
Appeal Decisions

Hearing opened on 3 December 2015

Site visits made on 11 January & 22 November 2016

by Richard Clegg BA(Hons) DMS MRTPI

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 15 March 2017

Appeal A: APP/L3245/W/15/3009694

Land west of Prescott Road, Baschurch, Shrewsbury, SY4 2DR

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
 - The appeal is made by J, B, E & W Warner against the decision of Shropshire Council.
 - The application Ref 14/04972/OUT, dated 4 November 2014, was refused by notice dated 4 February 2015.
 - The development proposed is residential development.
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Appeal B: APP/L3245/W/15/3009717

Land west of Prescott Road, Baschurch, Shrewsbury, SY4 2DR

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
 - The appeal is made by J, B, E & W Warner against the decision of Shropshire Council.
 - The application Ref 14/05239/OUT, dated 19 November 2014, was refused by notice dated 19 January 2015.
 - The development proposed is residential development.
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Decisions

1. Appeal A is dismissed and appeal B is dismissed.

Application for costs

2. An application for costs was made by the Appellants against the Council in respect of appeal B¹. This application is the subject of a separate Decision.

Procedural matters

3. The hearing was conducted over two days: 3 December 2015 and 8 November 2016. It was originally closed at the end of the first day. However certain additional documentation was subsequently submitted, in particular concerning housing land. On the first day of the hearing the Appellants' representatives had accepted that there was a five years housing land supply, and then, in the light of appeal decision ref 3011886², the challenge to the housing land position was withdrawn. More recently, following appeal decision ref 3065796, the Appellants have re-stated their dispute on this matter³. The Council has also published a *Full Objectively Assessed Housing Need Report* (FOAHN, Document L12), which post-dates the documentation concerning housing land which had

¹ A costs application by the Appellants in respect of appeal A was withdrawn at the hearing.

² Appendix 9 in Document L11.

³ Appendix 1 in Document A15.

been submitted for the first day of the hearing. Consequently the hearing was re-opened to enable consideration of the positions of the main parties on housing land in the light of the FOAHNR.

4. The sites of appeals A and B are referred to respectively on the application forms as Tawnylea and land adjacent Tawnylea, Prescott Road, Baschurch. Site B is contained within site A. Both appeal sites form part of a larger area of land within the Appellants' ownership, which is situated to the west of Prescott Road. They are separated from established built development on Prescott Road, including the house known as Tawnylea, by a new housing scheme which was under construction at the date of my second visit, and the appeal sites are not adjacent to or at Tawnylea. At the hearing the main parties agreed that both sites are more accurately described as land west of Prescott Road, Baschurch, and I have identified them accordingly in the appeal details above.
5. As set out above there are two appeals on the land west of Prescott Road. They differ only in the size of the site, with site B being contained within site A. I have considered each appeal on its individual merits. However, to avoid duplication, I have dealt with the two schemes together, except where indicated otherwise.
6. Both planning applications were submitted in outline form, with all matters of detail reserved for subsequent consideration.
7. Reason for refusal No 1 in respect of both proposals refers to Policies H4 and H5 from the North Shropshire Local Plan. On 17 December 2015, the Council adopted the Site Allocations and Management of Development (SAMDev) Plan. Policies H4 and H5 in the North Shropshire Local Plan have now been replaced by Policies MD1 and MD3 in the SAMDev Plan. The main parties have been given an opportunity to comment on policies in the adopted SAMDev Plan⁴.
8. The Appellants submitted separate planning obligations in the form of unilateral undertakings in respect of schemes A and B (Documents 3a and 3b). Both obligations are concerned with the provision of affordable housing.

Main Issues

9. I consider that the main issues in these appeals are:
 - (i) Whether the proposals would be consistent with policies relevant to the location of housing development.
 - (ii) Whether the proposals would represent sustainable forms of housing development.
 - (iii) The effect of housing land supply on the overall planning balance.

Background

10. The appeal sites are set back from Prescott Road. Outline planning permission was granted to the Appellants for residential development on the intervening land in May 2014 (Document O7). Development on this land is referred to in their representations as phase I, with phase II comprising the appeal sites. The phase I land was subsequently sold to Shingler Homes who received

⁴ The Appellant's comments are in Document A10, and the Council's comments are in Document L12.

reserved matters approval in February 2016 for 30 dwellings⁵, and the scheme was under construction at the date of my second site visit. Following the grant of outline planning permission for phase I, outline planning permission was refused in September 2014 for a previous proposal for phase II on a larger parcel of land (the second reason for refusal refers to 40 additional dwellings). Appeal site A is smaller than the phase I site: although all matters, including layout, are reserved, the application form refers to 15 dwellings. Site B also abuts the western edge of phase I, but it does not extend as far back into the existing field. The application form refers to 8 dwellings.

Planning policies

11. The Development Plan includes the Shropshire Local Development Framework Core Strategy and the SAMDev Plan. In the Core Strategy, Policy CS1 sets out a strategic approach. During the plan period of 2006-2026, 27,500 new homes are to be provided, of which 9,000 will be affordable housing. In the rural areas, development will be located predominantly in community hubs and clusters. Policy CS4 is concerned with community hubs and clusters. Settlements categorised as community hubs and clusters are identified in the SAMDev Plan: Baschurch is identified as a community hub under Policy MD1. Policy CS4 seeks to focus investment in the rural area into community hubs and clusters, where development should be of a scale appropriate to the settlement. Development should not be allowed outside community hubs and clusters unless it complies with Policy CS5 – Countryside and Green Belt. That policy stipulates that new development will be strictly controlled in the countryside in accordance with national planning policies. Proposals on appropriate sites which maintain and enhance countryside vitality and character will be permitted where they improve the sustainability of rural communities by bringing local economic and community benefits. Policy CS6 sets out a series of sustainable development and design principles. Amongst other matters, development likely to generate significant amounts of traffic should be in locations where opportunities for walking, cycling and the use of public transport can be maximised. Additionally all development should at least protect the natural, built and historic environment. The availability of housing land is to be kept under review to maintain a continuous supply of sites to deliver the overall housing target. The explanation to Policy CS10 sets out the intended delivery of new housing in four time bands. For the first five years of the plan period annual delivery of 1,190 dwellings is intended, increasing to 1,390 dwellings per year in the period from 2011 to 2021. Policy CS11 is concerned with the type and affordability of housing. Open market housing development should contribute to the provision of affordable housing, having regard to the current target rate. Provision is expected to be made on site for schemes involving 5 or more dwellings.
12. The SAMDev Plan addresses the scale and distribution of development in Policy MD1. Sustainable development is supported in Shrewsbury, the market towns and key centres, community hubs and community clusters. Policy MD3 is concerned with the delivery of housing development. It refers to settlement housing guidelines as a significant policy consideration. Where development would result in the number of dwellings exceeding the guideline, decisions should have regard to the increase in relation to the guideline, and the benefits and impacts of the proposal, amongst other considerations. Where a guideline

