

Shropshire Local Plan

Housing and Employment Topic Paper

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2. Introduction

- 2.1. On 15th February 2023, the Planning Inspectors examining the draft Shropshire Local Plan issued an Interim Findings document (ID28). This followed the completion of the Stage 1 Hearing Sessions, which focused on legal, procedural and strategic issues (including strategic policies). These Hearing Sessions were primarily undertaken in July 2022, with a further session specifically regarding the Duty to Cooperate in January 2023.
- 2.2. ID28 addresses a range of matters, including a number related to housing and employment. This included:
 - a. The housing and employment land needs of Shropshire.
 - b. Proposed contributions to unmet housing and employment land needs forecast to arise within the Black Country.
 - c. The proposed housing and employment land requirements within the draft Shropshire Local Plan.
- 2.3. With specific regard to the housing and employment land needs of Shropshire, Paragraph 13 of ID28 states *“The Council’s approach to identifying the housing and employment land needs derived within Shropshire itself is sound.”*
- 2.4. With regard to the unmet housing and employment land needs forecast to arise within the Black Country, the Planning Inspectors have acknowledged that the draft Shropshire Local Plan is proposing to provide 1,500 new homes and 30ha of employment land over the plan period in order to contribute the unmet housing and employment land needs forecast to arise in the Black Country and concluded that these contributions are appropriate.
- 2.5. Specifically, within paragraph 13 of ID28 the Planning Inspectors conclude: *“In principle, the Council’s intention to address some of the Association of Black Country Authorities (ABCA) unmet needs (1500 homes and 30ha of employment land), aligns with the spirit of the DtC. It is clear that the Council and the ABCA authorities are all content with this contribution and this is set out in a Statement of Common Ground (SoCG), signed prior to the submission of the Plan for examination. We recognise that there is a lack of any prescribed formula in national planning policy for calculating any uplift to Shropshire’s housing need to meet some of this externally derived unmet need.”*
- 2.6. With regard to the housing and employment land requirements, the Planning Inspectors have indicated within paragraph 11 that *“we are concerned that there has been a conflation of housing need and housing requirement and also employment land need and*

employment land requirement – but these are two distinctly different things.”

- 2.7. Within paragraph 12 of ID28 the Planning Inspectors continue, stating *“You will appreciate that we need clarity on this point, and the Plan itself must also be equally clear. We therefore ask that the Council provides us with a Topic Paper that unambiguously sets out the need for housing over the plan period and the local plan’s housing requirement and the same for employment land.”*
- 2.8. Within Paragraph 21 of ID28, the Planning Inspectors address the proposed housing and employment land contributions to the Black Country. It explains that if the intention remains to provide these contributions to the unmet housing and employment land needs of the Black Country, then *“the Council will also need to consider which site or sites in the Plan will be identified to meet that need. This also needs to be subject to sustainability appraisal to reflect the objectives and geographical scope of the Plan.”*
- 2.9. ID28 also addresses Sustainability Appraisal (SA), and concludes that additional SA assessment should be undertaken regarding the housing and employment land requirements.

3. Purpose of this Document

- 3.1. The purpose of this document is to positively respond to the Planning Inspectors’ request for a clear and unambiguous Topic Paper regarding the housing and employment land needs and requirements in Shropshire. In doing so it makes a clear distinction between defined need and requirements.
- 3.2. In seeking to positively respond to the conclusions of the Planning Inspectors within ID28, Shropshire Council has also undertaken additional Sustainability Appraisal (SA) work regarding the housing and employment land requirement. This additional SA assessment work has directly informed the preparation of this Topic Paper.
- 3.3. A range of previously published material prepared by the Council has also informed this Topic Paper, including the Local Housing Need Assessment (EV069), the Strategic Housing Market Assessment (EV097.01 and EV097.02), the Housing Topic Paper (GC4i), the Five Year Housing Land Supply (GC4j), the Housing Trajectory (GC4p), Productivity Growth Forecasts (EV090), the Economic Development Needs Assessment (EV043), the Economic Growth Strategy (EV044), the Employment Topic Paper (EV112), the Strategic Employment Topic Paper (GC4n), the Authority Monitoring Report (EV012); and the Local Plan Viability Study (EV115.01).

4. Housing Need and Requirement

Local Housing Need

- 4.1. The National Planning Policy Framework (NPPF) specifies that *“To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals...”*¹
- 4.2. Shropshire Council considers it is appropriate to utilise Government's Standard Methodology to determine local housing need in Shropshire.
- 4.3. The Local Housing Need Assessment (2020) underpinned the housing requirement when the Regulation 19: Pre-Submission Consultation Draft Shropshire Local Plan was prepared, at the time of the Regulation 19 Consultation, and when Shropshire Council made the decision to submit the draft Shropshire Local Plan for examination. As such, it is considered appropriate to continue to utilise the 2020 Assessment when establishing baseline local housing need.
- 4.4. This calculation of local housing need is summarised within the Local Housing Need Assessment (2020) (EV069). In summary, this assessment concludes that the Local Housing Need for Shropshire was some **25,894 dwellings** over the 22-year plan period from 2016-2038. This equates to an annual average of **1,177 dwellings**.
- 4.5. However, it should be recognised that more up-to-date assessments of housing need in Shropshire have recently become available, and it is felt appropriate to consider this within the context of wider material considerations when determining an appropriate housing requirement. This will be discussed further later in this paper.

Initial Identification: Reasonable Housing Requirement Options

- 4.6. Within the Issues and Strategic Options Consultation Document (EV003.01) prepared to inform the draft Shropshire Local Plan, three reasonable options for the housing requirement over the plan period were identified. It should be noted that at this time the Plan period was 2016-2036.
- 4.7. The baseline for the three reasonable options was the local housing need; identified at that time in the Full Objectively Assessed Housing Need (FOAHN). Each option then included a different percentage

¹MHCLG, (2021), The NPPF – Paragraph 61

uplift above identified local housing need. These uplifts were intended to ensure local housing need was achieved, whilst also providing varying levels of flexibility to respond to changes to local housing need over the plan period, and varying levels of opportunity to respond to identified issues and opportunities in Shropshire.

- 4.8. These options informed identification of the proposed housing requirement within the draft Shropshire Local Plan. This is summarised within the Housing Topic Paper (GN4i).

Updated Identification: Reasonable Housing Requirement Options

- 4.9. In response to ID28, the reasonable options for the housing requirement have been updated and expanded. However, the methodology used to identify these updated options is consistent with that used to identify the initial options.
- 4.10. Specifically, the baseline was local housing need (2020 base date). A series of percentage uplifts were then identified. These uplifts are intended to ensure that local housing need is achieved, whilst also providing varying levels of flexibility to respond to changes to local housing need over the plan period, and varying levels of 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 Shropshire's labour force.
 - e. Support wider aspirations, including increased economic growth and productivity.
- 4.11. Further information on these factors is provided within the evidence base prepared to inform the draft Shropshire Local Plan, including the Strategic Housing Market Assessment (EV097.01 and EV097.02), the Housing Topic Paper (GC4i), the Economic Development Needs Assessment (EV043), the Economic Growth Strategy (EV044), the Employment Topic Paper (EV112), and the Strategic Employment Topic Paper (GC4n).

- 4.12. An explicit contribution of 1,500 dwellings towards the unmet housing need forecast to arise within the Black Country has also been specifically included within each option.

Proposed Contribution to the Black Country

- 4.13. The proposed contribution to the unmet housing need forecast to arise within the Black Country of 1,500 dwellings has been informed by careful consideration of the relationship between Shropshire and the Black Country as summarised within the Housing Topic Paper (GC4i) and detailed duty to cooperate discussions, culminating within the completion of a Statement of Common Ground (SoCG) (EV041) within which the proposed contribution was agreed.
- 4.14. Within ID28, the Planning Inspectors conclude that *"In principle, the Council's intention to address some of the Association of Black Country Authorities (ABCA) unmet needs (1500 homes and 30ha of employment land), aligns with the spirit of the DtC."*
- 4.15. Within ID28, the Planning Inspectors also state *"It is clear that the Council and the ABCA authorities are all content with this contribution and this is set out in a Statement of Common Ground (SoCG), signed prior to the submission of the Plan for examination. We recognise that there is a lack of any prescribed formula in national planning policy for calculating any uplift to Shropshire's housing need to meet some of this externally derived unmet need."*
- 4.16. As such, Shropshire Council considers that it is appropriate for each of the updated reasonable options for the housing requirement to include a specific uplift of 1,500 dwellings (equating to an annual average of 68 dwellings over the 22-year plan period from 2016-2038) to reflect the proposed contribution to the unmet housing need forecast to arise within the Black Country.

Updated Reasonable Housing Requirement Options

- 4.17. Using the methodology described above, five reasonable options for the housing requirement have been identified. These options are:

Table 4.1: Reasonable Housing Requirement Options

Option	Percentage Uplift Above Local Housing Need	1,500 Dwelling Black Country Contribution?
Housing Requirement Option 1: Moderate Growth	Around a 5% uplift	Yes
Summary: Responsive to and represents a consistent uplift on baseline need to the Moderate Growth Option within the Issues & Strategic Options Document. Incorporates a further 1,500 dwelling contribution to unmet housing need forecast to arise in the Black Country. Housing Requirement: The housing requirement resulting from this option would be 28,700 dwellings . This equates to around 1,305 dwellings per annum.		

Option	Percentage Uplift Above Local Housing Need	1,500 Dwelling Black Country Contribution?
Housing Requirement Option 2: Significant Growth	Around a 10% uplift	Yes
<p>Summary: Responsive to and represents a consistent uplift on baseline need to the Significant Growth Option within the Issues & Strategic Options Document. Incorporates a further 1,500 dwelling contribution to unmet housing need forecast to arise in the Black Country. Results in a housing requirement comparable to that within the adopted Development Plan.</p> <p>Housing Requirement: The housing requirement resulting from this option would be 30,000 dwellings. This equates to around 1,364 dwellings per annum.</p>		
Housing Requirement Option 3: High Growth (Variation 1)	Around a 13% uplift	Yes
<p>Summary: Responsive to the High Growth Option within the Issues & Strategic Options Document. Incorporates a further 1,500 dwelling contribution to unmet housing need forecast to arise in the Black Country. Results in a housing requirement consistent with that proposed within the draft Shropshire Local Plan.</p> <p>Housing Requirement: The housing requirement resulting from this option would be 30,800 dwellings. This equates to around 1,400 dwellings per annum.</p>		
Housing Requirement Option 4: High Growth (Variation 2)	Around a 15% uplift	Yes
<p>Summary: Responsive to and represents a consistent uplift on baseline need to the High Growth Option within the Issues & Strategic Options Document. Incorporates a further 1,500 dwelling contribution to unmet housing need forecast to arise in the Black Country.</p> <p>Housing Requirement: The housing requirement resulting from this option would be 31,300 dwellings. This equates to around 1,423 dwellings per annum.</p>		
Housing Requirement Option 5: High Growth (Variation 3)	Around a 19% uplift	Yes
<p>Summary: Responsive to the High Growth Option within the Issues & Strategic Options Document. Incorporates a further 1,500 dwelling contribution to unmet housing need forecast to arise in the Black Country. Results in a housing requirement equating to the housing requirement proposed within the draft Shropshire Local Plan plus an additional 1,500 dwellings, which is comparable to the proposed contribution to the unmet housing need forecast to arise within the Black Country.</p> <p>Housing Requirement: The housing requirement resulting from this option would be 32,300 dwellings. This equates to around 1,468 dwellings per annum.</p>		

Identifying the Proposed Housing Requirement

- 4.18. The decision regarding which of the reasonable housing requirement options should form the basis for the proposed housing requirement within the draft Shropshire Local Plan is ultimately one of planning judgement.
- 4.19. There is however an extensive range of information that informs this planning judgement. This includes:
 - a. The additional SA assessment work.
 - b. Local housing need in Shropshire – 2020 base date, which formed the baseline for the various housing requirement options; and 2023 base date, which represents the most recent calculation.

- c. The ability to:
 - i. Provide flexibility to respond to changes to local housing need over the proposed plan period.
 - ii. Respond positively to specific sustainable development opportunities.
 - iii. Increase the delivery of family and affordable housing to meet the needs of local communities and support new families coming into Shropshire.
 - iv. Support the delivery of specialist housing for older people, people with disabilities and the needs of other groups within the community.
 - v. Support the diversification of our labour force.
 - vi. Support wider aspirations, including increased economic growth and productivity.
- d. The ability to accommodate an appropriate contribution of 1,500 dwellings towards the unmet housing need forecast to arise within the Black Country.
- e. The relationship between the identified issues and opportunities in Shropshire and a proposed contribution to the unmet housing need forecast to arise within the Black Country.
- f. Deliverability, including through consideration of past trends on housing completions.
- g. Responses to the Regulation 18 consultations undertaken to inform the draft Shropshire Local Plan and representations received during the Regulation 19 consultation on the draft Shropshire Local Plan.
- h. The conclusion that the housing requirement should be expressed as 'a minimum' rather than 'around'.

4.20. Dealing with each in turn:

Additional Sustainability Appraisal Assessment Work

- 4.21. The additional SA assessment work provides a crucial source of information to inform the planning judgement regarding which of the reasonable housing requirement options should form the basis for the proposed housing within the draft Shropshire Local Plan.
- 4.22. This work assesses each option against the SA objectives and in this way informs judgements about their relative sustainability.
- 4.23. In general terms, the additional SA assessment work can be summarised as concluding that the greater the level of housing proposed within the option, the greater the likelihood of positive impacts on social and economic factors. Conversely the greater the level of housing proposed within the option, the greater the likelihood

of negative impacts on environmental factors. It is important to recognise that the principle of sustainable development is about achieving balance across all three pillars – social, economic, and environmental.

- 4.24. The additional SA assessment work also concludes that none of the options are likely to result in a strongly negative effect. Conversely, it concludes that options 3, 4 and 5 are likely to result in a strongly positive effect on SA objective 3 (provision of a sufficient amount of good quality housing which meets the needs of all sections of society in the short, medium and long term), whilst options 4 and 5 also potentially result in a strongly positive effect on SA objective 4 (promoting access to services for all sections of society).
- 4.25. Further detail on the outcomes of this additional SA assessment work is provided within the Additional SA Report.

Local Housing Need

- 4.26. The Local Housing Need Assessment (2020) formed the baseline for the identified reasonable housing requirement options. As each of these options include a percentage uplift above this baseline, all are sufficient to meet this local housing need.
- 4.27. However, whilst the Local Housing Need Assessment (2020) formed the baseline for the options because it underpinned the housing requirement when the Regulation 19: Pre-Submission Consultation Draft Shropshire Local Plan was prepared, at the time of the Regulation 19 Consultation, and when Shropshire Council made the decision to submit the draft Shropshire Local Plan for examination; the overall planning judgement also needs to take account of the most recent assessments of local housing need.
- 4.28. The most recent assessment of local housing need has a 2023 base date and is summarised within the Local Housing Need Assessment (2023). This assessment concludes that local housing need has reduced from the 1,177 dwellings per annum within the 2020 base date assessment to 1,085 dwellings per annum.
- 4.29. This equates to around an 8% reduction to the annual local housing need, which requires careful consideration when determining which of the options should form the basis for the proposed housing within the draft Shropshire Local Plan.

