

ID 10

SHROPSHIRE LOCAL PLAN EXAMINATION

Representor unique Part A Ref *	Respondent Reference ID: A0379
Matter	Matter 3
Relevant questions nos	Questions 17, 18, and 19

Stage 1 Hearing Statement

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

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



EXAMINATION OF THE SHROPSHIRE LOCAL PLAN

HEARING STATEMENT - MATTER 3

Development Strategy

On behalf of:
Manor Oak Homes
Respondent Reference ID: A0379

Date:
May 2022

Reference:
01518/LP Examination Matter 3

1.0 Introduction

- 1.1 This statement is prepared on behalf of Manor Oak Homes in relation to **Matter 3 – Development Strategy** and provides their response to **Questions 17, 18, and 19** raised by the Inspectors in respect of the policies comprising the plan’s economic growth strategy, namely Policies SP12, SP13 and SP14. As set out in Manor Oak Homes’ response to the Regulation 19 plan their principal concerns relate to the way in which, together, these policies present a strategy which will constrain the delivery of appropriate additional employment land at key strategic locations other than in a very narrow range of instances where a bespoke development opportunity precisely meets the requirements of Policy SP14.
- 1.2 This submission is made in the context of Manor Oak Homes’ own land at Battlefield Farm (Site SHR197a), a site that was previously identified as a draft employment allocation in the Regulation 18 draft of the plan and one which is therefore demonstrably suitable and deliverable for employment uses. As will be explained in this statement, our client’s accompanying statement on Matter 4 and submissions that will be made regarding the later Stage 2 matters on specific sites, the plan as currently drafted constrains the delivery of a site which has been consistently marketed for employment uses since mid-2020 and has during this time generated significant interest from prospective investors.
- 1.3 What has prevented the progression of our client’s site towards a planning application submission and the inward investment that would be generated by this is the constraining nature of the Council’s proposed development strategy and the exacerbation of this through the high bar set for qualifying applications by draft Policy SP14. As will be explained at the Stage 2 hearings, our client’s land represents a suitable, attractive and deliverable alternative to what is a demonstrably undeliverable employment allocation on land to the west of the A49 (Site SHR166) by virtue of the critical concerns of Historic England.
- 1.4 Had the Council adopted a wording for Policy SP14 in line with our recommendation made at Regulation 19 stage our client’s site would likely already benefit from an outline planning consent, which would have enabled the Council to capitalise on what is real investor interest in that location. As it stands the Council’s current employment land strategy includes a deficit in provision due to an inability to identify and secure the delivery of sufficient and attractive employment land to meet needs and the requirements of the market.

2.0 Response to the Inspectors' Questions

Issue: Whether the Development Strategy is justified, effective and consistent with national policy.

Question 17: Is Policy SP12 justified, effective and consistent with national policy?

- 2.1 Policy SP12 'Shropshire Economic Growth Strategy' establishes the expected spatial distribution of employment uses across the plan area. It places Shrewsbury at the top of the hierarchy and identifies the importance of the 'Strategic Corridors' identified in the plan (a list which includes the A49 corridor between Whitchurch and Church Stretton within which our client's site lies). In doing so Policy SP12 serves as a high-level descriptive policy only and does not provide any mechanism facilitating the actual delivery of employment uses.
- 2.2 Whilst we support the general ambitions of the policy it is questionable whether it plays any sort of effective role in delivering the overall strategy given its high level nature and the absence of any specific policy mechanisms to secure growth. It reads more as a vision than a strategy, and accordingly, would not serve as an effective development control tool for enabling sites to come forward. Indeed, it does not include any form of measurable target or trigger to ensure that the employment land targets of Shropshire are met. There is an overall requirement for 300ha of employment land over the period 2016 to 2038 with an estimated need for at least 50ha of additional land at Shrewsbury. This is to be secured via predominantly existing commitments and new allocations. However, what happens if supply at these locations stall? How will the shortfall be met? Policy SP2 states that *"this Local Plan ensures that sufficient land in the right locations is available to achieve these (employment) growth aspirations, however the availability of land will be kept under review to ensure a continuous supply of suitable sites is available"*. The policy as drafted provides no transparent means of achieving this.
- 2.3 Whilst Policy SP13 describes how employment proposals will be assessed on a site-specific basis and Policy SP14 explains the specific role of the 'Strategic Corridors' there is no mention in the plan of how the supply of employment land will be monitored and maintained in line with Policy SP2. Policy SP12 should play a role in this through not only describing what the Council hopes to achieve in respect of employment land provision but how the strategy will ensure these targets are met. It is therefore imperative that Policy SP12 is reworded to provide a framework and set of criteria explaining how sufficient development can be secured.
- 2.4 Reflecting on the way in which Policy SP12 presents the plan's economic growth strategy, it is important to consider the requirements of the NPPF, namely those set out at paragraph 82. It states that planning policies should:

- a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;*
- b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;*
- c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and*
- d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.*

2.5 The policy currently conflicts with at least criteria (a) and (d) set out above in that it does not present any form of flexibility in respect of how varying needs may be met if the current allocation-led strategy and apportionment of growth fails or proves to be inadequate as the plan period elapses. As a result, it also fails to be proactive in encouraging the right growth at the right time in the right location. In the absence of any form of mechanism providing the market with both the encouragement and certainty required to ensure the maintenance of an adequate supply of employment land there is a danger that delivery of vital employment land will begin to lag. **On this basis it cannot be concluded that the strategy as currently worded is sound in that it is neither effective or consistent with national policy.**

2.6 To rectify this situation the policy wording should include steps which:

- Clearly explain the employment land targets for the plan period (it is noted that the 300ha figure is included in the wording of Policy SP13 but should far more appropriately be included as part of Policy SP12);
- Identify where and when this land should be delivered, identifying the key allocations and the timescales in which they are to be delivered. It could do so by either referencing Schedules A6 and A7 of the plan's appendices or ideally bringing these forwards into the main body of the plan or even better including them as part of the policy text; and
- The policy wording should include a clear trigger that would provide a presumption towards suitable windfall employment sites coming forward in suitable locations across the plan area if any element of the provision identified by Schedule A6 stalls when measured against its anticipated timescale for delivery or is confirmed as undeliverable.

2.7 This approach would similarly set a framework for Policy SP13 – considered below – and help rectify some of its own deficiencies.

Question 18: Is Policy SP13 justified, effective and consistent with national policy? Should figure SP13.1 text be included within Policy SP13?

Question 19: Is Policy SP14 justified, effective and consistent with national policy? Should the corridors be marked on a map or plan? Is this policy consistent with other policies in the Local Plan? Is it the purpose of this policy to allow for significant growth in addition to that allocated in the Local Plan, including development in the Green Belt?

- 2.8 These questions are taken together as they present the delivery strategy for employment sites. Also combined they present a flawed understanding of the land requirements of commercial operators and serve as a hindrance to the optimum function of Policy SP12, the recommended amended form of which we describe above. Ultimately the Council's employment strategy must put in place a mechanism to ensure a consistent pipeline of oven-ready employment sites that will attract swift investment. This should be land that is committed (either by way of allocation or planning permission), available and flexible enough to provide certainty for a range of uses (essentially all of those defined as "*employment generating uses*" at sub-section 2 of Policy SP13) allowing operators to simply sign terms and locate.
- 2.9 Policy SP13 'Delivering Sustainable Economic Growth and Enterprise' seeks to complement Policy SP12, setting out the more detailed development management framework for the delivery of sites. It describes the type of uses sought on development sites and provides a list of the environmental effects of commercial development that will be taken into consideration at application stage.
- 2.10 Critical to ensuring that the strategy set out by Policy SP12 functions effectively and sufficient land comes forward to create a consistent pipeline of supply to meet needs the policy then goes on to explain instances where windfall employment development may come forward (that is land that will be required in addition to the currently insufficient allocations identified by the plan). Other than for small-scale proposals, such as the extension of existing business premises, the allowances are extremely restrictive. For major employment development – that of the scale both proposed by our client on their land at Battlefield Farm and that required by the Council to supplement any shortfall in supply – it requires compliance with Policy SP14 (it must be in a Strategic Corridor) and must also serve a named end user. This requirement for a named end user will cripple the effectiveness of this policy and represents a lack of understanding of how the commercial market operates. We explain why below.
- 2.11 Policy SP14 'Strategic Corridors' is the key policy in respect of the delivery of additional large scale employment development. Policy SP14 explains the approach set out by Policy SP13 towards the delivery of 'major' development in greater detail. In respect of the location of major development on windfall sites it must sensibly be in close proximity to Shrewsbury or a principal or key centre. However, first preference is then stated as "*brownfield sites with direct access to the rail and road routes in the corridor*". Such

ideal sites will be rare – indeed, one would suggest that if such sites existed, they should be identified as allocations.