⁵ The reserved matters approval and the approved site plan are Documents O10 and O4 respectively.

appears unlikely to be met, additional sites outside the settlement development boundaries which accord with the settlement policy may be acceptable, subject to the same considerations.

13. Managing housing development in the countryside is the subject of Policy MD7a. The policy makes it clear that new market housing should be strictly controlled outside Shrewsbury, the market towns and key centres, community hubs and community clusters. Policy S16.2 deals specifically with community hub and cluster settlements. Part S16.2(i) of the policy concerns Baschurch, which has a housing guideline of around 150-200 additional dwellings over the period to 2026. The additional housing is to be delivered through the development of four allocated sites, with a combined capacity of 135 dwellings, infilling, groups of houses and conversions on suitable sites within the development boundary. Inset map 12 for Baschurch (Document O3) shows the development boundary, within which are the four allocated housing sites. The boundary runs around the established development to the north-east corner of the phase one site, but that scheme and the appeal sites lie outside the boundary.

Reasons

Policies relevant to the location of housing development

14. Policy CS4 of the Core Strategy draws a clear distinction between development in community hubs and clusters, and development outside these settlements in the rest of the rural area. Baschurch is a community hub. Both of the appeal sites lie within a large field, which itself forms part of the open land around the built-up area of the settlement. The development boundary on the inset map is drawn around the established built-up area and also includes four allocated housing sites which extend outwards from the settlement: the two appeal sites are not included in any of these allocations in Policy S16.2(i) of the SAMDev Plan. As the appeal sites are beyond the built-up area, and they have not been brought within the development boundary as allocations, I find that they are outside the community hub of Baschurch. Policy CS4 seeks to focus investment into community hubs and clusters, and explains that proposals outside these settlements should be assessed against Policy CS5.
15. Policy CS5 refers to national planning policies which protect the countryside. It also provides for development on appropriate sites which maintains and enhances countryside vitality and character and improves the sustainability of rural communities. Particular support is given to certain forms of development, but the two housing schemes do not fall within any of these specified categories. Insofar as national policy is concerned, one of the core planning principles in the National Planning Policy Framework (NPPF) includes recognition of the intrinsic character and beauty of the countryside and supporting thriving rural communities within it. The sites comprise part of a large field to the south of Baschurch. Although they contain no particularly distinctive features, they form part of the pleasant rural landscape around the settlement. Each proposal would involve a limited loss of open land, and this encroachment of built development into the countryside, causing harm to the character of the area, carries moderate weight.
16. The Appellants argue that the developments would provide additional support for local facilities and services. For its part, the Council contended at the hearing that Baschurch already provided a critical mass of support, although I

note that in the reports on the applications, it acknowledged that, in addition to economic benefits arising from the construction activity, occupiers of the proposed housing may use local facilities and services. A local resident maintained that the existing range of facilities and services is well-supported by the local population, and suggested that a school is over-subscribed and that there are parking problems at a doctor's practice and a convenience store because of the level of usage. However there is no detailed evidence about the adequacy of support for facilities and services in Baschurch.

17. The facilities and services in Baschurch include a primary and a secondary school, several shops, two public houses, a village hall, and a surgery. Baschurch is described in the Council's report on the planning application for the phase I scheme (Document O6) as a large village, and this view has not been disputed by the Appellant. Much of the existing built development comprises housing, and planning permission has been given for 147 dwellings within the development boundary since 2012⁶. That figure excludes the phase I site and other sites outside the boundary where there are planning permissions with a combined capacity of 123 dwellings. I do not doubt that occupants of the housing proposed on the appeal sites would use local services and buy a proportion of their goods in Baschurch. However, the larger of the current schemes only envisages 15 dwellings, and, bearing in mind other development proposals, these economic and community benefits from the appeal schemes would be limited.
18. The Core Strategy policies must be read with those in the recently adopted SAMDev Plan. Policy MD1 supports sustainable development within community hubs, but I have found that the appeal sites are outside the community hub of Baschurch. Policy 16.2(i) explains that the housing guideline for the settlement is to be met by sites within the development boundary, and it does not, therefore, support either proposal. Notwithstanding the support in Policy CS5 for development which maintains countryside vitality and improves the sustainability of rural communities, Policy MD7a of the SAMDev Plan makes it clear that new market housing is to be strictly controlled outside community hubs. Although the planning obligations make provision for affordable housing, both schemes would principally involve the construction of market housing⁷. Policy MD3 of the SAMDev Plan sets out the circumstances where sites outside a development boundary may be acceptable. In the first instance the housing guideline should appear unlikely to be met. However the evidence before me indicates that the guideline for Baschurch, which is a range of 150-200 dwellings, is likely to be met. Planning permission has been granted for 147 dwellings (above, para 17). That number is close to the guideline range for provision by 2026, the end of the plan period. There is no reason to think that no further sites will come forward within the remaining nine years of the plan period up to 2026. Development of the appeal site would not be consistent with the approach to housing delivery expressed in Policy MD3.
19. The appeal site is outside the development boundary of Baschurch. Although the limited economic and community benefits align with Policy CS5 of the Core Strategy, there would be conflict with a provision of that policy since the proposal would not maintain the character of the countryside. The more

⁶ Document L3 includes a schedule of planning permissions for housing in Baschurch since 2012. The schedule identifies whether sites are within or outside the development boundary.