The Ability to Respond to Identified Issues and Support Identified Opportunities

- 4.30. The evidence base and consultation responses that have informed the preparation of the draft Shropshire Local Plan identified a range of issues and opportunities that exist in Shropshire. Key issues and opportunities identified include:
- a. Provide flexibility to respond to changes to local housing need over the proposed plan period.
 - b. Sustainable development opportunities.
 - c. The need for family and affordable housing to meet the needs of local communities and support new families coming into Shropshire.
 - d. The need for adaptable and specialist housing for older people and people with disabilities.
 - e. Housing to meet the needs of other groups within the community.
 - f. The need to supplement and diversify our labour force, including through the provision of appropriate housing to meet the needs of this labour force.
 - g. Wider aspirations for Shropshire, including increased economic growth and productivity, which can be supported through the provision of appropriate housing opportunities.
- 4.31. Key evidence which has informed the identification of these issues and opportunities include assessments of local housing need (including EV069), the various iterations of the Authority Monitoring Report (including EV012), the Strategic Housing Market Assessment (EV097.01 and EV097.02), Productivity Growth Forecasts (EV090), the Economic Development Needs Assessment (EV043), the Economic Growth Strategy (EV044), and the Local Plan Viability Study (EV115.01).
- 4.32. The material prepared to facilitate and subsequent responses / representations to consultations also informed the identification of these issues and opportunities. This includes the Issues & Strategic Options Consultation (EV003.01 and EV003.02), the Preferred Scale and Distribution of Development Consultation (EV004.01 and EV004.02), the Regulation 18: Pre-Submission Consultation (EV007.01 and EV007.03), and the Regulation 19: Pre-Submission Consultation (SD002, SD014.01-SD014.02; representations A0001-A0682 and GC4o).
- 4.33. Further information is provided within the Housing Topic Paper (GC4i).

- 4.34. Each of the reasonable options for the housing requirement include a percentage uplift above local housing need in order to support addressing the identified issues and the achievement of the identified options.
- 4.35. However, the level of housing is only one mechanism within the scope of the draft Shropshire Local Plan which can contribute to addressing identified issues and achievement of identified objectives. Policies that address the resultant location, type, tenure, and quality of housing, in order to ensure new housing is responsive to the identified issues and opportunities is equally important.

Contributing to Unmet Housing Need Forecast to Arise in the Black Country

- 4.36. Each of the reasonable options for the housing requirement include an explicit contribution of 1,500 dwellings towards the unmet housing need forecast to arise within the Black Country (above identified local housing need and the various percentage uplifts above it). As such, each option would provide a contribution of 1,500 dwellings towards the unmet housing need forecast to arise within the Black Country.

Relationship between identified issues and opportunities in Shropshire and a proposed contribution to unmet housing need forecast to arise in the Black Country.

- 4.37. Whilst provision of flexibility to respond to changes to local housing need in Shropshire and provision of a contribution to the unmet housing need forecast to arise within the Black Country are mutually exclusive, both are complementary to and will facilitate the achievement of the wider identified issues and opportunities in Shropshire.
- 4.38. The ability to positively respond to sustainable development opportunities is generally increased as the amount of development proposed rises (as more development provides more opportunities). This increase can be as a result of an uplift to local housing need for flexibility to respond to potential future changes to local housing need, in response to other identified issues / opportunities in Shropshire, or to provide a contribution to unmet housing need forecast to arise in the Black Country.
- 4.39. Increasing overall housing numbers is one mechanism available to provide more family and affordable housing, adaptable and specialist

housing for older people and people with disabilities, and housing to meet the needs of other groups within Shropshire communities.²

- 4.40. The source of this increase can be to provide flexibility to respond to changes to local housing need, respond to other identified issues / opportunities in Shropshire, or as part of a contribution to unmet housing need forecast to arise in the Black Country.
- 4.41. With regard to the aspiration of attracting new families into Shropshire, one source is the Black Country. Indeed, migration patterns between the two areas are already established (which informed consideration of the relationship between the two areas, as documented within the Housing Topic Paper GC4i). These migration patterns directly inform the sub-national population projections and associated sub-national household projections which underpin calculations of local housing need.
- 4.42. As such, the contribution to the unmet housing need forecast to arise in the Black Country and the aspiration of attracting more families into Shropshire is entirely compatible.
- 4.43. One way the labour force of Shropshire can be supplemented and diversified is by retaining and attracting more working-aged people into Shropshire, including through provision of appropriate housing to meet their needs³.
- 4.44. One way of supporting the delivery of appropriate housing for working-aged people, is increasing overall housing provision⁴. This increase can be to provide flexibility to respond to changes to local housing need, a response to identified issues / opportunities in Shropshire, or a proposed contribution to the unmet housing need forecast to arise within the Black Country.
- 4.45. Furthermore, the Black Country is a potential source of labour supply for Shropshire. Indeed, there are already established migration and commuting patterns between the two areas (both migration and commuting patterns informed consideration of the relationship

² It is important to note that increased housing provision is only one mechanism available to provide the types of housing required to meet the needs of families, older people and other groups within our communities. The draft Shropshire Local Plan includes a range of draft policies that address the location, type, tenure, and quality of housing, to ensure new housing more effectively supports the ability to meet the needs of our communities and all the groups within them.

³ It is important to note that increased housing provision is only one of the mechanisms available to supplement and diversity the labour force. Provision of appropriate employment opportunities and lifestyles that people aspire to are other such mechanisms.

⁴ It is important to note that increased housing provision is only one mechanism available to provide appropriate housing for working-aged people. The draft Shropshire Local Plan includes a range of draft policies that address the location, type, tenure, and quality of housing, which will ensure new housing more effectively contributes to this aspiration.

between the two areas, as documented within the Housing Topic Paper GC4i).

- 4.46. As such, supplementing and diversifying the Shropshire labour supply is entirely compatible with the proposed contribution to the unmet housing need forecast to arise within the Black Country - as residents of these properties move from the Black Country to Shropshire.
- 4.47. One means of supporting the range of wider aspirations for Shropshire, including increased economic growth and productivity, is the provision of appropriate housing opportunities. A mechanism to increase the amount of appropriate housing provided is increasing overall housing provision.⁵
- 4.48. This increase can be to provide flexibility to respond to changes to local housing need, a response to identified issues / opportunities in Shropshire, or a proposed contribution to the unmet housing need forecast to arise within the Black Country.
- 4.49. Each of the reasonable options for the housing requirement include both a percentage uplift above local housing need to provide flexibility to respond to changes to local housing need and a specific 1,500 dwelling contribution (above local housing need) to the unmet housing need forecast to arise within the Black Country. However, both of these adjustments can support the ability to address wider identified issues and achieve identified opportunities in Shropshire.
- 4.50. This 'overlap' must be recognised and considered when determining the appropriate housing requirement for inclusion within the draft Shropshire Local Plan.

Deliverability

- 4.51. The proposed housing requirement should support the achievement of local housing need, whilst also supporting the ability to respond to identified issues and support the achievement of identified opportunities in Shropshire, and the provision of 1,500 dwellings toward the unmet housing needs forecast to arise within the Black Country. However, importantly the housing requirement also needs to be deliverable.

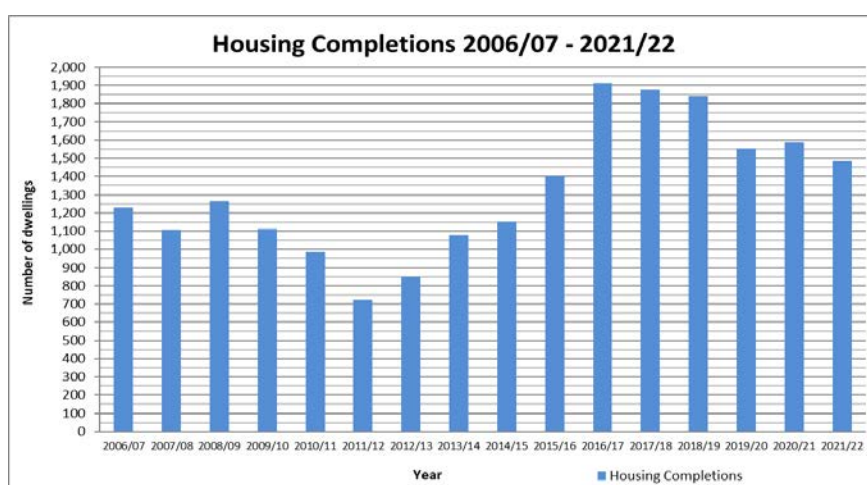
⁵ It is important to note that increased housing provision is only one mechanism available to provide housing to support wider aspirations including economic growth. The draft Shropshire Local Plan includes a range of draft policies that address the location, type, tenure, and quality of housing, which will ensure new housing more effectively contributes to these aspirations.

4.52. Past trends on housing completions are inevitably influenced by a range of factors. However, they form a useful indicator of deliverability.

4.53. Figure summarises annual housing completion rates over the current plan period thus far (from 2006/07-2021/22). It illustrates that over this period, housing completions experienced both significant peaks (particularly 2016/17-2021/22) and significant troughs (particularly 2009/10-2014/15). This is not surprising and is a common pattern within the housing market, reflecting the range of known and unknown local, regional, national and international factors that influence it.

Figure 4.1: Housing Completions in Shropshire for 2006/07-2021/22

Financial Year	Housing Completions
2006/07	1,228
2007/08	1,106
2008/09	1,265
2009/10	1,112
2010/11	984
2011/12	724
2012/13	847
2013/14	1,079
2014/15	1,155
2015/16	1,402
2016/17	1,910
2017/18	1,876
2018/19	1,843
2019/20	1,554
2020/21	1,586
2021/22	1,485



4.54. Over the longer term period (2006/07-2021/22), the annual average housing completion rate was some 1,322 dwellings, which is lower than the annual average associated with all of the identified options, although generally comparable to that associated with option 1.

4.55. Over the shorter term (most recent five year period from 2017/18-2021/22) which represents a peak in the housing market, the annual average housing completion rate was some 1,668 dwellings, which is higher than all of the identified options.

4.56. This past trend data clearly indicates that it is possible, in an individual year, to achieve/exceed the annual average housing requirement associated with all of the identified options.

4.57. However, this past trend data also suggests that ensuring the consistent achievement of the annual average housing requirement associated with all of the identified options over the proposed plan period will require proactive implementation of the draft Shropshire Local Plan by Shropshire Council and the effective operation of the housing market. It is acknowledged that the higher the annual average housing requirement associated with the option, the more

challenging it becomes to ensure delivery over the entirety of the proposed plan period.

- 4.58. In terms of factors that could impact on future deliverability, it is recognised that there are a myriad of known and unknown local, regional, national and international factors that can influence the housing market and housing completion rates in Shropshire. As a result, there will inevitably be fluctuations to housing completion rates over the proposed plan period – similar to those identified within the past delivery trends.
- 4.59. As such, it is important that the proposed housing requirement is responsive to the potential for such fluctuations and the potential for peaks and troughs in the housing market and housing completion rates. This ensures that it is deliverable, whilst also being sufficiently aspirational to support the ability to contribute to addressing identified issues and opportunities in Shropshire.
- 4.60. There is also a need to ensure that an appropriately robust housing land supply (with an appropriate buffer) is identified to provide confidence regarding the deliverability of the proposed housing requirement.

Consultation Responses

- 4.61. As documented within paragraph 4.32 of this document, consultation material and responses/representations directly informed the identification of key issues and opportunities in Shropshire, which can be contributed to through the proposed housing requirement.
- 4.62. Consultation responses/representations also directly informed the identification of the housing requirement proposed within the draft Shropshire Local Plan (at the point of submission).
- 4.63. Recognising that there is a need to re-consider the proposed housing requirement in order to effectively respond to the Planning Inspectors findings within ID28, it remains important that the responses/representations received during the various consultations undertaken to inform the draft Shropshire Local Plan are given due consideration when undertaking the planning judgement regarding an appropriate housing requirement for inclusion within the draft Shropshire Local Plan.

Expression of the Housing Requirement

- 4.64. Throughout the preparation of the draft Shropshire Local Plan, the reasonable options for the housing requirement and the proposed

housing requirement within the draft Shropshire Local Plan were expressed as 'around'.

- 4.65. Within ID28, the Planning Inspectors concluded that the housing requirement should be expressed as 'a minimum' *"for both monitoring and effectiveness."*
- 4.66. Shropshire Council accepts this principle. However, the implications do require careful consideration in the context of identifying which of the reasonable housing requirement options should form the basis for the proposed housing within the draft Shropshire Local Plan.
- 4.67. This is because when a housing requirement is expressed as 'around' it does not constitute either a definitive minimum or a definitive maximum, but a general target. However, when a housing requirement is expressed as 'a minimum' it does constitute a definitive minimum, although there is flexibility for it to be exceeded - subject to consideration of wider policy requirements.

The Proposed Housing Requirement

- 4.68. Shropshire Council has carefully considered the extensive range of information available regarding an appropriate housing requirement for inclusion within the draft Shropshire Local Plan in undertaking the planning judgement regarding which of the reasonable options for the housing requirements should form the basis for the housing requirement within the draft Shropshire Local Plan.
- 4.69. In conclusion, Shropshire Council considers that **Option 3**, should form the basis for the proposed housing requirement within the draft Shropshire Local Plan.

- 4.70. **Option 3: High Growth (Variation 1), consists of local housing need (2020 base date), plus a 13% uplift, plus a 1,500 dwelling contribution to unmet housing need forecast to arise in the Black Country. This equates to a total uplift above local housing need (2020 base date) of around 19%.**
- 4.71. **The resultant proposed housing requirement is 30,800 dwellings over the proposed plan period from 2016-2038. This equates to an annual average of around 1,400 dwellings.**

Reasons for the Proposed Housing Requirement

- 4.72. As documented within paragraph 4.68 in applying planning judgement to determine which of the reasonable options for the housing requirement should form the basis for the housing

requirement within the draft Shropshire Local Plan, detailed consideration of extensive information has been undertaken.

