

SHROPSHIRE LOCAL PLAN EXAMINATION

Stage 1 Hearing Statement

Representor unique Part A Ref *	A0148
Matter	4
Relevant questions nos	1, 3, 4, 5, 6

*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/>

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Shropshire Local Plan Examination

Response to Matter 4: Housing and Employment Land Needs

Land at Wolverhampton Road, Shifnal

L&Q Estates Limited

June 2022

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1.0 Introduction

- 1.1 This Statement to Matter 4 (Housing and Employment Land Needs) of the examination of the Draft Shropshire Local Plan (‘DSLPL’) is submitted by Lichfields on behalf of L&Q Estates Limited (“L&Q Estates”).
- 1.2 It follows the submission of representations to the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan (December 2020) in respect of land north of Wolverhampton Road, Shifnal, in which L&Q Estates has land interests. For reference, the representations comprising these proposed changes were identified under Representation Reference **A0148**.
- 1.3 The National Planning Policy Framework (‘NPPF’) outlines that during the examination process a Local Plan must demonstrate that it has been positively prepared, is justified, is effective and is consistent with national policy. Outlined below are responses to a select number of the Inspectors’ questions which set out why we consider changes to the DSLPL are necessary to ensure the soundness of the Plan.
- 1.4 This Statement has been prepared in line with the Guidance Note (Ref: ID6) for the Examination.

2.0 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?

2.1 **No**, the preferred approach is not considered justified or effective, on the below grounds.

2.2 Principally, L&Q Estates supports the Council's choice to pursue a higher growth option to deliver around **30,800** new dwellings over the 22-year plan period from 2016 to 2038, however, it considers that an increased housing requirement is necessary on the following accounts:

- **Affordable Housing:** the SHMA estimates a need for 799 affordable dwellings per annum, representing a significant step change when compared against recent affordable housing completions, therefore an uplift to the housing requirement is critical to account for acute affordable housing need.
- **Infrastructure and Economic Growth:** the DSLP's strategic approach responds directly to the Economic Growth Strategy for Shropshire and it is therefore critical that additional housing is delivered in the appropriate locations to complement and facilitate delivery of this Strategy. See response to Question 2.
- **Housing Supply:** The Council is only proposing to deliver 1,400 dpa (i.e. existing commitments and new allocations) against an identified housing requirement of 1,400 dpa which consequently does not include any flexibility/headroom to protect against non-delivery on some sites.
- **Housing Trajectory:** the trajectory fails to set out quantified rates of anticipated delivery from site allocations and therefore it is unclear in assessing how each specific site will realistically deliver over the plan period. See response to Question 6.

2.3 The DSLP¹ confirms the Council has undertaken an assessment of its local housing need ('LHN') using the Standard Methodology, indicating a housing need of **25,894** dwellings over the plan period from 2016 to 2038 equating to 1,177 dpa, as at April 2020.

2.4 It should be noted that as of April 2022, the LHN is calculated at 1,178 dpa which is only marginally greater than the Council's calculation. Notwithstanding, L&Q Estates considers this approach is correct and in line with the requirement of NPPF paragraph 60.

2.5 The NPPF and Planning Practice Guidance ('PPG') are clear that the LHN figure generated by the standard method is a minimum starting point (i.e. actual housing need may be higher than this figure). It goes on to state that it would be appropriate for a higher figure to be adopted on the basis of employment, infrastructure, unmet housing needs², or affordable housing³.

2.6 In this regard, the Council purports that the proposed housing requirement not only meets its local housing need, but incorporates a contribution to the unmet housing shortfall of the neighbouring Black Country⁴, as well as providing flexibility and an opportunity to⁵:

¹ Paragraph 3.5

² PPG ID: 2a-010-20190220

³ PPG ID: 2a-024-20190220

⁴ Paragraph 3.7

⁵ Paragraph 3.6

- 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 our labour force; and
- e Support wider aspirations, including increased economic growth and productivity.