⁷ The planning applications give indicative figures for affordable housing as two units in proposal A and one unit in proposal B.

recently-adopted SAMDev Plan specifically addresses the circumstances in which housing may be acceptable outside a development boundary in Policy MD3. Taking into account the housing guideline in Policy S16.2(i) and the strict control of market housing in Policy MD7a, the proposals do not comply with the locational approach to housing development in the SAMDev Plan. I conclude that, taken overall, the proposed developments are not consistent with policies relevant to the location of housing.

Sustainable housing development

Relationship to facilities and services

20. Baschurch has a good range of local facilities and services, a point acknowledged by the Council in its report on the phase I planning application. In addition, bus services to Oswestry and Shrewsbury, where the range of facilities and services is greater, are available on Prescott Road. Insofar as local facilities and services are concerned, the surgery is on Prescott Road at the southern end of the settlement, close to the position of the access to the phase 1 site and the appeal sites⁸. Most local facilities and services are further away at the northern end of the settlement. The Appellants have measured distances between several facilities and the access point to the phase I site⁹, and they calculate that the appeal sites would be about 70m further back. Adding in that additional distance the Spar convenience store would be about 1.1km from the nearest point of the appeal sites, a public house about 1.2km, and the primary school about 1.3km. For its part the Council has calculated the distance from the appeal sites to the facilities and services at the northern end of Baschurch as about 1.6km¹⁰. There is no layout before me for either of the appeal sites, but the distance from the intended point of access to the northern end of each site is about 150m. Even allowing for the slightly greater distance to facilities and services put forward by the Council, important local facilities would be within 2km of the houses on each site. Journeys of this distance could reasonably be undertaken on foot or by cycle. The Council argued that the appeal sites are materially further than the phase I site from local facilities and services. However, there would be little difference between the distance from dwellings at the northern end of phase I (which would be furthest from the access onto Prescott Road) and that from dwellings on the southern part of sites A and B. I am satisfied that the appeal sites are in a location from where alternative modes of transport could be used to gain access to facilities and services.

Economic considerations

21. I have already referred to the support from the occupants of the appeal sites for local facilities and services, which would only be of limited economic benefit (above, paras 16-17). Construction activity would provide employment and a requirement for the provision of goods and services, but as this would be for a temporary period for schemes of about 15 or 8 dwellings, the benefit would again be limited. The Appellant argues that Community Infrastructure Levy (CIL) contributions and new homes bonus payments should be taken into account. However the purpose of the former is to mitigate effects of new

⁸ Access to the appeal sites would be gained through the phase I site. Within phase I shows an internal road extends to the southern part of the boundary of the phase I site with the appeal sites.

⁹ Paragraph 5.5 of the appeal statement for appeal A (in Document A1), and paragraph 5.1 of the appeal statement for appeal B (in Document A2).

¹⁰ The Council gives a distance of about 1 mile in its reports on the applications, which equates to about 1.6km.

development. Additional facilities and services funded by CIL payments would be likely to be used by the existing community, but I consider this to be a limited social benefit rather than a positive economic consequence of the appeal proposals. Although each scheme would give rise to new homes bonus payments, paragraph 21b-011 of Planning Practice Guidance advises that it would not be appropriate to make decisions based on the potential for development to make money for a local authority, and I do not give weight to this consequence of the proposals.

22. It is common ground between the main parties that both appeal sites comprise grade 2 agricultural land, and that this quality of agricultural land extends around Baschurch. The NPPF includes land in grade 2 within the definition of the best and most versatile agricultural land. Paragraph 112 of the NPPF makes it clear that the economic and other benefits of the best and most versatile land should be taken into account, and that where significant development of agricultural land is necessary, poorer quality land should be preferred to that of a higher quality. Site A, which is larger than site B, is only about 5,953m² in size. Each of the appeal sites is a small parcel, and neither proposal would involve significant development of agricultural land. Development of sites A or B would represent only a modest loss of the best and most versatile agricultural land around Baschurch, and I do not consider that the appeal proposals would materially reduce the benefits of such land to agricultural production.

Social considerations

23. I have found that the opportunity for existing residents to use additional infrastructure would represent a limited social benefit. The housing guideline for Baschurch is around 150-200 additional dwellings. This figure is not a ceiling, and paragraph 47 of the NPPF refers to the importance of boosting significantly the supply of housing. Each of the schemes would make a modest contribution to the provision of additional housing in the Baschurch area, and to augmenting the supply of housing land in Shropshire as a whole. This is a factor which merits moderate weight.
24. There is a considerable need for affordable housing in Shropshire: of the 27,500 new homes to be provided during the plan period in accordance with Policy CS1 of the Core Strategy, 9,000 should be in the form of affordable housing. From 2011 affordable housing should be provided at the current target rate, and the planning obligation for each of the schemes makes provision for affordable housing on this basis. The Written Ministerial Statement of November 2014 *Small-scale developers* post-dates the Core Strategy and explains that affordable housing should not be sought on sites of 10 units or less. Proposal B, with an indicative capacity of eight dwellings, falls below this threshold, but at the hearing the main parties agreed that affordable housing should be provided as part of both schemes, and the Appellants have not sought to withdraw the unilateral undertaking in respect of this appeal. There is a considerable need for affordable housing, and the proposals would be consistent with the Development Plan in this regard. I find that the statutory tests are met, and accordingly the planning obligations are material considerations in the appeal decisions. The provision of affordable housing is an important factor in support of the appeal proposals.