4.73. Key considerations included:

- a. The level of housing associated with Option 3 is considered to be **responsive to the principle of and will deliver High Growth**, which underpins the level of growth proposed within the draft Shropshire Local Plan, as it is:
 - i. Sufficient to meet local housing need.
 - ii. Provides a buffer above local housing need thereby providing confidence that it will be achieved.
 - iii. Allows an appropriate level of flexibility above local housing need to respond to changes over the proposed plan period.
 - iv. Includes a specific contribution of 1,500 dwellings towards unmet housing need forecast to arise in the Black Country.
 - v. Positively supports the ability to address identified issues and opportunities in Shropshire – including through the uplift to provide flexibility to respond to changes to local housing need, the specific uplift to support addressing identified issues and opportunities, and the proposed contribution to the unmet housing need forecast to arise within the Black Country.
- b. The level of housing associated with Option 3 is sufficient to **meet local housing need (2020 base date)** and provides flexibility to respond to changes to local housing need. However, it is also responsive to:
 - i. Available information on short and longer term **delivery trends**.
 - ii. Recognition that there is likely to be a myriad of known and unknown local, regional, national and international **factors that can influence the housing market and housing completion rates** in Shropshire and the need to provide sufficient flexibility to respond to these factors.
 - iii. The **most recent calculation of local housing need (2023 base date)**, which concludes need has reduced by 8%.
Shropshire Council considers Option 3 strikes an appropriate balance on these considerations.
- c. Based on the additional SA assessment work undertaken, it is considered that Option 3 strikes an appropriate balance across the three pillars (social, economic, and environmental) of sustainable development and will contribute towards the achievement of the long term sustainability of Shropshire.

- d. The additional SA assessment work concluded that Option 3 was likely to result in a strongly positive effect on SA objective 3 (provision of a sufficient amount of good quality housing which meets the needs of all sections of society in the short, medium and long term). It also concluded that Option 3 was unlikely to result in any strongly negative effects on any SA objectives.
- e. Option 3 includes a specific uplift of 1,500 dwellings as a contribution to the unmet housing need forecast to arise within the Black Country. As documented within 4.13-4.16 of this document, this is considered an appropriate contribution to the unmet housing need forecast to arise within the Black Country.
- f. The level of housing associated with Option 3 is sufficient to allow for a significant positive contribution to the various identified issues and opportunities in Shropshire (when considered in the context of specific policies to positively influence the location, type, tenure, and quality of housing).
- g. It is also specifically responsive to the fact that there is a clear 'overlap' between the way in which an uplift to local housing need and a contribution to the unmet housing need forecast to arise within the Black Country can contribute to supporting the identified issues and opportunities in Shropshire, given that one method of contributing to their achievement is more housing.
- h. A series of consultations have been undertaken regarding the proposed level of residential development to include within the draft Shropshire Local Plan (as summarised within paragraph 4.32). Having carefully reflected upon these responses, Shropshire Council considers that the level of housing associated with Option 3 positively responds and balances the range of issues, considerations and differing perspectives raised.
- i. The level of housing proposed is consistent with that currently proposed within the draft Shropshire Local Plan. As such, it is a level of development that has been subject to public consultation and to which communities are familiar.
- j. As documented within ID28, the proposed housing requirement is to be expressed as a 'minimum' rather than as 'around'. This means there is significantly more certainty about the minimum level of housing to be provided, but equally less flexibility to deliver less than the proposed housing requirement (although flexibility continues to exist to exceed the proposed housing requirement). Shropshire Council considers that Option 3 positively responds to the fact that the housing requirement is a 'minimum'.

4.74. In conclusion having considered the available evidence, responses to previous consultation and the results of technical assessment in applying planning judgement, Shropshire Council considers that the housing requirement within the draft Shropshire Local Plan should be based on **Option 3** of the reasonable options identified.

4.75. **The proposed housing requirement is therefore a minimum of 30,800 dwellings (including a 1,500 dwelling contribution to the unmet housing need forecast to arise within the Black Country), which equates to an annual average of around 1,400 dwellings.**

Implications of the Proposed Housing Requirement

4.76. The proposed housing requirement is consistent with that previously proposed within the draft Shropshire Local Plan. As such, Shropshire Council considers that the strategy for achieving the proposed housing requirement proposed within the draft Shropshire Local Plan remains appropriate.

4.77. As a result, only minimal modifications would be required to reflect this proposal. Specifically, draft Policy SP2 will require a main modification to expressly state the proposed housing requirement of 30,800 dwellings includes a 1,500 dwelling contribution to the unmet housing need forecast to arise within the Black Country.

Housing Land Supply

4.78. Based on the proposed housing requirement identified within this Topic Paper, Shropshire Council considers that an appropriate and robust housing land supply exists, both over the next five years and over the entirety of the proposed local plan period. As such, it is not considered that additional allocations are required in order to ensure the achievement of the proposed housing requirement.

4.79. The most recent assessment of housing land supply in Shropshire, based on the proposed housing requirement, is summarised within the **Five Year Housing Land Supply Statement (2022) - Draft Shropshire Local Plan**. Shropshire Council considers the assessment summarised within this document represents a cautious and robust assessment of housing land supply.

4.80. With regard to the five year period from 2022/23-2026/27, the assessment concludes that a **6.52 years' supply of deliverable housing land is available**.

- 4.81. With regard to the proposed plan period from 2016-2038, the assessment concludes that given existing completions of 10,254 dwellings from 2016/17 to 2021/22, **sufficient deliverable or developable housing land is available to deliver 34,842 dwellings.**
- 4.82. This is sufficient to achieve the proposed housing requirement of 30,800 dwellings, with sufficient additional supply available to provide for **around 10% flexibility** within the supply above the proposed housing requirement. This is summarised within Table 4.2.

Table 4.2: Housing Land Supply across the Proposed Plan Period

Category	Net Dwellings
<i>Completions 2016/17 – 2021/22:</i>	<i>10,254</i>
<i>Years 1 - 5 Supply:</i>	<i>10,044</i>
<i>Year 6 - 10 Supply:</i>	<i>8,591</i>
<i>Years 11 - 15 Supply:</i>	<i>4,782</i>
<i>Years 16+ Supply:</i>	<i>1,171</i>
<i>Total:</i>	<i>34,842</i>

- 4.83. The spatial distribution of this supply is summarised within Table 4.3 which addresses the Strategic, Principal and Key Centres, Table 4.4 which addresses the Strategic Settlements, Table 4.5 which addresses Community Hubs, and Table 4.6 which addresses Community Clusters and the wider rural area.
- 4.84. It should be noted that the windfall allowance to achieve proposed settlement guidelines and the windfall allowance within the housing land supply differ in that the allowance within the housing land supply is responsive to and informed by past trends rather than being limited to that specifically required to achieve proposed development guidelines. However, the nature of the windfall allowance within the housing land supply is that it is not identified to specific locations, rather it is across the entirety of the Shropshire geography.
- 4.85. Ultimately, it is apparent that sufficient housing land supply exists to provide significant confidence regarding the deliverability of the proposed housing requirement for inclusion within the draft Shropshire Local Plan.

Table 4.3: Residential Guidelines and Residential Supply within the Strategic Centre, Principal Centre and Key Centres

Settlement	Type of Settlement	Proposed Residential Development Guideline	Total Residential Completions (2016/17 - 2021/22)	Total Residential Commitments:			Windfall Allowance*
				Planning Permission or Prior Approval (at 31st March 2022)	SAMDev Plan Allocations without Planning Permission (at 31st March 2022)	Local Plan Allocations without Planning Permission (at 31st March 2022)	
Albrighton	Key Centre	500	102	102	83	180	33
Bishops Castle	Key Centre	150	47	28	40	0	35
Bridgnorth	Principal Centre	1,800	117	42	550	1,050	41
Broseley	Key Centre	250	146	92	20	0	0
Church Stretton	Key Centre	200	30	59	0	0	111
Cleobury Mortimer	Key Centre	200	54	30	0	0	116
Craven Arms	Key Centre	500	56	45	325	0	74
Ellesmere	Key Centre	800	152	154	250	120	124
Highley	Key Centre	250	128	10	0	100	12
Ludlow	Principal Centre	1,000	213	697	0	10	80
Market Drayton	Principal Centre	1,200	238	391	60	435	76
Much Wenlock	Key Centre	200	41	36	0	120	3
Oswestry	Principal Centre	1,900	418	834	343	240	65
Shifnal	Key Centre	1,500	1,153	50	0	230	67
Shrewsbury	Strategic Centre	8,625	3,399	2,124	602	2,410	90
Wem	Key Centre	600	183	110	0	210	97
Whitchurch	Principal Centre	1,600	325	251	560	450	14
Total:		21,275	6,802	5,055	2,833	5,555	1,030

**Windfall allowance to achieve proposed residential development guidelines.*

Table 4.4: Residential Guidelines and Residential Supply within the Strategic Settlements

Strategic Settlements	Proposed Residential Guideline for the period 2016 - 2038	Total Residential Completions (2016/17 - 2021/22)	Total Residential Commitments:			Windfall Allowance**
			Planning Permission or Prior Approval (at 31st March 2022)	SAMDev Plan Allocations without Planning Permission (at 31st March 2022)	Local Plan Allocations without Planning Permission (at 31st March 2022)	
Clive Barracks, Tern Hill*	350	0	0	0	350	0
Former Ironbridge Power Station	1,000	0	0	0	1,000	0
Total:	1,350	0	0	0	1,350	0

*The total capacity of Clive Barracks, Tern Hill is 750 dwellings, however it is forecast that 350 dwellings will be completed on the site by 2037/38 with the remainder of the dwellings completed beyond the plan period.

**Windfall allowance to achieve proposed residential development guidelines.

Table 4.5: Residential Guidelines and Residential Supply within Community Hubs

Settlement	Place Plan	Proposed Residential Development Guideline	Total Residential Completions (2016/17 - 2021/22)	Total Residential Commitments:			Windfall Allowance*
				Planning Permission or Prior Approval (at 31 st March 2022)	SAMDev Plan Allocations without Planning Permission (at 31st March 2022)	Local Plan Allocations without Planning Permission (at 31st March 2022)	
Cosford/Donington	Albrighton	0	0	0	0	0	0
Bucknell	Bishop's Castle	110	6	7	70	20	7
Chirbury	Bishop's Castle	45	-1	1	27	14	4
Clun	Bishop's Castle	95	4	3	60	20	8
Worthen and Brockton	Bishop's Castle	55	3	4	0	45	3
Alveley	Bridgnorth	130	15	33	0	70	12

Settlement	Place Plan	Proposed Residential Development Guideline	Total Residential Completions (2016/17 - 2021/22)	Total Residential Commitments:			Windfall Allowance*
				Planning Permission or Prior Approval (at 31 st March 2022)	SAMDev Plan Allocations without Planning Permission (at 31 st March 2022)	Local Plan Allocations without Planning Permission (at 31 st March 2022)	
Ditton Priors	Bridgnorth	65	13	13	0	40	0
Dudleston Heath	Ellesmere	60	12	21	0	0	27
Burford	Ludlow	190	35	1	0	140	14
Clee Hill	Ludlow	75	51	3	0	20	1
Hinstock	Market Drayton	155	105	4	0	35	11
Hodnet	Market Drayton	105	4	5	51	40	5
Woore, Irelands Cross and Pipe Gate	Market Drayton	88	35	26	0	0	27
Minsterley	Minsterley and Pontesbury	155	96	29	17	20	0
Pontesbury	Minsterley and Pontesbury	175	126	28	0	40	0
Cressage	Much Wenlock	80	8	1	0	62	9
Gobowen	Oswestry	360	107	80	128	25	20
Kinnerley	Oswestry	60	19	20	0	0	21
Knockin	Oswestry	55	22	3	0	25	5
Llanymynech	Oswestry	125	41	0	32	50	2
Pant	Oswestry	50	10	7	0	25	8
Ruyton XI Towns	Oswestry	125	14	13	0	65	33
St Martins	Oswestry	355	142	118	0	60	35
Trefonen	Oswestry	35	4	2	0	0	29
West Felton	Oswestry	130	62	-19	0	60	27
Weston Rhyn	Oswestry	155	28	40	0	100	0
Whittington	Oswestry	200	26	102	0	70	2
Baschurch	Shrewsbury	360	160	107	0	55	38
Bayston Hill	Shrewsbury	200	33	7	0	123	37

Settlement	Place Plan	Proposed Residential Development Guideline	Total Residential Completions (2016/17 - 2021/22)	Total Residential Commitments:			Windfall Allowance*
				Planning Permission or Prior Approval (at 31 st March 2022)	SAMDev Plan Allocations without Planning Permission (at 31 st March 2022)	Local Plan Allocations without Planning Permission (at 31 st March 2022)	
Bicton	Shrewsbury	30	1	7	0	15	7
Bomere Heath	Shrewsbury	110	52	1	0	55	2
Cross Houses	Shrewsbury	90	85	0	0	0	5
Dorrington	Shrewsbury	150	50	21	15	0	64
Ford	Shrewsbury	125	36	3	0	75	11
Hanwood	Shrewsbury	50	29	5	0	0	16
Longden	Shrewsbury	50	23	2	0	0	25
Nesscliffe	Shrewsbury	115	90	14	0	0	11
Clive	Wem	30	0	2	0	20	8
Hadnall	Wem	125	73	0	0	40	12
Shawbury	Wem	150	77	4	0	80	0
Prees	Whitchurch	170	30	76	62	35	0
Total:		4,988	1,726	794	462	1,544	546

*Windfall allowance to achieve proposed residential development guidelines.