2.7 It is understood the additional requirement of **4,906** dwellings therefore comprises **1,500** dwellings to meet the unmet housing needs of the Black Country, and **3,406** dwellings to provide flexibility in response to the above opportunities (i.e. increased affordable housing, increased specialist housing, and increased economic growth). The table below demonstrates our understanding of the Council’s proposed housing need and requirement for the plan period 2016-2038.

Table 2.1 Housing need and proposed housing requirement 2016-2038

Housing need/requirement	Dwellings (total)	Dwellings (annual)	Source
Local housing need (standard method)	25,894	1,177	Para. 3.5
Additional dwellings to provide flexibility	3,406	155	Para. 3.6
Contribution to Black Country unmet need	1,500	68	Para. 3.7
Proposed housing requirement	30,800	1,400	

Source: Draft Shropshire Local Plan

- 2.8 With the proposal to plan for an additional 4,906 dwellings, L&Q Estates welcomes the Council’s implicit recognition that its local housing need figure is a minimum starting point.
- 2.9 It is unclear as to how a figure of 3,406 dwellings to provide flexibility has been derived and specifically to what needs it accommodates. Consequently, L&Q Estates considers that further evidence is required to robustly demonstrate whether an uplift of 4,906 dwellings is sufficient to address affordable housing and infrastructure and economic growth.

Affordable Housing

- 2.10 The PPG is clear that “*an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes.*”⁶
- 2.11 As previously discussed, the DSLP proposes to plan for an additional 3,406 dwellings beyond its LHN figure, but it is unclear as to how this additional provision has been derived and to what precise needs it accommodates (i.e. whether this uplift is included to directly meet unmet affordable housing need).
- 2.12 In identifying affordable housing need, the DSLP⁷ defers to the Strategic Housing Market Assessment (September 2020) (‘SHMA’), which concludes that 17,574 households will require affordable housing over the plan period 2016-2038, resulting in an estimated need for **799 affordable dwelling per annum**⁸. Such need is significantly greater when compared against recent affordable housing completions:

⁶ PPG ID: 67-008-20190722

⁷ Paragraph 4.49

⁸ Shropshire Council Strategic Housing Market Assessment Report: Part 2. Paragraph 4.150

Table 2.2 Open Market and Affordable Housing Completions in Shropshire

Year	Total Housing Completions (Net)	Affordable Housing Completions (Net)	Percentage of Total Housing Completions that are Affordable (Net)
2014/15	1,155	324	28.1%
2015/16	1,402	227	16.2%
2016/17	1,910	445	23.3%
2017/18	1,876	459	24.5%
2018/19	1,843	260	14.1%
5 Year Total	8,186	1,715	21.0%

Source: Shropshire Council Strategic Housing Market Assessment Report: Part 2. Table 37

- 2.13 Firstly, it should be noted that the DSLP⁹ erroneously indicates an estimated need of ‘799 *households per year*’ as opposed to affordable *dwellings per year*. It is therefore requested that this is amended accordingly to reflect the need for dwellings and not households.
- 2.14 Secondly, L&Q Estates disagrees with the observations and assertions of the SHMA and subsequently its conclusion to not recommend an uplift to the housing requirement based on acute affordable housing need:
- *“To deliver the aspirations for affordable housing as identified through the assessment of affordable housing need... total housing development would have to be approximately 83,686 dwellings over the Local Plan period from 2016 to 2038 or 3,804 dwellings per annum, more than 3 times the calculated LHN... This significantly exceeds expected demand and crucially is considered undeliverable and inappropriate within the Shropshire housing market.”* (paragraph 4.152)
 - *“...the extent to which the housing requirement would need to exceed the LHN in order to meet aspirations for affordable housing would be undeliverable and inappropriate in a Shropshire context.”* (paragraph 4.154)
 - *“If an adjustment cannot be made that would help to deliver the required number of affordable dwellings, there is a need to consider whether any adjustment is appropriate. Ultimately any such adjustment must not result in the housing requirement becoming undeliverable and be delivered through a plan led approach. As such any decision regarding the housing requirement is a policy consideration.”* (paragraph 4.155)
- 2.15 Principally, this approach is considered wholly unjust as it prematurely disregards an uplift to the LHN before assessing whether an increased housing requirement would be deliverable in the context of the Plan’s deliverability.
- 2.16 Moreover, it is considered unreasonable to assert that an uplift to the LHN would render the housing requirement undeliverable when compared against historic annual housing completions:

Table 2.3 Total Housing Completions in Shropshire (2016/17-2020/21)

Financial Year	Annual Requirement	Total Housing Completions	Over Provision/Shortfall
2016/17	1,390	1,910	+520
2017/18	1,390	1,876	+486

⁹ Paragraph 4.49

Financial Year	Annual Requirement	Total Housing Completions	Over Provision/Shortfall
2018/19	1,390	1,843	+453
2019/20	1,390	1,554	+164
2020/21	1,390	1,586	+196

Source: Shropshire Council Five Year Housing Land Supply Statement (February 2022) Table 4

Note: Annual requirement identified using housing trajectory from the supporting text of Policy CS10 of the Core Strategy.

2.17 Given that recent annual housing completions have been, on average (1,876 dpa), approximately 60% greater than the current LHN (1,177 dpa), L&Q Estates consider that an uplift to account for acute affordable housing need is unlikely to render the housing requirement, and thus the Plan as a whole, undeliverable.

2.18 Conclusively, L&Q Estates recommends that the Council affords further consideration to an uplift of its LHN to account for acute affordable housing need, and subsequently adjusts its housing requirement to reflect this.

Housing Supply

2.19 The Council is only proposing to deliver 1,400 dpa (i.e. existing commitments and new allocations) against an identified housing requirement of 1,400 dpa¹⁰ and therefore does not include any flexibility as per NPPF paragraph 11 which requires that Local Plans should be “sufficiently flexible to adapt to rapid change”.

2.20 In practice, this means ensuring a housing trajectory has sufficient land supply across the plan period so that it can adjust and accommodate any unforeseen circumstances, such as a degree of flexibility in delivery rates and densities. Critically, this means that to achieve a housing requirement a Local Plan must release sufficient land or allow sufficient headroom so that there is an appropriate buffer within the overall planned supply.

2.21 In essence, it is strongly recommended that greater flexibility be built into the Local Plan Review. To this end, L&Q Estates recommends that a circa 5-10% headroom should be included in the housing requirement. In doing so, the Council will need to identify sites to facilitate the delivery of between **circa 1,500–3,000 dwellings**.

2.22 Such an approach has been considered appropriate and thus supported by various inspectors through Local Plan Examinations. In the case for Aylesbury Vale, the Inspector supported the Council’s approach to include a 5.2% buffer in its proposed housing requirement:

“I have previously agreed with AVDC that it is appropriate to apply a 5.2% buffer to cover uncertainties of delivery.”¹¹

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?

2.23 On the basis of a 1,500-dwelling contribution towards the Black Country, L&Q Estates considers that whilst the Duty to Cooperate between Shropshire and the Black Country has been fulfilled, there remains a need to address the ongoing level of housing shortfall in the

¹⁰ Paragraph 3.10-3.11

¹¹ Page 1 of ‘Inspector’s response to Council’s reply to his Discussion Document D5’, Doc. Ref. ED181

Black Country having regard to the quantum of development proposed in the Black Country Plan and contributions from other neighbouring Local Plans.

- 2.24 Consequently, the DSLP’s approach at current is **not** considered effective. L&Q Estates considers that the Council should introduce a mechanism into the DSLP to trigger an early review of the Local Plan in order to address the ongoing unmet needs, in order to ensure soundness of the DSLP in the context of NPPF paragraph 35(c) – see L&Q Estates’ response to Matter 2.