Environmental considerations

25. I consider that the proposals would cause some harm to the character of the countryside (above, para 15), and as a result of this adverse effect on the natural environment there would be conflict with Policy CS6 of the Core Strategy. At the southern part of the settlement is Prescott Conservation Area. The boundary of the conservation area abuts the north-east side of the phase I site which lies between this heritage asset and the appeal sites. The NPPF defines the setting of a heritage asset as the surroundings in which the asset is experienced. There may be glimpses of some buildings in the conservation area from the appeal sites, and I consider that they form part of the setting of the conservation area. However, given the presence of modern housing on the intervening phase I site, residential development on either site A or site B would not detract from the setting of Prescott Conservation Area.
26. A phase 1 & 2 environmental survey undertaken for the Appellants identified two ponds with populations of great crested newts, which are a European protected species, in the vicinity of the appeal sites¹¹. Pond 2 is about 70m to the north of the sites, whilst pond 4 is about 200m to the east on the opposite side of Prescott Road which is a main route through Baschurch. Only the northern part of the sites is within the 100m zone of influence of pond 2. Moreover the sites lack features suitable for hibernation or refuges for newts. Whilst movement of newts across the sites cannot be discounted, a further report concludes that harm can be avoided by the use of measures such as backfilling trenches before nightfall or leaving ramps for newts to exit, raising stored materials, and leaving machinery on hardstanding¹². It is recommended that these measures should be included in a method statement, and it is common ground between the main parties that mitigation measures to safeguard great crested newts could be the subject of conditions, a view which I share. Moreover planting is proposed to enhance conditions around the edge of the sites for great crested newts and to improve biodiversity. In consequence, I consider that the proposed developments would provide a moderate benefit to the local population of this protected species and to biodiversity.

Housing land supply

27. The Council's Five Year Housing Land Statement has a base date of 1 April 2016 (Document L13). It calculates a supply of housing land sufficient for 5.97 years¹³, which would comply with the requirement in paragraph 47 of the NPPF to provide five years' worth of housing. The housing requirement is derived from the Core Strategy: Policy CS10 provides for the phased release of land in five year bands. The overall housing figure of about 27,500 new homes during the plan period of 2006-2026, which is specified in Policy CS1, is taken from work on the former Regional Spatial Strategy for the West Midlands (RSS). The Appellants pointed out that the RSS development strategy involved focussing growth on the metropolitan urban areas with some additional growth to settlements of significant development, one of which was Shrewsbury. Development elsewhere was to be restricted to local needs. The Council

¹¹ Phase 1 & 2 Environmental Survey by Greenspace Environmental Ltd, June 2014, submitted with the planning applications.

¹² Great crested newt risk assessment and method statement by Greenspace Environmental Ltd, December 2015 (Document A8).

¹³ The calculation of housing land supply in Shropshire is set out in section 5 of Document L13.

contended that there was no evidence that this approach excluded in-migration as the Appellants had suggested, and also pointed to the allowance for growth in Shrewsbury and an increase from 25,700 to 27,500 homes to support the delivery of affordable housing as evidence that the figure exceeded local need. It may well be the case that the RSS did not put forward a constrained housing figure for Shropshire. However the Council acknowledged at the hearing that it is a figure which reflects policy considerations, in other words a policy-on figure. Paragraph 47 of the NPPF makes it clear that in the first instance the full objectively assessed need for market and affordable housing should be identified, that is a policy-off figure.

28. I note that paragraph 3-030 of PPG says that housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five years housing supply. It also points out that evidence which dates back several years, such as that drawn from revoked regional strategies, may not adequately reflect current needs.
29. In 2015, the report on the examination into the SAMDev Plan (Document L4) found that there was a five years supply of housing land, having regard to the Core Strategy housing requirement. The Inspector acknowledged that the Core Strategy figure of about 27,500 homes was derived from the RSS, but she explained that the purpose of the SAMDev Plan is to provide policies and allocate sites to meet the requirements of the Core Strategy. Accordingly her conclusion on housing land does not indicate that the Core Strategy housing figure provides an appropriate point from which to assess housing land in the case of this appeal.
30. Given both the derivation of the Core Strategy housing figure from the RSS and the policy-on approach which it embodies, I have reservations about taking Policy CS1 as the starting point for the purpose of assessing housing land supply in this appeal. Paragraph 3-030 of PPG acknowledges that it may not be appropriate to give considerable weight to the housing requirement figures in adopted Local Plans if significant new evidence comes to light. In July last year, the Council published a Full Objectively Assessed Housing Need Report (FOAHNR- Document L12). The main purpose of the FOAHNR is to form part of the evidence base for the partial review of the Local Plan. It is intended to provide a policy-off position on housing need between 2016 and 2036, and it represents the most up-to-date evidence available on housing need in Shropshire. Accordingly the FOAHNR merits consideration for the purpose of assessing housing land supply, and the Appellants acknowledged that it is a significant document involving new evidence. Although they have not undertaken an alternative assessment, the Appellants made a detailed critique of the FOAHNR (Document A15), and I consider the main points raised below.

Demographic projections

31. Paragraph 2a-015 of PPG explains that household projections published by the Department for Communities & Local Government (DCLG) should be the starting point for establishing housing need. It acknowledges that it may be appropriate to make adjustments to reflect factors not captured by past trends, and makes specific reference to the under-supply and worsening affordability of housing, both of which may suppress household formation rates. Calculation of the FOAHN for Shropshire took as its starting point the DCLG's 2012-based sub-national household projections, in line with PPG. At the time the report

was produced, these were the most up-to-date projections available, and the Appellants acknowledge that they are statistically robust. However they argue that the FOAHNR has failed to adjust household formation rates to allow for under-delivery of housing and worsening affordability. I address these matters below (paras 32-34). In support of their argument for an adjustment to household formation rates, the Appellants draw comparison between household figures used in the FOAHNR and higher figures for 2026 from the Council's Strategic Housing Market Assessment reports (SHMA) of 2014. At the time that the SHMA reports were produced, the 2012-based sub-national household projections were not available, and use was made of a mix of 2011 and 2008-based projections. The Council has explained that the 2011-based projections were an interim set and only covered the period up to 2021, and the 2008-based projections were based on old data. Consequently, I agree with the Council that the projections using the 2012-based data are a more appropriate starting point, and any adjustments should be made to the figures derived from that approach.