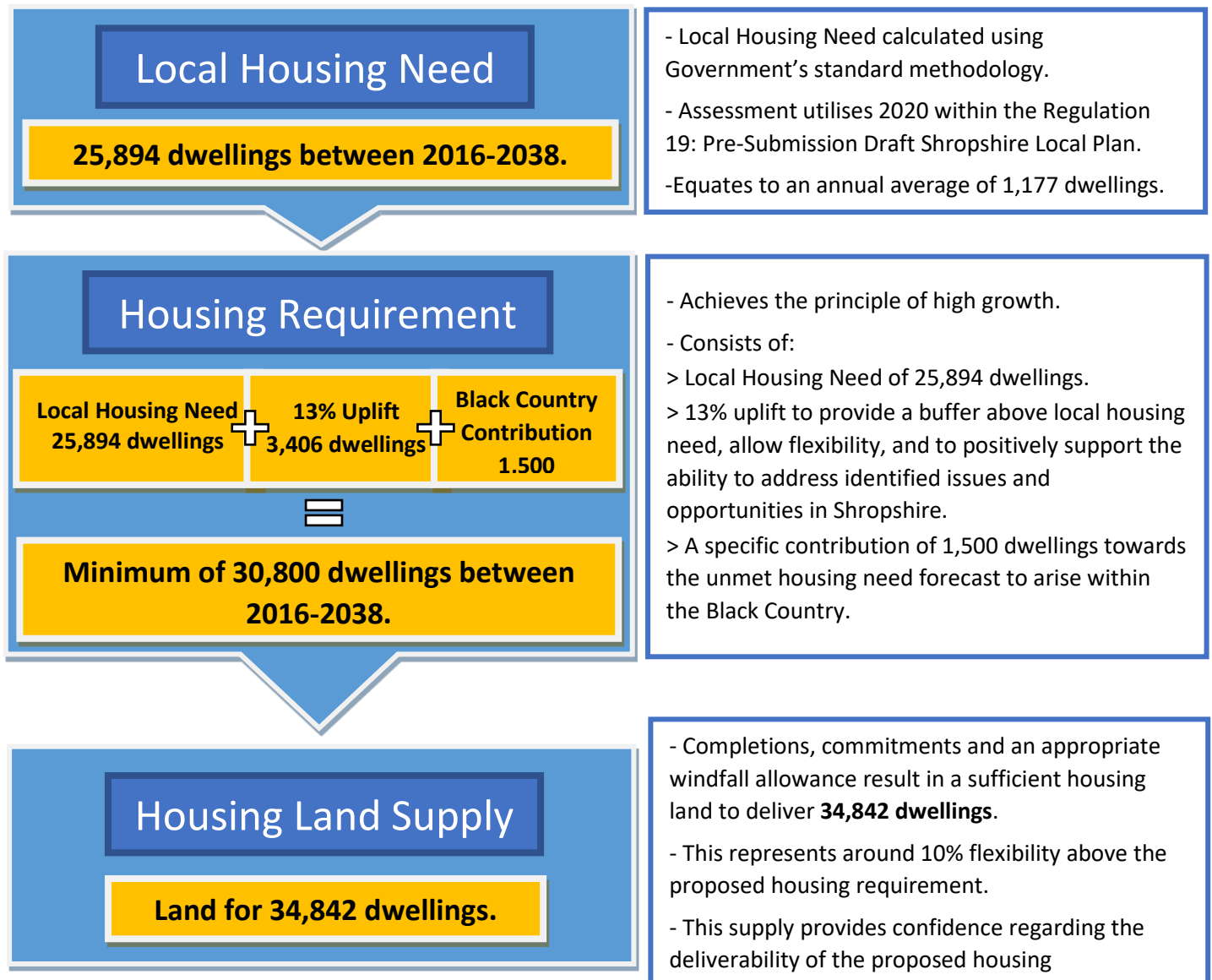
Table 4.6: Residential Supply within the Wider Rural Area

Geography	Total Residential Commitments:			
	Total Residential Completions (2016/17 - 2021/22)	Planning Permission or Prior Approval (at 31 st March 2022)	SAMDev Plan Allocations without Planning Permission (as at 31 st March 2022)	Local Plan Allocations without Planning Permission (as at 31 st March 2022)
Community Cluster	385	363	31	0
Wider Rural Area	1,341	1,460	17	0
Total	1,726	1,823	48	0

Summary

4.86. Figure provides a succinct summary of local housing need, the uplift above need to the proposed housing requirement, and the identified housing land supply:

Figure 4.2: Overarching Summary of the identified Housing Need, proposed Housing Requirement and identified Housing Land Supply



5. Employment

Local Employment Land Need – process

- 5.1. National Planning Practice Guidance (NPPG) advises strategic policy making authorities: *“to develop an idea of future [employment land] needs on a range of data which is current and robust, such as:*
- *sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);*
 - *demographically derived assessments of current and future local labour supply (labour supply techniques);*
 - *analysis based on the past take-up of employment land and property and/or future property market requirements.”*
- [NPPG Paragraph: 027 Reference ID: 2a-027-20190220]
- 5.2. Shropshire Council commissioned economic forecasts for the County from Oxford Economics in 2016. These forecasts were considered to underestimate the performance of the County but informed the commission of the Economic Development Needs Assessment (EDNA) (EV042) finalised in 2021. The EDNA provided an Experian Baseline Forecast (2020 base date) of ‘labour demand’, as one of five growth scenarios including employment needs for our ‘labour supply’ due to changes in our housing supply, to indicate Shropshire’s employment land needs.
- 5.3. The EDNA assessed our ‘labour supply’ need to be at least 140.9 hectares (ha), to balance the housing growth indicated by the Standard Methodology. The EDNA also assessed our ‘labour demand’ need to be at least 161.9ha of land, from the Experian baseline forecast of our economic growth.
- 5.4. The EDNA recognised that Shropshire’s employment land need must be adjusted upwards to contribute towards unmet employment land need forecast to arise in the Black Country. Consequently, the EDNA increased each of the five growth scenarios by an additional 30ha (EDNA, paragraphs 9.28-9.29, page 121) to recognise the Duty to Cooperate discussions with the Black Country Authorities.
- 5.5. The employment land need for Shropshire, consequently considered the job needs of our growing population, the labour demands of the expanding business base of our local economy and a contribution towards unmet employment land needs in the Black Country.
- 5.6. These assessments of need, even with the contribution to the Black Country, were lower than anticipated from the past performance of the County. This was due in part, to the density assumptions applied in the EDNA, and when compared to past trends in Shropshire, were found to be unrealistically high for most employment locations. The

Employment Topic Papers (EV112/GC4n) consequently adjusted the assessments of need from a 40% density applied in the EDNA, to a density of 26% for Shropshire.

- 5.7. This lower density required an additional amount of land to achieve the floorspace output assumed in the EDNA growth scenarios. This adjustment reflected the actual density of commercial development identified from data used in the Shropshire Authority Monitoring Report 2020 (EV012). This shows how the density of commercial development varies from 'whole County' to delivery in the principal settlements on the strategic corridors. This is set out in Employment Topic Paper (EV112) in paragraphs 5.24 to 5.36.
- 5.8. This consideration of local evidence is advocated in the NPPG (NPPG Paragraph: 025 Reference ID: 2a-025-20190220) and was a finding in the EDNA in paragraph 9.8 (EV043). This consideration of local evidence is explained in Employment Topic Paper (EV112) in paragraphs 5.4 to 5.7 which notes: *'The EDNA finds the Council's own evidence from monitoring past take up and delivery of developed land and floorspace provide an equally strong method for assessing the further employment land needs of the [County]'*.

Local Employment Land Need – conclusions

- 5.9. The EDNA (Table 8.17, page 115) found the Shropshire 'only' employment land need from growth in the 'labour supply' to be 140.9ha (in *'Current Standard Methodology'*) and from growth in the 'labour demand' to be 161.9ha (in *'Experian June 2020 Baseline'*).
- 5.10. The Employment Topic Paper (EV112) adjusted these levels of need to reflect the density of development across Shropshire. The 'labour supply' need increased to 217ha (at 9.9ha each year), and the 'labour demand' need increased to 250ha (at 11.4ha each year). The baseline employment land needs for the Plan period therefore ranged from 217ha to 250ha.
- 5.11. The adjustments to the density assumptions reflected the variations in the density of development across Shropshire in the Employment Topic Paper (EV112 in paragraphs 5.24 to 5.36). These adjustments are also consistent with evidence of historical need in the Employment Topic Paper (EV112 in paragraphs 4.4 to 4.7, pages 20-21). This shows the regional spatial strategy identified 216ha, adjusted upwards to 288ha. The Core Strategy identified a need for 249ha from evidence of past take up, adjusted upwards to 290ha recognising that it constituted a 'high growth' plan.
- 5.12. This historical evidence indicates the proposed assessments are generally consistent. However, the proposed plan period is different

covering an additional 2 years. The proposed employment land requirement would therefore be higher than the historical requirements.

- 5.13. This response to the Inspector's Interim Findings also proposes an adjustment to the assumption about the 30ha contribution towards unmet employment land needs in the Black Country.
- 5.14. The identification of a specific site to satisfy the unmet employment needs, to be located at the Key Centre of Shifnal in the M54 Strategic Corridor, will guarantee a higher density of development for the 30ha contribution. The expectation of this higher density is already included in the development guidelines for the proposed site allocation, which is employment allocation SHF018b & SHF018d at Shifnal. This proposed employment allocation for 39ha seeks a net delivery at 40% equal to 15.6ha of built development (Gross External Area).
- 5.15. This assumes the delivery of the 30ha contribution will reflect the historical delivery in Principal Settlements on Strategic Corridors shown in Table 25 of EV112 (page 41). This reflects some key facts explained in this Topic Paper, that:
- Shropshire will not simply meet its own needs rather it recognises and responds to 'neighbouring' unmet needs and also seeks the benefits of pursuing its aspirations for economic growth. The 30ha contribution to the Black Country unmet need will be met along with Shropshire's local employment land need;
 - Shropshire's local employment land need will also be buffered for flexibility and in response to local economic aspirations, by a percentage uplift on the local need for 250ha;
 - Identification of a specific employment allocation for the unmet need in the Black Country will commit a high quality, strategic employment land allocation comprising:
 - o a site of 39ha which provides an implicit buffer of 9ha (+30%) above the proposed 30ha contribution;
 - o a site with a development guideline for the provision of 40% built development from the 39ha to be delivered to an agreed masterplan with a design code for matters of detail;
 - Employment land supply (31st March 2020) totals 413ha and already exceeds the proposed 300ha employment land requirement in the draft Shropshire Local Plan by an additional 113ha or +38% above the current proposed requirement.
- 5.16. The inclusion of the 30ha contribution in this way presents an employment land need ranging from growth in the 'labour supply' equal to **250ha** (217+30ha) **at an annual average of 11.4ha**

each year to growth in the 'labour demand' equal to **280ha** (250+30ha) **at an annual average of 12.7ha each year.**

- 5.17. Shropshire Council wishes to ensure the employment land requirement meets the employment needs of its growing population, demand from changes in the size and performance of the business base and from those seeking employment in the County as a result of growth in the local economy. **The 'labour demand' employment land need of 280ha, at an annual average of 12.7ha each year, is therefore considered to be the key determinant for the employment land requirement.**
- 5.18. This is consistent with paragraph 4.20 of the Employment Topic Paper (EV112) which indicates that the minimum employment land requirement would be around 274ha. The annual average of 12.7ha each year (from 280ha) also reflects the evidence of delivery in Shropshire at 12.45ha each year over the four years of the Draft Shropshire Local plan from 2016 to 2020. This is shown in Employment Topic Paper (EV112) at paragraphs 4.17 – 4.20 on pages 22-23.

Local Employment Land Need – implications

- 5.19. The Employment Topic Paper (GC4n) examined the strategic relationships between Shropshire and the Black Country. This considered the geography of adjoining Functional Economic Market Areas (FEMA), the close proximity of strategic investment opportunities and the strategic road and rail network. These functional relationships established that the unmet need in the Black Country is a relevant strategic matter for Shropshire Council.
- 5.20. Duty to Co-operate discussions between Shropshire and the Black Country Association led to the presentation of a Statement of Common Ground (SoCG) (EV041). This SoCG summarised the agreement to a 30ha contribution from Shropshire towards the unmet need forecast in the Black Country.
- 5.21. In ID28, the Planning Inspectors concluded that *"In principle, the Council's intention to address some of the Association of Black Country Authorities (ABCA) unmet needs (1500 homes and 30ha of employment land), aligns with the spirit of the DtC."*
- 5.22. In ID28, the Planning Inspectors also state *"It is clear that the Council and the ABCA authorities are all content with this contribution and this is set out in a Statement of Common Ground (SoCG), signed prior to the submission of the Plan for examination."*

- 5.23. Employment Topic Paper (GC4n) explains the methodology to determine the 30ha contribution (at 1.4ha each year from 2016 to 2038) towards the unmet employment land need. This contribution, which was known when the EDNA was prepared, forms part of the five scenarios for Shropshire's employment land need, in the EDNA.
- 5.24. The updated reasonable options for the employment land requirement, are based on employment land needs which include this 30ha contribution. This contribution is a discrete component of the combined employment land need in the employment land requirement (for its delivery as part of the strategic approach) and the employment land supply (for the location of the development). This fact, and the explanations in paragraphs 5.11-5.15, removes any necessity to uplift the 30ha contribution to the Black Country.

Initial Identification: Reasonable Employment Land Requirement Options

- 5.25. The progress towards an employment land requirement was explained in the Employment Topic Papers (EV112/GC4n). The initial direction for the employment land requirement in the draft Shropshire Local Plan came from the Issues and Strategic Options. This set out broad growth options, to inform the EDNA and other evidence, to help define the employment land requirement for the County.
- 5.26. The Strategic Options identified three reasonable growth options for the employment land requirement over the (then shorter) plan period to 2036. The baseline option sought to maintain the levels of aspiration in the emerging draft Shropshire Local Plan strategy to 2026. This proposed to sustain the existing employment land requirement at 290ha and to deliver similar levels of employment growth.
- 5.27. The first alternative option sought a higher level of growth with a greater number of jobs than the baseline option. The second alternative, sought to positively influence 'productivity' outputs by seeking a greater proportion of higher value investment and higher value jobs using a similar or lower employment land requirement.
- 5.28. This second, 'productivity growth', option sought to influence the structure of the economy, the range and type of employment and the distribution of opportunity to favour locations capable of attracting investment. Whilst initially, a very attractive option, the process of delivering 'productivity' growth is a longer term strategy for Shropshire and not an option to be delivered in a single plan period.

- 5.29. The initial identification of options for a reasonable employment land requirement was therefore a matter of the degree of aspiration for local economic growth. This considered the growth of the business base, the range and scale of employment opportunities, the distribution to communities across the County and the potential to improve the performance of the local economy.
- 5.30. This defined the principal objective for preparing the Draft Shropshire Local Plan. This was to deliver a high growth option which would boost the economic performance of the County and support the implementation of the Shropshire Economic Growth Strategy.

Updated Identification: Reasonable Employment Land Requirement Options

- 5.31. In response to ID28, the reasonable options for the employment land requirement have been updated and expanded. The methodology used here to identify these updated options remains consistent with that used to identify the initial options in the Issues and Strategic Options (EV003.01) and with the evidence in the EDNA (EV043).
- 5.32. The baseline for the updated reasonable options was the 'labour demand' need of 161.91ha in the EDNA. This was adjusted for the lower density of development in Shropshire to 250ha. The addition of a 30ha contribution towards unmet employment land need forecast in the Black Country, totalled to 280ha.
- 5.33. A series of percentage uplifts were identified. These uplifts sought to achieve various levels of economic aspiration for the County. This approach looks beyond simply meeting the employment needs of Shropshire's growing population to include the aspirations of the business community, the unmet needs of 'neighbouring' authorities and demands from those likely to seek employment in Shropshire from the many adjoining, and mostly smaller, local authorities.
- 5.34. The options to achieve Shropshire's broader economic aspirations also provide different levels of flexibility to respond to changing local, regional, national and international economic circumstances. This will help to ensure that the strategic approach for the plan will create opportunities to improve the:
- a. inward investment potential of Shropshire by increasing the number and choice of strategic development opportunities and their distribution around the County;
 - b. sustainability and accessibility of this employment offer by focusing a significant proportion of development into the strategic corridors and principal settlements;

- c. quality, range and choice of floorspace by increasing the supply and distribution of modern business units and commercial premises;
 - d. demand into Shropshire for employment land from a range of business types and sizes supported by:
 - i. promotion of the County as a good investment location and an attractive place for business and enterprise;
 - ii. provision of services to businesses and individuals to build their confidence and skills to make successful investments or encourage entrepreneurship;
 - e. workforce availability within Shropshire through opportunities for education, training and support to build confidence to enter the employment market and to provide the skills needed by businesses.
- 5.35. Further information on these factors is provided in the evidence base prepared to inform the draft Shropshire Local Plan, including the Economic Growth Strategy (EV044), Economic Development Needs Assessment (EV043), Employment Land Review (EV046), Shropshire Authority Monitoring Report (EV012), Employment [Requirement] Topic Paper (EV112), Employment Strategy Topic Paper (GC4n) and the Housing Topic Paper (GC4i).

