirement is to positively influence the scale of employment development. This seeks to improve the density of development in order to increase the out turn of employment. The authority have indicated how this may be achieved and the Draft Local Plan seeks to deliver this outcome through its policies, settlement strategies and proposed site allocations.