Past housing provision

32. Tables 8 and 9 of the FOAHNR set out housing completions in Shropshire against the requirements of the Joint Structure Plan (1996/97-2005/06) and the Core Strategy (2006/07- 2014/15) respectively. In eight of the ten years covered by the Structure Plan, and in seven of the nine years covered by the Core Strategy, completions were below the annual housing requirement. Whilst the Appellants draw attention to this situation, this is a comparison of delivery against the requirement for housing provision in the Development Plan whereas the guidance in the PPG is provided in the context of assessing need. At the hearing, both main parties agreed that the terms had distinct meanings: that need refers to the objective assessment of need, and that requirement is a policy-on figure. Accordingly, for the purpose of considering whether an adjustment should be included in the calculation of need in respect of suppressed household formation, comparison with past housing requirements is inappropriate. The 2012-based sub-national household projections indicated that the number of households in Shropshire would increase by about 20,000 over the period from 1996 to 2014, whereas over 21,000 dwellings were provided¹⁴. Although migration is taken into account in the projections, other factors such as market signals, and employment implications, are not, and I accept that the projections alone do not provide a basis for a definitive assessment as to whether an adjustment is required for past under-provision. I consider these other matters below.

Market signals

33. The change in house prices from 2004 to 2014 is recorded in the FOAHNR. In 2014, Shropshire was ranked fifth of 15 comparator authorities, and an increase of 18% occurred over this period¹⁵. The Appellants suggested that there had been a relative flattening of the house price graph over this ten years period, and argued that prices had then continued to rise to 2016¹⁶. There was disagreement between the main parties about the consistency of the data put forward for the period from 2014, and the extent of the increase in prices since then. The FOAHNR records median house price data, and the Council put

¹⁴ Document L12, paragraph 5.26.

¹⁵ Document L12, table 11.

¹⁶ Document A15, paragraph 5.8.

forward a median price of £184,000 for 2016 (quarter 1), appreciably lower than the £194,500 advanced by the Appellants for this period. At the hearing they argued that the average house price had increased further to £199,053 by August 2016. Even if the higher figures put forward by the Appellants are accepted, the 32.7% rate of increase from 2004-2016 is markedly less than the national rate of 42.4%. Taking account also of the divergence of views on recent prices, I am not persuaded that the evidence before me on this market signal points to the need for an adjustment in the housing need number.

34. The FOAHN records that Shropshire has a high affordability ratio¹⁷. It is ranked third of 13 local authorities in this part of the country. Both main parties have submitted details which show the affordability ratio rising from over 4 in 1997 to almost 8 in 2015. That increase over a period of 18 years masks a rise to 9 in 2007, and a gradual fall thereafter. This improvement commenced prior to the recession, and the FOAHNR points out that it indicates that affordability levels have not significantly suppressed household formation rates in recent years. I consider that the evidence before me supports this conclusion, and that it is not necessary to make an adjustment due to this market signal.
35. The Appellants also contend that a range of other factors point to the need for an adjustment to be made to the housing need calculation. An increase of 28.4% in over-occupation between 2001 and 2011 is recorded in the FOAHNR (table 13). In addressing the response to market signals, PPG makes it clear that comparisons should be made with longer term trends in the housing market area, similar demographic and economic areas, and nationally (para 2a-020). I note that for this factor Shropshire is ranked fifth of the 15 comparator authorities used in the report. Significantly, however, the percentage change is less than the average in the West Midlands or in England as a whole. Over the same period, under-occupation increased by 10%, a rate of change which was not exceeded by any of the comparator authorities and which was double that at both regional and national level¹⁸. The FOAHNR does make an adjustment of 478 dwellings in respect of concealed households, and I agree with the Council that it is likely that concealed households contribute to over-occupation. Having regard to all the circumstances, I do not consider that a further adjustment is required, in addition to that in respect of concealed households.
36. With a rate of 1.81 households per 1,000 accepted as homeless, Shropshire ranks fifth of 13 comparator authorities for 2014/15. However, despite an increase in that year, the trend from 2010/11 has been of a declining rate, and the level in Shropshire is clearly below that for England¹⁹. A similar situation obtains in respect of temporary accommodation. Shropshire ranks fourth in the same group of authorities with 0.59 households per 1,000 placed in temporary accommodation in 2014/15. However the rate is markedly less than that for England, and the number of households affected has been broadly consistent from 2009/10 – 2014/15, factors which do not point to an upward adjustment of housing need²⁰.
37. PPG (paragraph 2a-019) suggests that the rate of development may be relevant as a market signal. It refers to the comparison of actual and planned

¹⁷ Document L12, table 33 and paragraphs D.31-D.34.

¹⁸ Document L12, table 35.

¹⁹ Document L12, table 13 & figure 23.

²⁰ Document L12, tables 13 & 38.

supply, the latter responding to the housing requirement as opposed to need. The FOAHNR acknowledges that there has been under-delivery in this regard over a number of years (above, para 32), and it is common ground that in consequence a 20% buffer should be applied to the five years housing requirement in accordance with paragraph 47 of the NPPF. The purpose of both an adjustment in the calculation of housing need and application of the buffer is to address the prospect of under-delivery. I note that completion rates have been increasing since 2011/12, and that in 2015/16 completions exceeded the annual requirement²¹. In this improving situation, I do not consider that it is necessary to make an adjustment to the calculation of need in addition to application of a 20% buffer.