Updated Reasonable Employment Land Requirement Options

- 5.36. Using the methodology described above, five reasonable options for the employment land requirement have been identified. These are shown in Table 5.1 below.

Identifying Proposed Employment Land Requirement

- 5.37. A planning judgement has been made by the Council to determine which employment land requirement option should form the proposed employment land requirement in the draft Shropshire Local Plan.
- 5.38. There is an extensive range of information to inform this planning judgement which includes the:
- a. responses to the Regulation 18 consultations to inform the draft Shropshire Local Plan and representations to the Regulation 19 consultation on the draft Shropshire Local Plan;
 - b. employment land needs identified in the EDNA;
 - c. purpose and strategy for accommodating the 30ha contribution towards unmet employment land needs in the Black Country;

- d. economic spatial strategy objectives to:
 - i. support an expanding business base to deliver an increasing range and type of investment and employment opportunities;
 - ii. deliver a greater proportion of higher value employment;
 - iii. provide greater choice and competition for employment sites;
 - iv. greater efficiency in the development of employment land;
 - v. broader range of employment generating uses;
 - vi. modernise the commercial building stock and employment floorspace across the County;
 - vii. support the growth and diversification of our labour force;
 - viii. deliver a 'step change' in the growth and productivity of the local economy;
- e. additional SA assessment work;
- f. conclusion that the employment land requirement should be expressed as 'a minimum' rather than 'around';
- g. deliverability of the employment land requirement including matters set out in the Employment Topic papers (EV112/GC4n).

Table 5.1: Updated Reasonable Employment Land Requirement Options

Option	Percentage Uplift Above Minimum Employment Land Need	30 hectare Black Country Contribution
Employment Land Requirement Option 1: Productivity Growth	Uplift around 0%	Yes
Consisting of the identified baseline need of 161.91ha, adjusted from the density standard in the EDNA (at 40%) to the lower density of development at 26% in Shropshire, to give a need of 250ha. This option has the addition of 30ha to contribute towards unmet employment land need forecast in the Black Country. These factors combined would require a minimum of 280ha of land at an annual average of 13ha/yr . This represents the Productivity Growth Option (Option 3) in the earlier SA assessment undertaken for the draft Shropshire Local Plan. This would establish a new strategic approach for the 22-year period from 2016 to 2038. This seeks to capture the potential for higher quality investment in Shropshire and to influence the structure of the economy, the productivity of its sectors and the range, type and quality of new employment. This represents an aspiration for more 'higher value' jobs with a lower employment land requirement and a lower overall provision of new jobs.		
Employment Land Requirement Option 2: Significant Growth	Uplift around 5%	Yes
Consisting of a 5% uplift on the adjusted need for employment land in Shropshire of 250ha over the 22-year period from 2016-2038. This option has the addition of 30ha to contribute towards unmet employment land need forecast in the Black Country. These factors combined would require a minimum of 290ha of land at an annual average of 13.5ha/yr . This represents an uplift on baseline need consistent with Significant Growth Option (Option 1) in the earlier SA assessment undertaken for the draft Shropshire Local Plan. This would provide a significant uplift on the baseline employment land need for the County, with the contribution to the Black Country, to meet some of the demands expressed in Shropshire over the 22-year plan period.		
Employment Land Requirement Option 3: High Growth - Variation 1	Uplift around 10%	Yes
Consisting of a 10% uplift on the adjusted need for employment land in Shropshire of 250ha over the 22-year period from 2016-2038. This option has the addition of 30ha to contribute towards unmet employment land need forecast in the Black Country. These factors combined would require a minimum of 300ha of land at an annual average of 14ha/yr . This would be High Growth Variation 1 which provides an uplift on baseline need consistent with the High Growth Option (Option 2) in the earlier SA assessment undertaken for the draft Shropshire Local Plan. This option would provide an employment land requirement that is the same as the current requirement proposed in the draft Shropshire Local Plan.		
Employment Land Requirement Option 4: High Growth - Variation 2	Uplift around 15%	Yes
Consisting of a 15% uplift on the adjusted need for employment land in Shropshire of 250ha over the 22-year period from 2016-2038. This option has the addition of 30ha to contribute towards unmet employment land need forecast in the Black Country. These factors combined would require a minimum of 315ha of land at an annual average of 14.5ha/yr . This would be High Growth Variation 2 which represents a continuation of the current rate of development in the adopted Development Plan at 14.5ha/yr.		
Employment Land Requirement Option 5: High Growth - Variation 3	Uplift around 20%	Yes
Consisting of a 20% uplift on the adjusted need for employment land in Shropshire of 250ha over the 22-year period from 2016-2038. This option has the addition of 30ha to contribute towards unmet employment land need forecast in the Black Country. These factors combined would require a minimum of 330ha of land at an annual average of 15ha/yr . This would be High Growth Variation 3 following the stepped increases in the uplift above baseline need and including the Black Country contribution. This identifies a scale of development not considered in any preceding stage of the draft Shropshire Local Plan or any preceding Development Plan for Shropshire.		

5.39. Dealing with each in turn:

Consultation Responses

- 5.40. The evidence base and consultation responses that have informed the preparation of the draft Shropshire Local Plan identified a range of issues and opportunities that exist in Shropshire. Key issues and opportunities identified include:
- a. promote the County at national and regional levels to capture greater levels of investment, support key growth sectors and deliver a 'high growth' strategy;
 - b. deliver balanced, mixed use development in key locations to manage travel patterns and promote sustainable travel options;
 - c. deliver sustainable economic growth which increases the size and diversification of the business base and delivers improvements to Shropshire's economic performance and productivity;
 - d. deliver an urban focused strategy to locate opportunities where investment is most likely to be delivered;
 - e. provide a good range and choice of suitably located and deliverable employment land and premises with attractive and accessible strategic investment sites;
 - f. deliver high quality education and training opportunities in further education (FE), higher education (HE) and vocational training;
 - g. deliver good quality housing to meet the full range of housing needs supported by modern retail and leisure services;
 - h. improve the highway and public transport networks especially along the Strategic Corridors including the A49, A5, A458;
 - i. deliver the North West Relief Road to complete the by-passes around Shrewsbury and to facilitate contemporary regeneration investments to support the role and function of the County town.
- 5.41. Key evidence to inform these issues and opportunities includes the local housing need assessments (with EV069), Authority Monitoring Reports (including EV012), Strategic Housing Market Assessment (EV097.01 and EV097.02), Productivity Growth Forecast (EV090), Economic Development Needs Assessment (EV043), Economic Growth Strategy (EV044), Employment Land Review (EV046) and Local Plan Viability Study (EV115.01).
- 5.42. These issues and opportunities were identified in response to the Issues & Strategic Options Consultation (EV003.01 and EV003.02), Preferred Scale and Distribution of Development Consultation (EV004.01 and EV004.02), Regulation 18: Pre-Submission Consultation (EV007.01 and EV007.03), and Regulation 19: Pre-

Submission Consultation (SD002, SD014.01-SD014.02 and formal representations A0001-A0682 and GC4o).

Employment Land Need and Options in the EDNA

- 5.43. The EDNA provided two assessments of need based on the Shropshire 'only' employment land need from growth in the 'labour supply' at 140.9ha and growth in the 'labour demand' at 161.9ha.
- 5.44. These were adjusted to the actual density of development in Shropshire to give a 'labour supply' need of 217ha and a 'labour demand' need of 250ha. The further provision of a 30ha contribution to unmet need in the Black Country indicated final combined needs for 'labour supply' at 250ha and for 'labour demand' at 280ha.
- 5.45. The economic aspirations of the Council required that a number of objectives be considered in determining which of these needs should inform the employment land requirement options shown in Table 5.1.
- 5.46. It was concluded that, it is necessary to ensure the employment land requirement meets the employment needs of the growing population, demand from changes in the size and performance of the business base and from those seeking employment in the County as a result of growth in the local economy. **Therefore, the 'labour demand' employment land need of 280ha, at an annual average of 12.7ha each year, is therefore considered to be the key determinant for the employment land requirement.**
- 5.47. The employment land requirement options now identified within the additional SA assessment work, from the calculated need, range through a rising scale of growth from: Productivity Growth - 280ha, Significant Growth - 290ha, High Growth – Variation 1 – 300ha, High Growth – Variation 2 – 315ha and High Growth – Variation 3 – 330ha.
- 5.48. The EDNA also considered three intrinsic growth options to determine the implications of identifiable growth scenarios for the County. The implications of the identifiable growth scenarios are, the:
- a. Housing Requirement at 30,800dws indicated 151.4ha which adjusted for density and with the addition of the 30ha contribution to unmet need equalled a requirement for 265ha;
 - b. Regeneration Scenario comprising the Economic Growth Strategy (2017) and the programmes, projects and services of the Economic Growth Service supported by The Marches LEP indicated:
 - i. 166.9ha adjusted for density with the addition of the 30ha contribution to unmet need equalled a requirement of 285ha;

- c. Past Take-up over the long term in Shropshire indicated 233.8ha which adjusted for density and with the addition of the 30ha contribution to unmet need equalled a requirement for 390ha.

- 5.49. The intention for the preferred employment land requirement is principally to accommodate the aspirations of the business community and the need to improve Shropshire's economic performance and productivity. To achieve this principal objective, it is necessary to meet the employment needs of the growing population and demand from those seeking employment in the County, following changes in the size and performance of the business base.
- 5.50. A measure of this objective would be to compare the employment land requirement options to the Regeneration Scenario (as described in paragraph 5.48b above) identified in the EDNA (at paragraph 9.5). This is shown in Table 5.2 below with the reasonable employment land requirement options and a proposed employment land requirement at 300ha.

Table 5.2: Reasonable Employment Land Requirement Options compared with EDNA Regeneration Scenario

Reasonable Options	Employment Land Requirement	Regeneration Scenario indicative requirement	Comparison with Regeneration Scenario	
	hectares		hectares	%
Productivity Growth	280	285	-5	-2%
Significant Growth	290	285	5	2%
High Growth - Variation 1	300	285	15	5%
High Growth - Variation 2	315	285	30	11%
High Growth - Variation 3	330	285	45	16%

- 5.51. This proposed employment land requirement of 300ha allows for a further degree of flexibility above the indicative Regeneration Scenario at 285ha. The preferred employment land requirement over the Plan period would be 14ha/yr or +1.5ha/yr above the current average rate of 12.5ha/yr.

Purpose and Strategy for Co-operating with Unmet Need

- 5.52. The Employment Topic Paper (GC4n in Section 6: ABCA Unmet Employment Needs) explains that Shropshire Council recognised the need to safeguard against the labour market effects of an ageing population in Shropshire, and the effects of significant levels of older in-migrants moving into the County.
- 5.53. It was further recognised that unmet employment needs in the Black Country Authorities would likely create a surplus supply of labour in these four, centrally located, urban authorities which comprise an accessible, vibrant economic area in the centre of the region. These

unmet needs would change the supply, availability and movement of labour in a combined population of around 1.25 million persons.

- 5.54. Shropshire's response to these issues sought in part, to retain more of the County's resident working population, by managing out-commuting, to help drive its own economic growth strategy. A first step towards this, was to achieve a 'net commuting balance' by reducing out-commuting to a level of 'equilibrium' with in-commuting. However, an increase in the number of commuters from the Black Country into Shropshire would also be welcomed.
- 5.55. A critical element of this approach was to recognise the likely impacts of commuting patterns between Shropshire and the Black Country Authority areas. The significant employment opportunities in the Black Country, combined with the proximity of Shropshire, and the connectivity between the two areas, were considered to be contributory factors to the significant unmet employment land need in the Black Country. It was considered that steps to relieve these commuting pressures would have longer term benefits both for Shropshire and for the Black Country Authorities.
- 5.56. A further matter to be considered in this relationship, was addressed by the Examining Authority for the West Midlands Interchange in South Staffordshire. The Examining Authority accepted that the Black Country *"labour pool should support the scale of growth at [the] WMI including residents who are unemployed and those who are not currently economically active but want a job"*. However, the Examining Authority wished to ensure: *"there would be an adequate labour pool to support the Proposed Development without a significant adverse effect on the ability of existing businesses [in the Black Country] to fulfil their employment needs"*.
- 5.57. In seeking to assist the Black Country Authorities with their unmet need, Shropshire wished to support their capacity to continue to meet their own labour needs. This objective meets the obligations in NPPF, paragraph 81 to *"allow each area to build on its strengths, counter any weaknesses and address the challenges of the future"*.
- 5.58. To achieve this objective, Shropshire sought to support the unmet employment need in the Black Country by seeking to influence commuting between Shropshire and the Black Country. This would be achieved in addition to the migration of some labour to new housing in Shropshire. This would also be achieved by managing the scale of the contributions to the Black Country Authorities at 1,500 dwellings and 30ha of employment land, to effectively '*share*' an element of the Black Country labour pool.

- 5.59. This approach sought primarily to meet the duty to cooperate in satisfying unmet needs across the region but also to ensure that each participating authority would still have the resources necessary to deliver effective planning strategies for their administrative areas.

