

ID 10

SHROPSHIRE LOCAL PLAN EXAMINATION

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| Representor unique Part A Ref * | A0601 |
| Matter | Matter 4 |
| Relevant questions nos | Question 1 Question 2 Question 4 Question 6 Question 7 |
| Nexus Planning on behalf of Lands Improvement Holdings | |

Stage 1 Hearing Statement

*Your unique reference can be found in the Schedule of Respondents (Schedule 3 of document SD014.01) at:

<https://shropshire.gov.uk/planning-policy/local-planning/local-plan-review/draft-shropshire-local-plan-2016-2038-examination/examination-library/earlier-regulation-18-plan-making-stages-of-consultation/regulation-19-pre-submission-draft-of-the-shropshire-local-plan-consultation/>



NEXUS
PLANNING

Shropshire Local Plan Examination

Matter 4 Hearing Statement

On behalf of Lands Improvement Holdings (ID. A0601)

May 2022

Overview

1. This Statement has been prepared by Nexus Planning on behalf of Lands Improvement Holdings (“LIH”) (respondent ID. A0601) with respect to the land south of Oteley Road within the Shrewsbury South Strategic Urban Extension (“SUE”). The Shrewsbury South SUE is identified as a ‘saved site’ within the Shropshire Local Plan Review (“the Plan”) having been initially allocated by the Shropshire Core Strategy 2006-2026 (2011).
2. We provide a summary of the key matters that are of direct relevance to each of the relevant Questions of this Matter below, but continue to rely on our representations to the Regulation 19 consultation, dated February 2021.

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?

3. No.
4. It is accepted that the figure of 1,400 dwellings per annum (dpa) is higher than the National Planning Policy Framework’s (“the Framework”) Standard Method minimum figure as it includes a 223 dpa uplift to help meet unmet needs from the Black Country. However, this housing requirement remains too low to support planned economic growth and regeneration over the Plan period.
5. The Planning Practice Guidance (PPG) confirms that in addition to helping to take on unmet needs from neighbouring authorities, that strategies to promote and facilitate growth can also justify a higher housing need figure than the Standard Method (ID: 2a-010-20201216).
6. The economic strategy contained within the Plan is based on a regeneration-led strategy. Our concern, set out in greater detail within our statement to Question 7 below, is that the Council’s Economic Development Needs Assessment (EV043) strongly recommended that additional detailed housing modelling would be necessary in order to determine the level of housing needed to align / balance planned job and housing growth over the Plan period. Delivery of 1,400 dpa is insufficient to support

and deliver the Council's preferred regeneration-led economic strategy with the consequence being a meaningful and unsustainable misalignment of jobs and housing growth.

7. In view of the above the housing figure set out within Policy SP2 (1,400 dpa) is not justified, positively prepared or consistent with national policy and guidance.

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

8. No.
9. Please refer to our response to Question 7 below.

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?

10. No
11. It is not possible to provide a comprehensive response to this question in the absence of a housing trajectory to accompany the Plan (please see our response to question 6 of this Matter).
12. Nevertheless, the Council's Five Year Housing Land Supply Statement up to March 2021 (published February 2022) demonstrates that 838 dwellings (with a 10% deduction) are expected to be completed on 'saved sites' within 5 years (i.e. up to 31st March 2026).
13. However, as outlined in our Matter 3 Statement, the approach towards the 'saved sites' is itself unsound. In order for the Plan to be found sound it must re-allocate the 'saved sites' for a range of uses that reflects current demand in accordance with paragraph 122 of the Framework. Until the Council

undertakes this process it cannot conclude that it can demonstrate a five year housing land supply at the time the Plan is adopted.

14. Furthermore, some of the 'saved sites' are located within the River Clun catchment area that now requires nutrient neutrality to be demonstrated through a Habitat Regulation Assessment process. This may now impact upon their deliverability so requires them to be re-assessed through this Examination.
15. Against this background, land to the south of Oteley Road within the Shrewsbury South SUE can deliver additional dwellings beyond the figure allocated by the 2011 Core Strategy, and it would be appropriate for it to be re-allocated as such in accordance with paragraph 122 of the Framework in light of the lack of demand for employment uses in this location (we will evidence this through Stage 2 Hearing Statements and at the relevant Hearing Sessions that consider site-specific matters).
16. In this example, the infrastructure has already been provided to serve the site that would enable the delivery of housing within the first five years of the Plan period. This could replace some of the housing that could be lost from some of the other 'saved sites' notably due to nutrient neutrality issues.

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

17. Yes.
18. This is required by paragraph 74 of the Framework and is essential in order to accurately establish whether a five year housing land supply will be able to be demonstrated at the time the Plan is adopted.
19. Schedule A7 of the Plan does not allow this to be robustly considered and is inadequate.
20. Without an accurate housing trajectory it is not possible to conclude that the Plan is sound.

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?

21. We support the principle of the ‘balanced growth’ approach, which seeks to meet economic projections (projections prepared by one of the main forecasting houses, Experian) and regeneration objectives and commitments set out within the Marshes LEP Strategic Economic Plan.
22. However, we are fundamentally concerned that in order to support the ‘balanced growth’ approach, the Council’s Economic Development Needs Assessment (EV043) unequivocally concludes that the level of planned employment land growth over the plan period (300 ha.) will result in a significant housing and job growth misalignment that is likely to result in unsustainable commuting patterns into Shropshire as there will be insufficient homes within the district to meet the needs of the increase and diverse workforce:

“If the housing requirement is at, or below, the 1,400 dpa under labour supply scenario 4 then this could have repercussions on the employment land target, which may have to be reduced as a consequence to ensure the two are not misaligned. It is strongly recommended [added emphasis] that, in these circumstances, the Council undertake more detailed housing modelling to ensure the job projections are aligned closely with their housing requirement.”