38. The Appellants draw attention to the register of households on the Shropshire Housepoint system, as an indicator of affordable housing need. Although such an indicator is not identified in the PPG, the list at paragraph 2a-019 is not exclusive. However I have reservations about this particular indicator. The system is not restricted to households seeking affordable housing. Moreover, although there was an apparent increase of over 5,000 households between November 2013 and July 2015, the Council explained that the register is reviewed periodically, a circumstance which calls into question the comparability of registrations across this period.

Affordable housing

39. Paragraph 47 of the NPPF refers to local plans meeting the full objectively assessed needs for market and affordable housing, as far as is consistent with the policies therein. The starting point for the FOAHNR is the 2012-based sub-national household projections, and the Council points out that these are based on past trends relating to both open-market and affordable housing. At the hearing the Appellants acknowledged that the projections used by the Council include an element of affordable housing. As explained in chapter 2a of PPG, consideration should be given to adjustments to the projection-based estimates of needs to take account of market signals, amongst other matters. The market signals considered in the FOAHNR include over-occupation, concealed households, homelessness, and temporary accommodation. Households affected by these circumstances are also likely to be amongst those requiring affordable housing: the FOAHNR makes an adjustment in respect of concealed households (above, para 35), and an additional adjustment may involve a degree of overlap.
40. PPG addresses affordable housing need at paragraphs 2a-022 to 2a-029. Paragraph 2a-029 refers to the delivery of affordable housing in conjunction with market housing: it advises that an increase in the total housing figures included in the local plan should be considered where this could help to deliver the required number of affordable homes. Two high court judgements, *Satnam* and *Kings Lynn & West Norfolk* ²², draw a distinction between adjusting the housing figures as part of the objectively assessed need to facilitate the delivery of affordable housing, and the provision for that affordable housing, which may be subject to other policy considerations. The FOAHNR includes an assessment of affordable housing needs: the Council distinguishes this exercise, which it refers to as being concerned with wider aspirations, from the incorporation of affordable housing within the calculation of the full objectively

²¹ Document L13, table 4.

²² Appendices 3 & 4 to Document A15.

assessed housing need. Need for affordable housing for an estimated 1,240 households per year is given as the outcome of the separate exercise within the FOAHNR²³. That is almost as large as the figure of 1,304 dwellings per year, which the report gives as the full objectively assessed housing need for the period 2016-2026. In *Kings Lynn & West Norfolk*, the Court held that whilst the need for affordable housing should be addressed in determining the full objectively assessed housing need, neither the NPPF nor PPG suggests that they have to be met in full as part of that assessment.

41. Referring to the report of the Local Plans Expert Group (LPEG), which includes recommended changes to chapter 2a of PPG concerning housing and economic development needs assessments²⁴, the Appellants suggest that an uplift of 10% would be appropriate. Although the LPEG's recommendations carry little weight at present, they do present a considered view of how affordable housing could be addressed when determining the full objectively assessed housing need. Bearing in mind the extent of affordable housing need recorded in the FOAHNR, I consider that it would be appropriate to apply a 10% uplift in the housing need calculation.

Employment

42. In accordance with paragraph 2a-018 of PPG, the FOAHNR takes account of employment considerations. The methodology used for labour force forecasts assumes that economic activity rates amongst older age bands will increase as a result of the planned rises to state pension age. This assumption is questioned by the Appellants who advocate the use of economic activity rates produced by the Office of Budget Responsibility (OBR). OBR data was tested by the Council, but was discounted as the results were not viewed as realistic in the local situation. In particular, OBR rates caused a greater reduction in workforce size than keeping participation rates at their level at the time of the 2011 census, and they also indicated a decline in participation in younger age groups, which was not expected to occur in Shropshire. There is no detailed evidence to support the Appellants' criticism of the Council's model, and I consider that alternative labour force scenarios have been realistically assessed in Appendix H of the FOAHNR.
43. The Council has used data from Oxford Economics in estimating jobs growth in Shropshire. Two other datasets are referred to in the representations, both of which forecast a higher level of jobs per year, and the Appellants suggest that it would be more appropriate to take the average of the three forecasts (600 jobs per year) than to rely on the lower Oxford figure of 465 jobs per year²⁵. However, whereas the average figure would be close to national growth rate assumptions, the trend over the past 20 years has been of a slower growth rate than that for the UK. The Appellants have not disputed the Council's evidence that an average would not reflect any of the three forecasts. Moreover, given differences in methodology between the three forecasts, I have doubts as to whether use of an average would be a robust technique.
44. The FOAHNR refers to forecasts in the number of jobs by 9,300 between 2016 and 2036 compared to a smaller increase of 5,200 in the labour force. It expects that the additional jobs will be balanced by a lower level of

²³ Document L12, table 18.

²⁴ The LPEG's recommendations on chapter 2a of PPG are at Appendix 5 to Document A15.

²⁵ Document A15, paragraphs 7.6-7.8.

unemployment, a reduction in net out-commuting, and an element of double-jobbing. The Appellants argue that commuting rates should be maintained at those shown in the 2011 census. However, since 1991, in-commuting has risen at a greater rate than out-commuting, and a reduction in net out-commuting would be consistent with these trends²⁶. Given that the FOAHNR draws on past trends, the assumption made about future commuting behaviour is not a policy-on judgement, and it is an appropriate factor to take into account in considering jobs growth.

45. The Appellants suggest that there should be a slight increase in the calculation of housing need due to jobs growth, but this is not quantified. For the above reasons I do not accept the Appellants' criticisms of the approach to employment considerations in the FOAHNR, and I do not consider that an adjustment to the housing need calculation would be appropriate.