Issues and Opportunities and the Economic Spatial Strategy

- 5.60. The consultation responses that informed the preparation of the draft Shropshire Local Plan identified a range of issues and opportunities in Shropshire which are identified above.
- 5.61. These helped to inform the preparation of the Economic Growth Strategy which sought to capture the broad spectrum of activity required to improve the performance and productivity of the local economy. The strategy also considered how growth might be delivered through a range of further related initiatives including the provision of housing, improvements to the communications networks, support from the public sector and promotion of Shropshire as a good location for investment and enterprise.
- 5.62. The Economic Growth Strategy is considered to provide the pathway for Shropshire to deliver qualitative improvements to the local economy. It is important for the employment land requirement in the draft Shropshire Local Plan to be of a sufficient scale to achieve these objectives whilst being realistic and deliverable in relation to the evidence in the EDNA and local plan evidence base.
- 5.63. The Employment Strategy Topic Paper (GC4n in Economic Spatial Strategy paragraph 4.14) captures these objectives including the:
- a. **‘step change’ in growth and productivity** – to achieve a ‘step change’ in Shropshire’s economic performance by offering higher quality investment opportunities and improving the quality of the employment offer to retain skilled and qualified people;
 - b. **expanding business base of investment and employment** – to improve Shropshire’s economic investment potential particularly in significant commuting locations from vibrant urban markets with higher concentrations of labour, skills and qualifications offering opportunities for higher quality investment and employment uses;
 - c. **growth and diversification of labour force** - to balance new economic development and employment generation with the delivery of new housing especially in urban centres to help achieve the key economic objectives of Shropshire’s strategic approach;
 - d. **range of employment generating uses** – to reflect the changes to the Use Classes Order and the introduction of Class E to capture the broader contribution to the employment offer in the County;
 - e. **delivery of more higher value employment** - to support the working age population especially professionals and key workers to

live and work in Shropshire by offering good quality job opportunities with career advancements and to reduce the under-employment of skilled people;

- f. **choice and competition for employment sites** – to deliver an employment land requirement that improves Shropshire’s investment potential and job opportunities, shaping an employment land supply offering a range, choice and quality of locations and opportunities;
- g. **greater efficiency in the development of employment land** - to deliver more effective planning of development on employment land to improve the density of land use, delivery of floorspace and out-turn of jobs to meet Shropshire’s economic needs;
- h. **modernise the supply of commercial premises** - to replenish the building stock with modern premises and reduce the loss of good quality employment land and floorspace to other uses.

Additional Sustainability Appraisal Assessment Work

- 5.64. The additional SA assessment work provides a crucial source of information to inform the planning judgement regarding which reasonable employment land requirement option should form the basis for the strategic approach in the draft Shropshire Local Plan.
- 5.65. The additional SA Assessment assessed each option against the SA objectives to reach a conclusion about their relative sustainability. These options ranged through five scales of growth comprising 280ha, 290ha, 300ha, 315ha and 330ha as shown in Table 5.1.
- 5.66. In general terms, the additional SA assessment work concludes that a greater scale of growth in any option would increase the likelihood of positive impacts on social and economic factors. Conversely a greater scale of growth would increase the likelihood of negative impacts on environmental factors. It is important to seek a balance across the social, economic, and environmental objectives of the SA process to satisfy the principle of ‘sustainable development’.
- 5.67. The additional SA assessment work concluded that:
 - a. Option 5 High growth -Variation 3 might result in negative and positive impacts on a number of SA objectives. These conclusions arise from the proposed scale of growth being far greater than any employment land requirement previously proposed for Shropshire;
 - b. Options 1 and 2 for Productivity Growth and Significant Growth respectively would be deliverable as they achieve or exceed the identified local employment land need and provide a 30 hectare contribution to the unmet employment needs forecast in the

Black Country. These options also have many positive benefits (Option1) or neutral impacts (Option 2) on the environmental SA objectives. However, it is questionable whether the scale of growth proposed in either Option 1 or 2 would provide an appropriate strategy for Shropshire and to deliver SA objective 2: to encourage a strong and sustainable economy;

- c. Options 3 and 4 for High Growth – Variations 1 and 2 respectively propose a scale of employment development similar to that in the draft Shropshire Plan (Option3) and similar to the rate of development in the adopted Development Plan (Option4). The SA assessment would suggest:
 - i. Option 4 with its higher scale of growth would positively encourage a strong and sustainable economy. This would however, negatively affect a number of SA Objectives including objective 1 to protect biodiversity and the quality and extent of habitats; objective 6 by increasing car usage and distances travelled; and objectives 10, 14, 15 and 16 to reduce flood risk, manage the demand for natural resources, protect heritage assets and their settings and conserve landscape character and distinctiveness.
 - ii. Option 3 with its slightly lower scale of growth as the central option in the 5 options, still positively encourages a strong and sustainable economy. Further, Option 3 is comparable to the scale of growth (also at 300ha and around 14ha/yr) in the draft Shropshire Local Plan. The draft Shropshire Local Plan also provides a strategic approach with a strategic and local policy framework to achieve this scale of growth. This would provide confidence that Option 3 is consistent with the economic growth aspirations and capable of being delivered within the environmental objectives for Shropshire. Option 3 provides largely positive, neutral or anticipated neutral impacts across the SA objectives. This achieves a balance across the social, economic, and environmental objectives as the three pillars for achieving 'sustainability'.

5.68. Further detail on the outcomes of this additional SA assessment work is provided within the Additional SA Report.

Expression of the Employment Land Requirement

5.69. Throughout the preparation of the draft Shropshire Local Plan, it was expected that the scale of development to be delivered would be 'around' the scale of the proposed employment land requirement in the draft Shropshire Local Plan.

- 5.70. In ID28, the Planning Inspectors concluded that the employment land requirement should actually be expressed as 'a minimum' *"for both monitoring and effectiveness"* of the Local Plan.
- 5.71. Shropshire Council accepts this principle. However, the implications require careful consideration in the context of identifying which of the reasonable employment land requirement options should form the basis for the proposed requirement in the draft Shropshire Local Plan.
- 5.72. Where the employment land requirement is expressed as 'around', this would not provide a definitive minimum or a definitive maximum, but rather, a general target for the scale of development to be delivered. Where the requirement is to be expressed as 'a minimum' it would constitute a definitive minimum. This would caution against proposing an employment land requirement with a scale of growth that might be regarded as being too high and instead, support a realistic and achievable scale of aspirational growth. It is considered that this objective is achieved in Table 5.2.
- 5.73. The assumption would follow that, the scale of development to be delivered would not fall short of the requirement but may reasonably exceed this requirement. This may of course be subject to consideration of the wider policy objectives and the economic circumstances that prevailed through the Plan period. However, this approach would be supported by Shropshire Council and a greater scale of employment development would be supported by the Shropshire Economic Growth Strategy.

Deliverability

- 5.74. The proposed employment land requirement should meet local need and facilitate the contribution towards unmet needs in the Black Country. In addition, the requirement should accommodate the aspirations of the business community and the need to improve Shropshire's economic performance and productivity.
- 5.75. To achieve these objectives the employment land requirement must be deliverable and there should be evidence to justify the level of aspiration indicated by the requirement. This would again suggest proposing an employment land requirement that provided a reasonable and deliverable scale of growth.
- 5.76. In Employment Topic Paper (EV112), the Shropshire Authority Monitoring Report (2020) was found to indicate that the:
- a. average development rate in Shropshire from 2016 to 2020 has increased and regained the historical rate of 12.5 ha each year only previously achieved from 1989 to 2006;

- b. Employment development in Shropshire from 2016 continued to fluctuate with a lower level of 10.5ha in 2016-17 and 6.8ha in 2018-19 reflecting changes in the regional and national economy;
 - c. However, development in 2017-18 (15.2ha) and particularly in 2019-20 (17.4ha) significantly exceeded any historical records and on average saw the rate of development in Shropshire return to rates only previously experienced before 2006;
 - d. This occurred despite the anticipated effects of Brexit and the emergence of the coronavirus Covid-19. In fact since 2016, Shropshire has seen the average rate of development increase by +30% from 9.6ha each year to 12.5ha each year;
 - e. This positive response in Shropshire to the recent economic circumstances, coincided with the publication of the first Shropshire Economic Growth Strategy (2017) and the restructure of the County Economic Growth Service;
 - f. the experience of the business community in Shropshire since 2016, supported by their partnership with the public sector, appears to have encouraged investment confidence contrary to the anticipated outcomes;
 - g. the evidence of recent, higher annual completions in Shropshire, which took the average rate of development to 12.5 ha each year, would indicate the deliverability of a higher aspirational option for the employment land requirement;
- 5.77. Shropshire has an average rate of delivery of 12.5ha/yr from 2016 to 2020. It is reasonable to propose that Option 3 – High Growth - Variation 2 at 300ha, would represent an aspirational and deliverable employment land requirement to support economic growth in Shropshire. This 300ha requirement would have an annual rate of development of 14ha each year which would be +1.5ha/yr above the current average rate of delivery at 12.5ha/yr in Shropshire.

The Proposed Employment Land Requirement

- 5.78. Shropshire Council has carefully considered the findings and conclusions of the EDNA. This includes the economic forecasting undertaken to inform the economic growth options for the employment land needs in Shropshire to 2038. This also includes the agreed 30ha contribution in Shropshire towards unmet employment land needs forecast to arise in the Black Country. Shropshire Council has also considered local evidence of the needs in Shropshire including evidence of the density of development in the County.
- 5.79. Shropshire Council proposes to uplift local need at 250ha by 10% to deliver an employment land requirement that recognises the extensive range of information about the economic needs and

opportunities in the County and also makes a contribution to unmet need in the Black Country. This also takes account of the local evidence and conclusions in the Employment Topic Papers (EV112/GC4n).

5.80. All these considerations underpin the assessments of the reasonable options for the employment land requirement and the planning judgement of the appropriate employment land requirement for the draft Shropshire Local Plan and its employment strategy.

5.81. In conclusion, Shropshire Council proposes that **Option 3** provide the employment land requirement for the draft Shropshire Local Plan.

5.82. **Option 3: High Growth – Variation 1, comprises the EDNA employment land need in the Experian economic baseline forecast (2020) with a contribution towards unmet employment land needs forecast in the Black Country.**

5.83. **The Shropshire employment land need of 161.9ha was adjusted for the density of development in Shropshire to 250ha.**

5.84. **A 10% uplift of 25ha above the Shropshire need of 250ha with a 30ha contribution to the Black Country, gives a proposed, 'minimum' employment land requirement of 300ha for the Plan period from 2016-2038, at an annual average of 14ha/yr.**

Reasons for the Proposed Employment Land Requirement

5.85. The Council's planning judgement to determine the proposed employment land requirement for the draft Shropshire Local Plan required a detailed consideration of the evidence base and objectives for the Council's preferred employment strategy.

5.86. Key considerations included:

- a. **Option 3 delivers High Growth - Variation 1.** The level of employment land proposed in Option 3 is considered to be **responsive to the principle of and will deliver High Growth**. This is the same as the proposed requirement in the draft Shropshire Local Plan and is consistent with the strategic approach of the draft Shropshire Local Plan and the strategic and local policy framework. This employment land requirement is considered to be consistent with the objectives of the economic spatial strategy as it:
 - i. meets the local need for employment land at 250ha anticipated from growth in the business base;

- ii. includes an additional buffer above local need of 25ha to provide flexibility at an appropriate level above local need;
 - iii. includes an additional contribution of 30ha towards unmet employment land need in the Black Country;
 - iv. ensures the flexibility to provide confidence in the delivery of the local and 'neighbouring' unmet needs within Shropshire;
 - v. positively supports the ability to address identified issues and opportunities in Shropshire and particularly to achieve the objectives of the Shropshire Economic Growth Strategy.
- b. The level of employment land required in Option 3 is responsive to the:
 - i. employment needs of the growing population of Shropshire and from those seeking employment in the County;
 - ii. demands from increases in the size and performance of the business base of the local economy
 - iii. need to co-operate with neighbouring Functional Economic Market Areas by contributing towards unmet need and to address changing circumstances including the limitations in the strategic land supply in some key areas of the West Midlands region
 - iv. available information on delivery trends in the County where shorter term delivery identifies an increasing demand for employment land compared to longer term trends;
 - v. the need to provide sufficient flexibility to respond to the uncertainty in the performance of the local, regional, national and international economy.
- c. Option 3 for 300ha as an aspirational but deliverable requirement responds to the historical assessments of employment land need and requirements as indicated in the Employment Topic Paper (EV112 in paragraphs 4.3-4.7 and 4.19-4.20). This identified that the employment land requirement would likely exceed 274ha at 12.7ha/yr. This is reflected in the recent delivery of 12.45ha/yr in the first four years of the draft Shropshire Local Plan from 2016 to 2020. This period includes years where delivery far exceeded the average as a result of increasing demand in Shropshire.
- d. Option 3 for 300ha with a scale of growth that defines the central point of the 5 reasonable requirement options, still positively encourages a strong and sustainable economy. The draft Shropshire Local Plan also provides a strategic approach with a strategic and local policy framework to achieve this scale of growth. This would provide confidence that Option 3 is

consistent with the economic growth aspirations and capable of being delivered within the environmental objectives for Shropshire. Option 3 provides largely positive, neutral or anticipated neutral impacts across the SA objectives. This achieves a balance across the social, economic, and environmental objectives as the three pillars for achieving 'sustainability'.

- e. The intention for the preferred employment land requirement is principally to accommodate the aspirations of the business community and the need to improve Shropshire's economic performance and productivity. To achieve this principal objective it is necessary to meet the employment needs of the growing population and demand from those seeking employment in the County, following changes in the size and performance of the business base. Therefore, it is considered appropriate to identify an employment land requirement of 300ha which would be supported by evidence provided by the EDNA.
- f. Employment Topic Paper GC4n in paragraphs 6.16 and 6.17 identifies that Shropshire and the Black Country recognise their mutual objectives under paragraph 26 of the NPPF where:
 - i. Shropshire and the Black Country have mutual objectives for their emerging Local Plans and these strategic policy-making authorities are working towards the "production of a positively prepared and justified strategy" for their respective administrative areas;
 - ii. This 'mutuality' seeks to counter challenges created by the more limited development capacity of the Black Country which is proposed to be achieved in Shropshire by:
 - further facilitating the Black Country Authorities to access the strategic corridors, principal settlements and land resources in the adjacent sub-regional area; and
 - using the land resource capacity of Shropshire to support the sustainable growth of their local economy;
 - helping to meet some of the investment demands in the business markets and some of the employment needs in the labour markets of the Black Country;
- g. The requirement for 300ha includes a specific contribution of 30ha towards the unmet employment land needs in the Black Country. This is considered to be an appropriate contribution at this time and would also support further co-operation with neighbouring Functional Economic Market Areas (FEMA) in order to strengthen the strategic relationships between Shropshire and neighbouring authorities.

- h. The evidence base and consultation responses that have informed the preparation of the draft Shropshire Local Plan identified a range of issues and opportunities for Shropshire. In response to these matters, it is important to recognise that Option 3 for 300ha is the same scale of growth previously proposed in the draft Shropshire Local Plan. This employment land requirement is consistent with the strategic approach and the robust policy framework in the draft Shropshire Local Plan. This will support the delivery of a sustainable pattern of development in Shropshire.
- i. This provides confidence that a requirement of 300ha is consistent with the economic growth aspirations for the County and can be delivered within the environmental objectives for Shropshire. This will ensure the strategic approach in the draft Shropshire Local Plan, with this employment land requirement, will address the issues, considerations and perspectives identified in the formal consultation responses.
- j. Shropshire Council accepts the principle of the employment land requirement being a 'minimum' that should be achieved. The proposed requirement of 300ha is considered to be deliverable as a 'minimum'. It is recognised that where the 'minimum' requirement might be exceeded, as a result of additional demand being expressed in Shropshire, it is possible to deliver a higher level of employment development.