Economic Development Needs Assessment (EV043), paragraph 9.10

23. The Economic Development Needs Assessment (EV043) concludes that against a housing requirement of 1,400 dwellings per annum (dpa), the level of level of employment land required to balance jobs and housing would be 181 ha. gross (72.56 ha net). This is a level some 119 ha. gross lower than that proposed within Policy SP2.
24. Even against the ‘balanced growth’ approach (the Regeneration Scenario within EV043), the Council’s Economic Development Needs Assessment concludes that 196 ha. gross (78.75 ha. net) of employment land would be required over the Plan period. This is a level some 104 ha. gross lower than that set out within Policy SP2.

25. In view of the above, the 300 ha. figure within Policy SP2 is unjustified. Without additional housing growth above 1,400 dpa, delivery of 300ha. of employment land, or even the Regeneration Scenario figure of 196ha (EV043), would still result in a meaningful and unsustainable misalignment of jobs and housing growth.
26. The level of employment land proposed within Policy SP2 (300 ha.) will therefore either fail to be effective, as this quantum of employment land is not deliverable over the Plan period due to a lack of available local workforce, or will result in significant, and wholly unsustainable in-commuting that would be inconsistent with national policy.
27. As set out in more detail within our statement to Matter 3, Q18, the Council purports that the figure of 300ha. of employment land growth over the Plan period is justified on the basis that the 40% plot ratio applied within Economic Development Needs Assessment (the Council's own evidence base) was incorrect. If this plot ratio was considered inappropriate and unjustified, we question why the Economic Development Needs Assessment (EV043) has not been amended by the professional economic consultants who prepared the evidence on behalf of the Council.
28. The only reasonable conclusion is that the Economic Development Needs Assessment has not been updated by the authors on the basis that the 40% plot ratio is justified and robust. Indeed, it is a plot ratio consistently applied within economic needs assessment across the country.
29. By reference to the Council's Employment Strategy Topic Paper (Document GC4n), it is clear that the 300 ha. figure is based on the Economic Development Needs Assessment, Regeneration Scenario, with a Black Country allowance (78.57 ha net). However, as opposed to applying the widely accepted 40% plot ratio, the Council has revised the employment land requirements using a meaningfully lower plot ratio of just 26%. The Council cites Shropshire monitoring data between the 2006 and 2020 period as the justification for the lower ratio.
30. However, this lower ratio is neither justified nor credible. As summarised within the table below, our analysis of the Council's monitoring data indicates that a significant proportion (almost 70%) of employment land delivered over the period to 2020, related to general industrial or storage and distribution space, which typically has a much lower plot ratio than office space. Office development has much greater scope for increasing the development capacity of the land by building upwards etc.

31. Conversely, the projected employment land required under the Council’s Regeneration Scenario expects a meaningful proportion of employment land needs over the Plan period to be office space (41%); and little need, if any, for general industrial or storage and distribution over the period to 2039.

| Employment Land Type | Shrewsbury AMR 2007-2020 | Regeneration Scenario (2016-2039) |
|-----------------------------|---------------------------------|--|
| Office | 17% | 41% |
| Light Industrial | 15% | 74% |
| General Industrial | 34% | -15% |
| Storage and Distribution | 35% | 0% |

Source: Shropshire AMR March 2020, Shropshire Economic Development Needs Assessment and Nexus Planning analysis.

32. In view of this, the Council’s trend-based plot ratio analysis is flawed as it is misaligned with projected employment land needs over the Plan period.

33. The 40% ratio applied within the Council’s Economic Development Needs Assessment is therefore demonstrably the correct, justified and effective ratio to apply. Applying the correct ratio, as set out by the Plan’s evidence base, establishes that the proposed employment land provision in the Plan will generate a significant amount more jobs than anticipated, requiring a much higher housing delivery in order to avoid a misalignment of jobs and homes, and consequently unsustainable commuting patterns.

34. Turning briefly to the Council’s assertion that delivery of 300 ha. of employment land and only 1,400 new homes per annum would not result in any unsustainable imbalance of jobs and homes, we also fundamentally question the credibility and lack of evidence underpinning the assumptions within Table 25 of the Employment Strategy Topic Paper (Document GC4n). Table 25 appears to suggest that 71% of the total projected employment land growth workforce required to deliver the Regeneration Scenario, will come from reducing unemployment and economic inactivity, deferred retirement, and through the implementation of a Health and Wellbeing Agenda and a Social Inclusion Programme.

35. In view of the above, we remain firmly of the view that 300ha. of employment land required within Policy SP2 fails to be justified, effective or consistent with national policy. Our recommended changes to address these soundness deficiencies are set out within our representations to Policy SP2 and SP13, but principally require:

- (a) Reducing the planned level of employment land to 196 ha. gross (78.75 ha. net) – this being the level required to support and deliver the Council’s preferred Regeneration Strategy.
- (b) Increasing the level of planned housing growth above 1,400 dwellings per annum to a level which aligns with the Council’s preferred Regeneration Strategy.
- (c) In order to achieve (a) and (b) above, reallocate longstanding undeveloped employment land, such as that associated with the South Shrewsbury SUE, to help meet market and affordable housing needs.

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