Conclusions on housing land

46. The FOAHNR calculates that the need for housing in the period 2016-2026 is 13,039 dwellings, equating to an annual need of 1,304 dwellings. Taking account of adjustments relating to household formation rates, market signals, affordable housing and jobs growth, the Appellants put forward a minimum annual need of 2,223 dwellings per year. An alternative calculation, applying uplifts of 20% for market signals and 10% for affordable housing to the need arising from the FOAHNR gives a figure of 1,695 dwellings per year²⁷. I have considered the criticisms of the FOAHNR made by the Appellants above (paras 31-45). The FOAHNR is a detailed and thorough piece of work. Other than an uplift of 10% in respect of affordable housing, I do not find that additional adjustments (including to household formation rates in respect of past provision) are necessary. That gives an annual housing need of 1,432 dwellings during 2016-2026, calculated as set out below.

	Dwellings per year
FOANHR annualised dwelling projection	1,280
adjustment for concealed households	24
adjustment (10%) for affordable housing	128
Total	1,432

47. In their supplementary statement on housing land (Document A15), the Appellants use the level of supply from the Council's Five Year Housing Land Supply Statement of August 2016 in calculating alternative scenarios depicting the number of years for which that supply would endure²⁸. At the re-opened hearing it was confirmed that they do not dispute the level of available housing land put forward by the Council. Using the figure for housing land from the August 2016 Supply Statement (12,829 dwellings), the Appellants calculate

²⁶ Document L12, table 3.

²⁷ The Council's and the Appellant's higher position are summarised in table 4 of Document A15. In this table, the figure for the number of dwellings including migration in the LPA column should be 1,280 and not 1,230. The Appellants' alternative figure is given in figure 6 of Document A15.

²⁸ The Appellants' calculations on the extent of housing land supply are set out in figure 6 of Document A15.

that this would be sufficient for 3.25 years on the basis of an annual housing need of at least 2,223 dwellings. Their alternative scenario of an annual housing need of 1,695 dwellings would extend the duration of supply to 4.57 years.

48. The calculation of the housing land position in the August 2016 Supply Statement uses the annual requirement from the Core Strategy of 1,390 dwellings for the period 2016/17-2020/21. Given the extent of past under delivery, a 20% buffer is applied, giving a total requirement for 10,738 dwellings. On this basis the level of supply would be sufficient for 5.97 years²⁹. In its supplementary statement for the re-opened hearing (Document L11), the Council reproduced the tables concerning the calculation of its housing land position from the August 2016 Supply Statement. It also added a rider that subsequent to the publication of the Statement, it had agreed, in the context of another appeal, that the housing land supply was sufficient for 5.89 years. That change indicates that the level of supply is 12,649 dwellings.
49. The Appellants contend that the housing figure in the Core Strategy has been less than the NPPF compliant objectively assessed need since 2012 when the NPPF took effect. For that reason they suggest that the shortfall from 2012/13- 2015/16 should be derived by subtraction of completions from their adjusted figures for objectively assessed need. There are two fundamental objections to this approach. Firstly, the figures for need in the two scenarios advanced by the Appellants cover the period 2016-2026: they derive from a critique of the FOAHNR for that period. The Appellants acknowledge that they have not prepared an alternative full objectively assessed housing need, and there is no such exercise before me which covers the period from 2012-2016. It cannot be assumed that the considerations underlying a figure relating to housing need from 2016 onwards would necessarily apply in the same way to an earlier period, and retrospective use of the Appellants' figures for need is inappropriate. Secondly, the assessment of the level of housing achieved is an assessment which is properly made against the provision intended in the Development Plan.
50. Based on the foregoing, my assessment of the housing land position in Shropshire is as set out in the table below. I find that there is a five years supply of housing land in Shropshire. The information before me indicates that the level of housing land supply exceeds the five years requirement by a relatively modest amount. Whilst that does not obviate the importance of boosting supply in accordance with national policy, the existence of a five years supply means that relevant policies for the supply of housing should not be considered out-of-date, and in view of this circumstance I give no additional weight to the moderate benefit of providing housing on the appeal sites.

²⁹ The Council's calculations on the extent of housing land supply are set out in tables 8-10 of Document L13.

	Dwellings
Adjusted FOANHR annualised dwelling projection (from para 46)	1,432
Five years need 2016-2021	7,160
Under-delivery 2006/07-2015/16 ³⁰	1,998
Sub-total	9,158
20% buffer	1,832
Five years requirement	10,990
One years requirement	2,198
Supply (from para 48)	12,649
No of years supply – 5.8	

Overall conclusions

51. The appeal sites are in the countryside, outside the community hub of Baschurch. Policy CS5 of the Core Strategy provides some limited support for the proposals in this location due to their economic and community benefits, and they are consistent with the requirement to provide affordable housing in Policy CS11. However the harm to the character of the countryside would result in conflict with provisions of Policies CS5 and CS6. The proposals would not be consistent with policies in the more recently-adopted SAMDev Plan concerning the location of housing development and the circumstances in which it should take place outside development boundaries. I conclude that both proposals would conflict with the Development Plan, taken as a whole.
52. The proposals would provide certain economic, social and environmental benefits. Support for local facilities and services, construction activity, and CIL contributions are all matters which carry limited weight. I accord moderate weight to benefits for great crested newt habitat and biodiversity. The provision of additional market housing also carries moderate weight given the modest numbers of dwellings involved, and the presence of a five years supply of housing land. Affordable housing would be provided, and this is an important factor in support of the proposals. Although both appeal sites would allow access to facilities and services by alternative modes of transport to the private car, their encroachment into the countryside would cause environmental harm, a matter to which I accord moderate weight. Moreover, the provision of housing in this location would conflict with the Development Plan. I conclude that, overall, the proposals would not represent sustainable forms of development.

³⁰ The cumulative under-provision from 2006/07-2015/16 is given in table 4 of Document L13.