5.87. In conclusion, considering the available evidence, responses to previous consultation and the technical assessments to support the planning judgement, Shropshire Council considers the employment land requirement in the draft Shropshire Local Plan should be **Option 3 for 300ha** from the updated reasonable options in this Topic Paper.

5.88. The proposed employment land requirement is a minimum of 300ha (including a 30ha contribution to unmet employment land need forecast in the Black Country), which equates to an annual average of around 14 hectares each year.

Implications of Proposed Employment Land Requirement

5.89. The proposed employment land requirement of 300ha is the same as the scale of development previously proposed within the draft Shropshire Local Plan. As such, Shropshire Council considers the strategy in the draft Shropshire Local Plan, for achieving this

employment land requirement, remains appropriate and is consistent with the requirement.

- 5.90. As a result, only minimal modifications would be required to reflect this proposal. Specifically, draft Policy SP2 will require a main modification to expressly state, the proposed employment land requirement of 300ha assumes the employment land needs of the County include a 30ha contribution towards unmet employment land needs forecast in the Black Country.
- 5.91. Policy SP2 will be modified to show the employment land requirement is proposed as a minimum level of employment development in Shropshire to 2038. The Shropshire Local Plan therefore anticipates the employment land requirement may be exceeded over the Plan period to 2038. This provides an implicit flexibility in the employment strategy in the Shropshire Local Plan.

Employment Land Supply

- 5.92. Shropshire Council has identified an employment land supply of 413 hectares (ha) which will meet the needs of the County and the demands of the local economy over the proposed local plan period.
- 5.93. This employment land supply captures the benefits of the committed land supply (102ha) and the 'saved' employment allocations (128ha) and proposed allocations (134ha) to address distribution shortfalls in the centre, east and south of the County.
- 5.94. The most recent assessment of the employment land supply in Shropshire, is in the Authority Monitoring Report (2020) (EV012). Shropshire Council has summarised this in Table 5.3 below. This is considered to represent a suitable and sustainable employment land supply for the Plan period to 2038.
- 5.95. The employment land supply in Table 5.3 would facilitate the following distribution of employment development shown in Figure 5.1:

Figure 5.1: Distribution of Employment Development

Location	hectares	%
Strategic Centre (Shrewsbury)	105	25.4
Principal Centres	155	37.5
Key Centres	84	20.4
Strategic Settlements	12	2.9
Community Hubs	10	2.4
Community Clusters	4	1.0
Rural Areas	44	11.0
SHROPSHIRE	413	100

- 5.96. It should be noted that for the plan period 2016 to 2038, with existing completions from 2016/17 to 2019/20 at just below 50ha, there is still **sufficient deliverable or developable employment land to deliver 363ha of employment development to meet the residual requirement for 252ha at around 14ha each year.**
- 5.97. The employment land supply of 363ha is more than sufficient to achieve the residual employment requirement of 252ha. This provides an additional supply for **around 44%** above the residual employment land requirement.
- 5.98. It is recognised that proposed allocation SHR166 Land to the west of the A49, Shrewsbury (45ha) has now been Scheduled as a Monument by Historic England. Whilst yet to be discussed at the Examination, it is recognised this may affect the developable supply of 363ha by reducing it towards 318ha. However, employment development of 48ha from 2016 to 2020 has also reduced the proposed requirement from 300ha to 252ha. Where the County had a supply closer to 318ha (rather than 363ha) there would still be a surplus of 66ha (+26%) to deliver the residual 252ha requirement.

Table 5.3: Strategic Employment Land Supply (31st March 2020)

Location	Completions	Permissions	Allocations		SUMMARY OF SUPPLY
			Saved without Permission	Proposed in Draft Plan	
			hectares		
SHROPSHIRE	49.8	101.6	127.7	134.0	413
Strategic Centre Shrewsbury	8.0	37.8	9.0	50.0	104.8
Hubs		0.15			0.15
Clusters					
Principal Centres	14.6	23.3	84.2	33.0	155.1
Hubs	2.5	3.2			5.7
Clusters	0.5	3.1			3.5
Key Centres	2.9	9.5	32.8	39.0	84.2
Hubs	1.1	1.5	1.4		4.0
Clusters	0.01				0.01
Strategic Settlements:					
Clive Barracks, Tern Hill				6.0	6.0
Former Ironbridge Power Station				6.0	6.0
Rural Settlements & Countryside	20.2	23.0	0.3		43.5

Delivery of Labour

- 5.99. A key step towards sustaining the growth of the local economy and achieving the levels of employment growth will be the provision of sufficient labour within or accessible to the County.
- 5.100. Further to the Council's submissions on labour supply in the Stage 1 Hearings on Matter 4, the Council presents in Table 5.2 an update of the Shropshire Labour Supply Balance. This would adjust the forecast jobs growth in Table 5.2 from the previous 19,667 jobs to 20,382 jobs from the proposed employment land requirement.
- 5.101. The proposed employment land requirement of 300ha based on the adjusted Experian Baseline Forecast of 250ha would deliver 16,700 jobs (EDNA Tables 8.1 and 8.3 pages 98 and 100). The uplift of the Experian Baseline Forecast by 10% to 275ha would increase the delivery of employment to 18,370 jobs (16,700+1,670). The addition of a 30ha contribution to unmet employment land needs in the Black Country would increase the delivery of employment by 2,012 jobs to 20,382 jobs (18,370+2,012). This expects that 16,700 jobs on 250ha (249ha actual) would deliver around 67.07 jobs/ha.
- 5.102. The provision of Class B or equivalent jobs would provide 6,591 jobs from a total of 16,700 jobs. A 10% uplift of 1,670 jobs would provide a further 659 jobs in Class B or equivalent uses. A contribution of 2,012 jobs to unmet need in the Black Country would provide a further 794 jobs. This would total to 8,044 jobs in Class B or equivalent uses. This anticipates that 16,700 jobs providing 6,591 jobs in Class B or equivalent uses is 39.46% of the total jobs.
- 5.103. The proposed employment land requirement of 300ha using the Experian Baseline Forecast is expected to deliver around 20,382 jobs with 8,044 jobs in Class B or equivalent land uses. The EDNA anticipates that past take up might extend this provision upwards towards 29,178 jobs or even higher to 35,637 jobs.
- 5.104. This update responds to the discussion on this issue at the Matter 4 Hearing. This relates to the forecast in the EDNA (paragraph 8.55 and Table 8.11 on page 108) that the housing requirement of 30,800dws (around 1,400dws each year) would provide sufficient labour in Shropshire to support 12,145 jobs.
- 5.105. This update to the Labour Supply Balance further sets out the Shropshire response to the national challenge of delivering a sustainable labour supply in a population with an increasingly older demographic. This would draw on sources of labour currently affected by unemployment, commuting patterns and economic inactivity due to family or personal circumstances or retirement.

- 5.106. These further considerations include opportunities to improve the labour supply that are being explored and addressed by HM Government. The effect on the Shropshire labour force balance at June 2023 can be explored using the NOMIS Labour Market Profile for Shropshire at 2021.
- 5.107. HM Government policy and initiatives are considered to have contributed to changes and improvements in the labour force in Shropshire. The position from the previous NOMIS Profile 2020, sought to reduce unemployment from 3.6% at 5,400 persons to 2.6% at 3,900 persons. NOMIS 2021 shows unemployment reduced to 3.0% at 4,600 persons giving Shropshire a Labour Market Premium of +800 persons with a prospect for a further 0.5% reduction with an additional +766 persons.
- 5.108. The labour force balance in Table 5.4 identifies the unemployment premium and the following further characteristics of the Shropshire response to the labour force balance to sustain the projected growth in the local economy:
- a. the proposed employment land requirement with the contribution to the Black Country is expected to influence commuting patterns between Shropshire and the Black Country with the effect of retaining or drawing a further 2,300 persons into the Shropshire labour force:
 - a. the proposed employment land requirement would require a significant degree of draw down of labour from those currently economically inactive who wish to secure work. This may require all those people who are economically inactive and seeking work to enter the labour force
 - b. the effect of a higher provision of employment would require a significant degree of drawdown of labour from those currently excluded from the labour force for reasons of health or other matters that result in their exclusion. This would require a fuller degree of inclusion for the highest levels of jobs growth;
 - c. the effect of achieving the highest provision of employment would further require a significant drawdown of older people choosing to defer their retirement to sustain their income.
 - d. the effect of achieving the highest provision of employment would provide a further labour force premium in attracting further migrant or commuting labour into the County either to access work or to live and work in Shropshire.

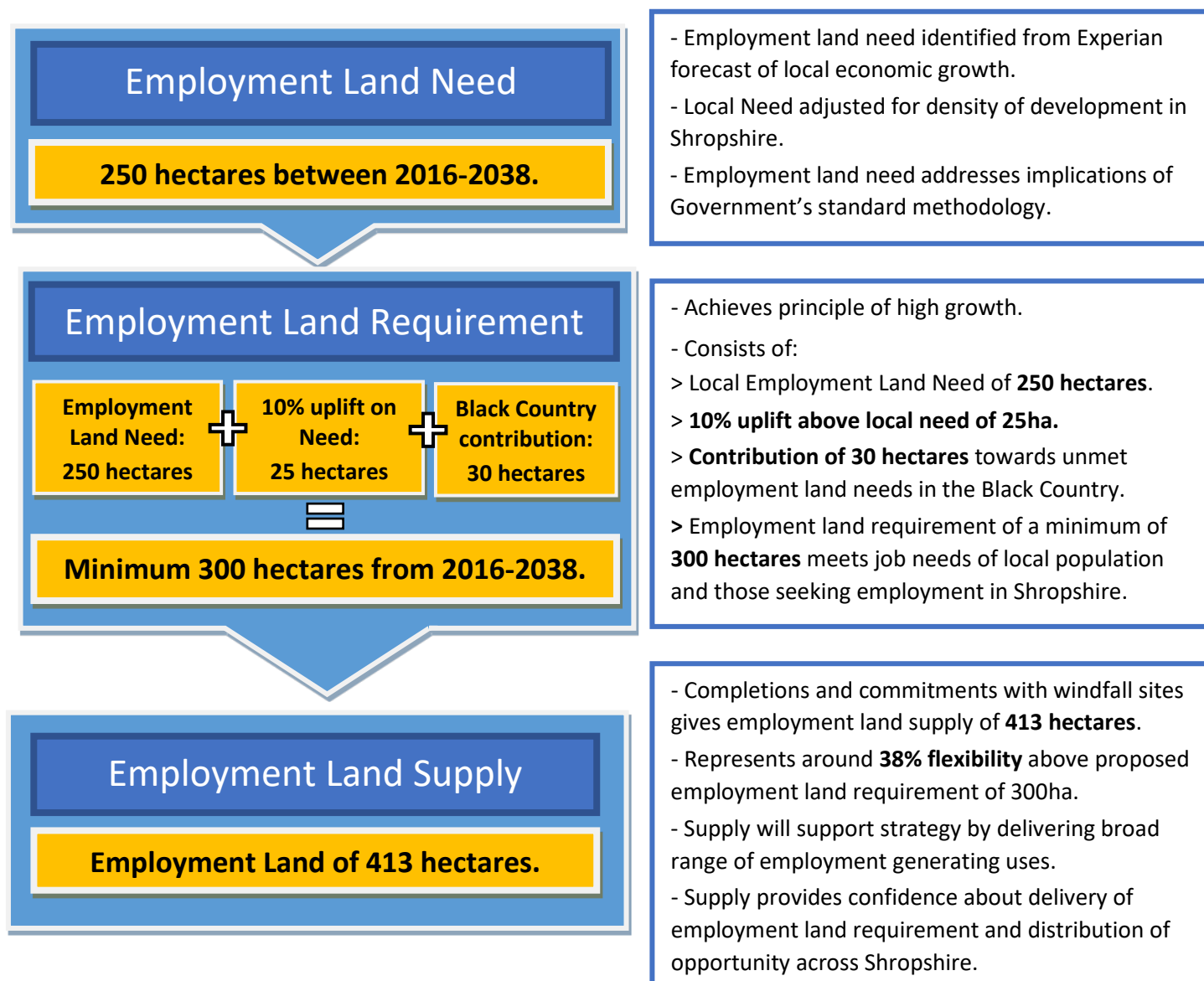
Table 5.4: Shropshire Labour Supply Balance (June 2023)

Factors	Influences	Employment and Labour Projections						
		Experian Baseline uplifted 10% PLUS 30ha	Lower Range			Upper range		
			Future Projection		Future Projection with Actual Development		Future Projection	
			low	high	low		low	high
			numbers					
PROJECTED EMPLOYMENT GROWTH	Overall Employment Generation	20,382	29,178			35,637		
	- Office, Industrial, warehousing/logistics	8,044	14,035	17,944	14,047	14,041	17,961	
Migrant Labour Force Growth (projected)	- working age migrants from anticipated trends including: in-migration from ABCA through meeting 1,500 dwellings of unmet housing need	12,145	12,145			12,145		
Moving from Net Out-Commuting to Net In-Commuting	- to reduce out-commuting towards equilibrium		5,665			5,665		
	- in-commuting from ABCA through meeting 30 hectares of unmet employment land need	2,300	2,300			2,300		
Managing Unemployment and NOMIS Labour Market Profile 2021	- Unemployment 2020 (4,600 persons reduce from 3.0% to 2.5%)	766	766			766		
	- Economic Inactivity: 4,800 persons want a job	4,371	4,800			4,800		
	- Health & Well-Being Agenda: reducing inactivity by 15%		2,702			2,895		
	- Social Inclusion Programme: from 19,300 persons							
	- Extended Careers: 20% defer retirement from 8,300					1,660		
Labour Force Premium	- reduced unemployment by 0.6% from 5,600 persons in 2020 to 4,800 persons in E302021 (NOMIS)	800	800			800		
	- employment growth attracting more in-commuters and /or					4,606		
	- improving housing choice attracting more working migrants							
TOTAL LABOUR SUPPLY		20,382	29,178			35,637		

Summary

5.109. Figure 5.2 provides a summary of local employment land need, the contribution towards unmet need in the Black Country and the uplift above local need to identify the proposed employment land requirement. Figure 5.2 also identifies the employment land supply.

Figure 5.2: Summary of Employment Land Needs, proposed Employment Land Requirement and Employment Land Supply



6. Strategic Distribution of Planned Development

Introduction

- 6.1. This section of the Topic Paper addresses the proposed strategic distribution of planned development, which establishes the overarching approach to the distribution of development across Shropshire.
- 6.2. The proposed strategic distribution of planned development forms an important component of the proposed spatial strategy.