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?

- 2.25 **Yes**, it is realistic however the Council needs to provide additional quantitative detail to the trajectory in order to clearly illustrate the anticipated delivery rates of sites across the plan period – see L&Q Estates’ response to Question 6.

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: 68-010-20190722 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?

- 2.26 L&Q Estates would welcome a discussion with the Council in demonstrating the deliverability of Site Allocation SHF022 & SHF023 (part) “Land between Windmill View and The Monument on A464, Shifnal” which the Council identifies as being delivered within the Short-Term (2020/21-2024/25) and Medium-Term (2025/26-2029/30).

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

- 2.27 **Yes**, the Council needs to provide additional quantitative detail to the trajectory in order to clearly illustrate the anticipated delivery rates of sites across the plan period.

- 2.28 Appendix 7 of the DSLP provides information on expected delivery timescales for Local Plan allocations. However, the trajectory fails to set out quantified rates of anticipated delivery from site allocations and therefore it is unclear in assessing how each specific site will realistically deliver over the plan period.

- 2.29 This proposed approach clearly does not accord with NPPF paragraph 73 which requires:

“Strategic policies should include a trajectory illustrating the expected rate of housing delivery over the plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites.”

2.30 Given that the Council has not included any buffer to its land supply in meeting housing needs, it is critical that the anticipated annualised rate of delivery for the proposed strategic allocations is set out. Such an approach in including a trajectory is highly advised by the Planning Advisory Service (‘PAS’) in its Good Plan Making Guide:

“The local plan should contain a housing trajectory or provide a Housing Implementation Strategy in the evidence base (sometimes this is combined with an Infrastructure Delivery Strategy. This is used to demonstrate housing delivery against housing need. Some authorities are seeking to “backload” their housing trajectories citing the poor housing market as a reason for doing so. However, the point about the trajectory is that it should relate to housing need. There is little point in planning to provide additional housing in the latter part of the plan period if the need is for housing in the early plan period. Thus to be effective housing policies need to be closely related to where and when the housing need is anticipated.” (Paragraph 6.13)

2.31 From the trajectory, the Council assumes that a number of larger strategic sites will begin delivering in the short- to medium-term (2020/21 to 2029/30) including:

- Strategic Settlement: Clive Barracks Tern Hill (indicative capacity of 750 dwellings)
- Strategic Settlement: Ironbridge Power Station (1,000 dwellings)
- Sustainable Urban Extension: Land between Mytton Oak Road and Hanwood Road, Shrewsbury (SHR060, SHR158 & SHR161) (1,500 dwellings)

2.32 Clearly, these represent unrealistic delivery rates which not only justifies the need for a quantified housing trajectory set out on an annualised basis but warrants that the Council decrease the figure assumed for supply within the plan period. Additionally, approximately 80% of the sites identified within the trajectory are anticipated to deliver during a 5-year period in the medium term (2025-30), representing a heavily skewed and disproportionate approach.

2.33 In considering the likely lead-in times and delivery rates of large strategic settlements, Lichfield’s *Start to Finish* research has informed several Independent Examinations (including the adopted North Essex Shared Strategic Plan; the adopted Ashford Local Plan; the emerging Mendip Local Plan; and the emerging Doncaster Local Plan).

2.34 *Start to Finish* (Second Edition) identifies that the average timescale of validation of an outline application to completion of the first dwelling for sites of between 500-999 dwellings is **5 years**¹². Additionally, the research also finds that the average build-out rate for sites of between 500-999 dwellings is **68 dpa**¹³.

2.35 L&Q Estates therefore recommends that the Council provides additional quantitative detail to the trajectory in order to clearly illustrate the anticipated delivery rates of sites across the plan period.

¹² Lichfields *Start to Finish* (Second Edition) Figure 4

¹³ Lichfields *Start to Finish* (Second Edition) Figure 7

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