53. The site of the phase I development is also outside the development boundary for Baschurch. However when outline planning permission was granted, the SAMDev Plan had not been adopted, and in its reports on the application the Council acknowledged that at the time there was not a five years supply of housing land (Document O6). My attention has been drawn by the Appellants to appeal decisions granting planning permission for residential development outside development boundaries in Shropshire at Ludlow, West Felton and Broseley (Documents A7a-b & A17a). The Ludlow decision (of November 2015) refers to the development boundary in the context of the South Shropshire Local Plan, which provided for development up to 2011, and the West Felton decision (of November 2015) also pre-dates adoption of the SAMDev Plan and refers to housing policies of the Oswestry Borough Local Plan as time-expired. At Broseley, the Inspector found that the proposal would not compromise objectives of Policies CS5 and CS6 concerning the control of development in the countryside and protection of the natural environment. A fourth appeal decision granted planning permission for residential development at Cross Houses (Document A17b). Although that site is not in a settlement, it was in use as a caravan site, and the decision acknowledges that the proposal would not encroach any further into the countryside. Each proposal must be judged on its own merits, and the above circumstances distinguish those schemes from the cases before me.
54. The specific benefits identified do not justify proposals which would cause harm through encroachment into the countryside and by conflict with the up-to-date Development Plan, in particular with policies in the SAMDev Plan. The proposals do not comply with the tests therein for development in the countryside and outside the community hub. None of the suggested conditions would make the proposals acceptable in planning terms. For the reasons given above, and having regard to all matters raised, I conclude that both appeals should be dismissed.

Richard Clegg

INSPECTOR

APPEARANCES

FOR THE APPELLANTS:

Miss T Osmund-Smith of
Counsel

Mr M Parrish FPCS MIED
Mrs H Howie MA(Hons) MCD
MRTPI

Mr D Richards

Managing Director, The Planning Group Ltd.
Planning Consultant, Berrys.

Planning Consultant, The Planning Group Ltd.

FOR THE LOCAL PLANNING AUTHORITY:

Mr D Corden MRTPI

Mr L Cowden MRTPI

Mrs J Raymond

Senior Planning Officer.

Principal Planning Policy Officer.

Technical Specialist Planning Officer.

INTERESTED PERSONS:

Mr G Hollis

Local resident.

THE APPELLANTS' DOCUMENTS

- A1 Statement for appeal A and appendices.
- A2 Statement for appeal B and appendices.
- A3a-b Planning obligations in respect of appeals A and B.
- A4 Email dated 14 September 2015 from Mr Parrish concerning a reserved matters application for phase I.
- A5 Shropshire Housing Land Supply Rebuttal; Berrys, 4 September 2015.
- A6 Appellants Housing Supply Summary Table; Berrys, 5 November 2015.
- A7a-b Appeal decisions refs 3001117 and 3003171 concerning residential development at Ludlow and Oswestry.
- A8 Great crested newt risk assessment and method statement; Greenspace Environmental Ltd, December 2015.
- A9 Extract from Core Strategy document EV79 – Housing Delivery Technical Background Paper.
- A10 Email dated 2 February 2016 from Mr Parrish commenting on Document O9.
- A11 Judgement in Wychavon DC v Secretary of State for Communities & Local Government and Crown House Developments Ltd [2016] EWHC 592 (Admin).
- A12 Comments from the Planning Group on Document A11.
- A13 Email dated 7 April 2016 from Mr Parrish commenting on Document L11.
- A14 Supplementary statement concerning housing proposals in Baschurch and appendix.
- A15 Supplementary statement concerning housing land and appendices.
- A16 Email dated 10 November 2016 from Mr Richards commenting on Document L3.

- A17a-b Appeal decisions refs 3006489 and 3134152 concerning residential development at Broseley and Cross Houses.
A18 Response to the Council's statement on the Wychavon judgement in Document L9.

THE LPA'S DOCUMENTS

- L1 Letter of 26 June 2015 and attachments in respect of appeal A.
L2 Letter of 26 June 2015 and attachments in respect of appeal B.
L3 Email dated 10 November 2016 from Mrs Raymond and schedule of housing approvals in Baschurch since 2012.
L4 Report on the examination into the SAMDev Plan.
L5 Bundle of emails dated 2 December 2015 on behalf of the Council and the Appellants concerning great crested newts.
L6 Appeal decision ref 3039099 concerning 12 dwellings at Bomere Heath.
L7 Revised list of suggested conditions.
L8 Email dated 19 January 2016 from Mrs Raymond concerning appeal decision ref 3011886 relating to 125 dwellings in Shrewsbury.
L9 Email dated 7 April 2016 and statements from Mr Cowden commenting on Documents O9, A11 and Appendix 9 in Document L11.
L10 Judgements in Suffolk Coastal DC v Hopkins Homes Ltd and Crown House Developments Ltd and in Richborough Estates Partnership LLP v Cheshire East BC [2016] EWCA Civ 168.
L11 Supplementary statement concerning housing land.
L12 Shropshire Council – Full Objectively Assessed Housing Need Report – 4 July 2016 and accompanying note.
L13 Shropshire Council – Five Year Housing Land Supply Statement – 26 August 2016.
L14 Response to Document A14.
L15 Response to Document A15.
L16 Judgement in Shropshire Council v Secretary of State for Communities & Local Government and BDW Trading Ltd [2016] EWHC 2733 (Admin).

OTHER DOCUMENTS

- O1 Notifications of the hearing.
O2 Statement of common ground.
O3 SAMDev Plan Inset Map 12 – Baschurch.
O4 Site plan for housing on phase I of land west of Prescott Road.
O5 Extracts from the Core Strategy.
O6 Committee reports on residential development (outline) on land between the appeal sites and Prescott Road.
O7 Outline planning permission for residential development on land between the appeal sites and Prescott Road.
O8 Notification of adoption of the SAMDev Plan.
O9 Extracts from the SAMDev Plan.
O10 Reserved matters approval for residential development on land between the appeal sites and Prescott Road.