Initial Identification: Reasonable Options for the Strategic Distribution of Planned Development

- 6.3. Within the Issues and Strategic Options Consultation Document prepared to inform the draft Shropshire Local Plan, three reasonable options for the strategic distribution of planned development were identified.
- 6.4. These reasonable options were identified based on various approaches to the distribution of the total proposed development between three broad 'settlement categories'. In effect, category 1 consisted of Shrewsbury; category 2 consisted of the other urban settlements; and category 3 consisted of the rural settlements and wider rural area.
- 6.5. These options and the associated SA assessment of these options informed the identification of the proposed approach to the strategic distribution of planned development within the draft Shropshire Local Plan.
- 6.6. The overall process undertaken to identify the strategic distribution of planned development proposed within the draft Shropshire Local Plan is summarised within the Housing Topic Paper (GN4i) and the Strategic Employment Topic Paper (GC4n).

Updated Identification: Reasonable Options for the Strategic Distribution of Planned Development

- 6.7. As part of the additional SA assessment work undertaken in order to positively respond to ID28, three updated reasonable options for the strategic distribution of planned development were appraised.
- 6.8. Consistent with the methodology utilised to identify reasonable options for the strategic distribution of planned development within the SA assessment already undertaken to inform the draft Shropshire Local Plan, reasonable options for the strategic distribution of planned development within this additional SA assessment work were

identified based on various approaches to the distribution of the total development between three identified 'settlement categories'.

Updated Reasonable Options for the Strategic Distribution of Planned Development

- 6.9. Using the methodology described above, three reasonable options for the strategic distribution of planned development were identified. These options were:

Table 6.1: Reasonable Strategic Distribution of Planned Development Options

Option	Strategic Distribution of Planned Development	Summary
Option A: Rural Rebalance	Around 25% of housing in the Strategic Centre of Shrewsbury. Around 40% of housing in the Principal Centres, Key Centres and Strategic Settlements. Around 35% of housing in the rural area. Employment development to reflect the principles of this distribution, with a significant component in the rural areas.	'Rural rebalance' is underpinned by the principle of allowing a high proportion of planned development within the rural area (particularly the larger rural settlements) to enhance the sustainability of rural settlements. This is complemented by development within 'urban areas'.
Option B: Urban Focus	Around 28% of housing in the Strategic Centre of Shrewsbury. Around 46% of housing in the Principal Centres, Key Centres and Strategic Settlements. Around 26% of housing in the rural area. Employment development to reflect the principles of this distribution, with the majority concentrated in urban areas.	'Urban focus' is underpinned by the principle of accommodating a significant proportion of development within the urban settlements that have the infrastructure available to best support development. This is complemented by development in 'rural areas' (particularly the larger rural settlements) to maintain and enhance sustainability.
Option C: Balanced Growth	Around 30% of housing in the Strategic Centre of Shrewsbury. Around 40% of housing in the Principal Centres, Key Centres and Strategic Settlements. Around 30% of housing in the rural area. Employment development to reflect the principles of this distribution, approximately balancing provision across the three broad categories.	'Balanced growth' is underpinned by the principle of seeking to evenly distribute development across all categories of settlement in Shropshire in order to support their long term sustainability.

The Proposed Strategic Distribution of Planned Development

- 6.10. The decision regarding which of the reasonable options for the strategic distribution of planned development should form the basis for the distribution of development within the spatial strategy of the draft Shropshire Local Plan is ultimately one of planning judgement.

6.11. Shropshire Council has carefully considered the extensive range of information available in undertaking this planning judgement, including the evidence base produced to inform the draft Shropshire Local Plan (particularly the additional SA assessment work) and consultation responses received during the various stages of consultation undertaken to inform preparation of the draft Shropshire Local Plan.

6.12. In conclusion Shropshire Council considers the proposed strategic distribution of planned development within the draft Shropshire Local Plan should be underpinned by: **Option B: 'Urban Focus'**.

6.13. 'Urban focus' means the majority of development is directed towards urban areas. Urban areas consist of the Strategic Centre of Shrewsbury, proposed Principal Centres, proposed Key Centres and proposed Strategic Settlements.

6.14. Development within urban areas is complemented by appropriate development within rural areas.

6.15. Appropriate development in rural areas will primarily be directed towards proposed Community Hubs, which represent significant rural service centres, and to a lesser extent proposed Community Clusters, which consist of settlements with aspirations to maintain or enhance sustainability.

6.16. Other development in rural areas will consist of specific forms of development within the wider rural area, which constitutes 'countryside' for planning policy purposes.

Reasons for the Proposed Strategic Distribution of Planned Development

6.17. As documented within paragraph 6.11, in applying planning judgement to determine which of the reasonable options for the strategic distribution of planned development should form the basis for the distribution of development within the spatial strategy of the draft Shropshire Local Plan, detailed consideration of extensive information has been undertaken.

6.18. The proposed approach is considered appropriate for a number of reasons, including:

- a. It positively responds to the Council's understanding of housing needs across the area, with development being concentrated within those settlements considered to form part of the 'urban area' that have the largest populations, whilst also allowing complementary development within settlements considered to form part of the 'rural area' that have smaller populations.

- b. Is positively responds to the Council's understanding of the availability of services, facilities and infrastructure necessary to support new development.
 - c. By directing the majority of development towards urban areas that have the services, facilities and infrastructure best able to support new development, whilst also allowing complementary development within the rural area, it is considered to positively respond to the principles and achievement of sustainable development and the long term sustainability of our communities.
 - d. It is responsive to and aligns with the Council's understanding of the economic growth needs and opportunities in Shropshire.
 - e. It aligns with the economic aspirations identified for Shropshire, including within the economic growth strategy, which are underpinned by more significant levels of development within the urban areas.
 - f. It is considered to be responsive to the geographic size, diversity, demographics and characteristics of Shropshire (including presence of area of land within the Shropshire Hills Area of Outstanding Natural Beauty (AONB) and the West Midlands Green Belt).
 - g. It is considered to align with the principles and requirements of the National Planning Policy Framework (NPPF).
 - h. It is positively responsive to past housing delivery trends and existing housing commitments.
 - i. It is responsive to the various policy objectives and opportunities identified during the preparation of the draft Shropshire Local Plan.
 - j. It is responsive to cross-boundary relationships and interactions with adjacent areas.
- 6.19. Importantly, the proposed approach to the strategic distribution of planned development is supported by the conclusions of the additional SA assessment, which included that *"focusing a higher proportion of development within urban areas achieves more positive impacts on social, economic and environmental factors."*
- 6.20. Furthermore, it also concluded that Option B was unlikely to result in any strongly negative effect on SA objectives, but conversely was *"likely to result in a strongly positive effect on SA objectives:*
- 2: Encouraging a strong and sustainable economy throughout Shropshire.*
 - 3: Providing a sufficient amount of good quality housing which meets the needs of all sections of society.*
 - 4: Promoting access to services for all sections of society.*

- 5: Encouraging the use of sustainable means of transport.
 6: Reducing the need of people to travel by car.
 7: Supporting active and healthy communities."

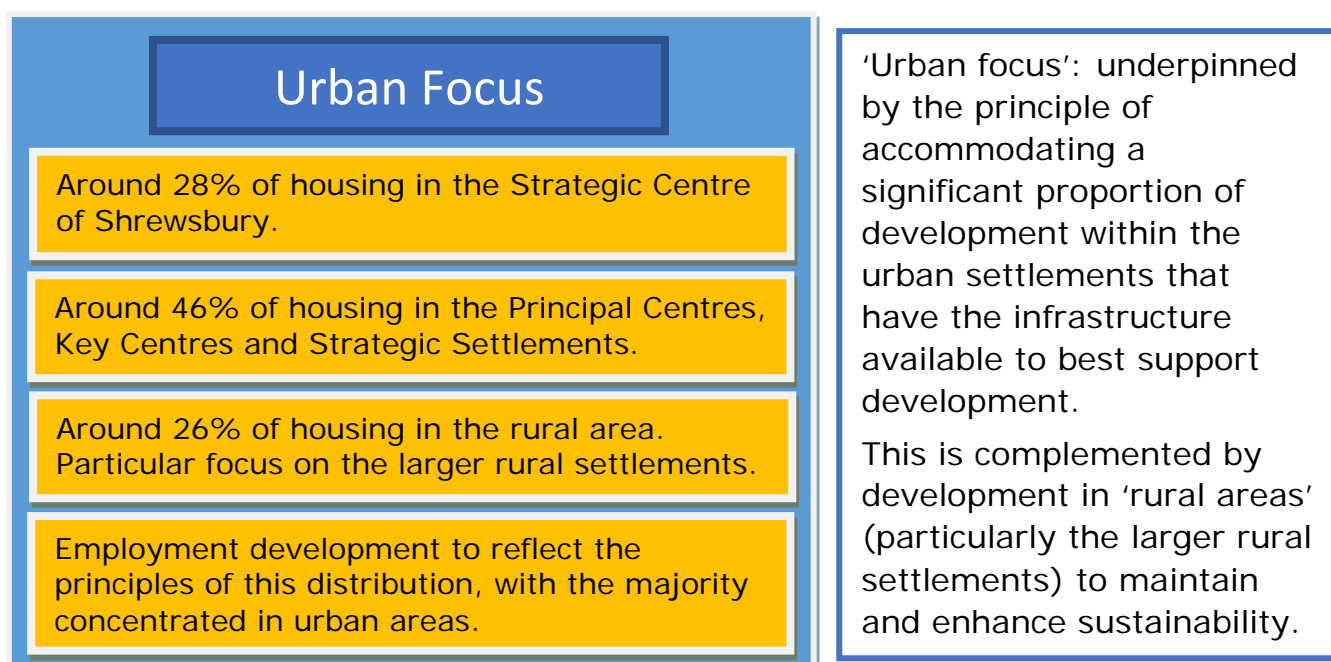
Implications of the Proposed Approach to the Strategic Distribution of Planned Development

- 6.21. This proposed approach to the strategic distribution of planned development is consistent with that which was previously proposed within the draft Shropshire Local Plan.
- 6.22. As a result, it is not considered that any main modifications are required to support the achievement of the proposed approach to the strategic distribution of planned development.
- 6.23. The housing and employment land supply identified to achieve the proposed housing and employment land requirements are summarised within Sections 4 and 5 of this Topic Paper. It is considered that the housing and employment land supply is consistent with the proposed approach to the strategic distribution of planned development.

Summary

- 6.24. **Figure** Figure 6.1 provides a succinct and unambiguous summary of the proposed approach to the strategic distribution of planned development:

Figure 6.1: Overarching Summary of the approach to the strategic distribution of planned development:



7. Spatial Strategy

Overview

- 7.1. The spatial strategy provides a spatial framework for achieving the vision and spatial objectives of an area. It therefore underpins and is in turn achieved by the policies within the Local Plan.
- 7.2. The proposed spatial strategy for the level and distribution of residential development across Shropshire is primarily captured within draft Policy SP2 of the draft Shropshire Local Plan, which is then expanded upon within wider draft Policies
- 7.3. The key components of any spatial strategy are the level and distribution of development.

The Proposed Spatial Strategy

- 7.4. Sections 4 and 5 of this Topic Paper address the proposed housing and employment land requirements, which form the basis for the proposed level of development within the spatial strategy.
- 7.5. Section 6 of this Topic Paper addresses the proposed strategic distribution of planned development, which establishes the overarching approach to the distribution of development within the spatial strategy.
- 7.6. Reflecting the conclusions summarised within Sections 4-6 of this Topic Paper, the proposed spatial strategy for the level and distribution of development across Shropshire includes:
 - a. **Over the proposed plan period from 2016 to 2038, a minimum of 30,800 new dwellings and a minimum of 300 hectares of employment land will be delivered, of which 1,500 dwellings and 30ha of employment land are to contribute towards the unmet needs forecast to arise within the Black Country. The proposed housing and employment land requirements equate to around 1,400 dwellings and around 14ha of employment land per annum.**
 - b. **To achieve a sustainable and appropriate pattern of development which also maximises investment opportunities, new development will be focused in the 'urban areas', which consist of Strategic Centre of Shrewsbury, proposed Principal Centres, proposed Key Centres and proposed Strategic Settlements.**
 - c. **Recognising the rurality of much of Shropshire and the importance of ensuring the long-term sustainability of rural communities, growth in 'urban areas' will be complemented**

by appropriate new development within Community Hubs, which are considered significant rural service centres; and to a lesser extent Community Clusters, which consist of settlements with aspirations to maintain or enhance their sustainability. Outside these settlements, new development in the wider rural area will consist of affordable housing where there is evidenced local needs and appropriate rural employment and economic diversification.

- 7.7. This proposed spatial strategy is generally consistent with that previously proposed within the draft Shropshire Local Plan. As such, Shropshire Council considers that:
- The proposed spatial strategy is consistent and complementary to the draft policies within the draft Shropshire Local Plan.
 - The draft policies within the draft Shropshire Local Plan will contribute to the achievement of the proposed spatial strategy.
 - The proposed spatial strategy establishes an appropriate spatial framework for the achievement of the vision and spatial objectives for Shropshire within the draft Shropshire Local Plan.

Summary:

- 7.8. Table 7.1 provides a summary of the level and distribution of development across Shropshire:

Table 7.1: Distribution of Development Resulting from the Proposed Spatial Strategy

Settlement Category	Residential Development Guidelines	Employment Land Allowances*
Strategic Centre:	8,625 dwellings (around 28.0% of the proposed Housing Requirement)	100ha (around 33.0% of the proposed Employment Land Requirement)
Principal Centres:	7,500 dwellings (around 24.5% of the proposed Housing Requirement)	172ha (around 46.0% of the proposed Employment Land Requirement)
Key Centres:	5,150 dwellings (around 17.0% of the proposed Housing Requirement)	91ha (around 24.0% of the proposed Employment Land Requirement)
Strategic Settlements:	1,350 dwellings (around 4.5% of the proposed Housing Requirement)	12ha (around 3.0% of the proposed Employment Land Requirement)
Community Hubs**	4,988 dwellings (around 16.0% of the proposed Housing Requirement)	0ha (no specific allowance)
Community Clusters & Wider Rural Area**	No specific guidelines (around 10.0% of the proposed Housing Requirement)	0ha (no specific allowance)

Please Note: Percentages are rounded to one decimal place.

*The approach to settlement employment land allowances varies dependent on the role and function of a settlement in Shropshire, the nature of existing employment opportunities, and the nature of the employment land supply in a settlement. Specifically:

-Larger settlements which perform a strategic role in Shropshire include an indication of land made available for employment uses, rather than specific development guidelines as exist in smaller settlements which perform a less strategic role.

-Settlements with large employers with potential growth aspirations include allocations solely for their future expansion. Such land will be retained for this purpose and as such is not available for other employment opportunities.

-Employment land allowances in some instances include land to offset anticipated future losses, meaning net employment land provision is lower than the specified allowance.

**No specific employment land allowances are made in Community Hubs, Community Clusters or the wider rural area. However, the draft Shropshire Local Plan provides flexibility for appropriate employment provision to meet local needs.