2.12 Beyond this, windfall employment development will only be allowed on greenfield sites "*in exceptional circumstances*"; where a sequential test is passed, and the following extremely restrictive criteria are met:

- The proposal is delivered as a fully serviced and developed employment area (essentially as a full planning application);
- The proposal meets the needs of an identified 'end user'; and
- It delivers off-site infrastructure investment within the strategic corridor.

2.13 The first two criteria are unduly restrictive and will not allow the Council to overcome any shortfall in employment land that may arise over the plan period. Our experience in the commercial market suggests that most enquiries from operators seeking land are speculative – businesses will only express an interest in locating to an area if there is either a vacant or consented premises that may be ready for occupancy within the financial year. In respect of larger end users, they will usually require at least outline consent or an allocation before they begin to specify the design and layout of what are usually highly bespoke premises – this is a process which commands significant up-front cost which will rarely be committed at risk.

2.14 This view is corroborated by a commercial agent's report prepared by Andrew Dixon and Co which was submitted in support of our client's Regulation 19 submission. By way of a reminder, it states:

"In terms of the operation of the plan itself, and in particular the windfall strategy designed to overcome the shortfall in allocations, we are clear that most companies seeking to re-locate are likely to be discouraged by the requirements of Policy SP14, which states a need to identify, design and then build a new premises when a need is identified. This would be a very lengthy process with no guarantee of success in the mind of the occupier.

We would also point out that most requirements for pre-lets tend to come from established companies and there is a limited number of Hi-Tec companies in the Shrewsbury area and it is generally a very small industrial market. To the best of our knowledge, there are virtually zero cases in Shropshire where a tenant has taken a unit on a pure Greenfield site with no guarantee of development."

2.15 The advice of this prominent local agent is clear – the strategy as set out in the plan is one that limits the prospects of successfully attracting the commercial partners sought by the council. The process required by the allowances of this policy, of a developer or land promoter identifying a committed end user, working together to secure a bespoke consent and then delivering a fully serviced premises along with associated highways upgrades, will take years rather than months to secure. This does not represent

the responsive strategy required of a plan to secure compelling investment opportunities in emerging markets. The process will be cumbersome and highly unattractive to developers, investors and end users.

- 2.16 The reality of the delivery of the type of smaller hi-tech serviced premises identified as a requirement by the Lichfields Economic Development Needs Assessment April 2021 (evidence document EV043) is similarly entirely different to that envisaged by Policy SP14. Very often such premises will be sought by start-ups or smaller research and development firms working on longer term projects with limited up-front cashflow. Neither type of business can afford to partner with a developer through the planning process and part fund the project to secure bespoke premises of their own. Such companies more often seek existing consented units on enterprise parks that ideally can be secured for a below market rate rental level. Indeed, the risk associated with the lack of such premises is identified by Lichfields who note at paragraph 9.56 the *"lack of 'oven ready' land for employment development coming to the market, particularly for B1(c), B2 and B8 uses, despite there being demand in the market. As a result, there is a risk that those seeking employment premises within the Shropshire Council boundary may locate elsewhere"*.
- 2.17 This model, however, generally requires the initial delivery of more orthodox commercial units which will provide the up-front investment required by the developer to proceed with the further less profitable phases capable of meeting the needs of smaller businesses. A scheme of such commercial variety and complexity simply cannot be secured under the terms of Policy SP14.
- 2.18 In short, businesses seeking to locate to an area require choice and certainty that their commercial needs can be met swiftly. This will only come from the provision of a combination of a greater number of allocations along with flexibility within Policy SP14 that will allow larger and multi-plot sites to come forward on a more speculative basis without the burden of either a secured end user or the need for the scheme to be built out immediately. The allowance for additional employment land to come forward should also be linked to triggers in Policy SP12 that encourage additional employment opportunities if there is an identified deficit in supply and delivery.
- 2.19 As drafted, the strategy proposed by the Local Plan will fail to secure the step-change in the local jobs market required by Shropshire's Economic Growth Strategy or secure the minimum gross employment land requirement of 100ha at Shrewsbury over the plan period. **It must be concluded that taken together Policies SP13 and SP14 are unsound in that they are not effective as they fail to both understand the realities of the commercial market and then meet its needs on either a qualitative or quantitative basis. To assist in rectifying any deficiencies a suggested amended wording of Policy SP14 can be found as our Enclosure 1.**
- 2.20 In terms of the other elements of these questions we respond as follows:

- Figure SP13.1 should not be included in the text of Policy SP13. As written, it is clear that it presents broad guidance only (indicated by the use of words such as "*expected*") whilst also relying on reference to the Council's Annual Monitoring Report, a document that the Council has recently only published intermittently (the last report has a based date of 31st March 2020). Policy SP13 is already overburdened with a range of unnecessary and onerous criteria that will make it difficult to deliver sufficient employment land – adding another layer through the introduction of Figure SP13.1 will simply render the policy as impenetrable.
- The Strategic Corridors should be marked on the proposals map. As will be detected from our criticisms of both Policies SP13 and SP14 do very little to create certainty around whether a site may acceptably come forward as an additional employment opportunity. At least the identification of a defined area of search provides a layer of policy support for sites that fall within the corridor (essentially confirming that they represent a sustainable and appropriate location for employment uses by definition).
- We do not consider Policy SP14 (or indeed Policy SP13) to be consistent with Policy SP2 of the plan in that it fails to present a mechanism that will allow the monitoring of employment land delivery and an effective mechanism to make up for any shortfall.
- Far from presenting a strategy which would allow for significant growth in addition to that allocated in the Local Plan our reading of Policy SP14 is that it presents a very restrictive approach to additional development, no matter how appropriate the location, which will ultimately hinder unplanned employment sites of any sort of strategic scale from coming forward.

Enclosure 1: Policy SP14 Strategic Corridors 'Examination Version'

SP14 Strategic Corridors

The Shropshire Economic Growth Strategy seeks to deliver a 'step change' in the capacity and productivity of the local economy. To contribute to this aim, 'Strategic Corridors' along the principal rail and strategic road routes through the County will be the primary focus for major employment development especially along 'strategic corridors' with both rail and road connectivity. Major employment development in the County will be expected to recognise that:

1. The strategic approach in Policy SP2 seeks to deliver significant development and infrastructure investment within the 'strategic corridors' served by the principal rail network and strategic and principal road networks in Shropshire. ~~Coupled with the monitoring and delivery provisions included in Policy SP12 these should be the main locations towards which land required to make up for any shortfall in planned supply should be directed.~~

2. Development in the 'strategic corridors' through the Green Belt or Shropshire Hills Area of Outstanding Natural Beauty will be subject to appropriate national and local policy. Development likely to affect an internationally designated wildlife site, through atmospheric emissions must comply with the requirements for a project level HRA in accordance with policy DP12.

3. Development on these 'strategic corridors' will be located in accordance with the following sequential preference;

- a. In Shrewsbury or the Principal or Key Centres on an allocated site;
- b. On the identified 'Strategic Sites' in the Local Plan;
- c. On appropriate windfall development sites which are:
 - i. Located immediately adjoining Shrewsbury or a Principal or Key Centre; and
 - ii. Brownfield sites with direct access to the rail and road routes in the corridor; or
 - iii. Greenfield sites ~~in exceptional circumstances~~ where the:
 - Strategic objectives of national and local policy are fully satisfied and comply with Policy SP13;
 - Proposal will strengthen the role and function of strategic settlements particularly Shrewsbury and the Principal Centres;
 - ~~Proposal is a large and significant investment opportunity that cannot reasonably access sequentially preferable sites;~~
 - Proposal will:
 - o Deliver the greenfield site as a fully serviced ~~and developed~~ employment area; and
 - o Meet the immediate needs of ~~at least one the~~ proposed 'end user' or occupiers ~~along with a demonstration of the market demand for any additional serviced land to come forward;~~ or
 - o Meet an immediate quantitative need that has arisen due to the slow delivery of allocated sites elsewhere across the plan area; and
 - o Deliver off-site infrastructure investments within the 'strategic corridor'.

~~Exceptionally the sequential approach would not apply where a proposal is a large and significant investment opportunity and commitment to a specific development site well related to the highway or rail network can be demonstrated.~~

4. Proposals for development in the 'strategic corridors' must satisfy the requirements of Policy SP13 and consider:

- a. The need to achieve a sustainable pattern of development particularly to balance the delivery of housing with employment growth;
- b. The need for infrastructure investment to support the:
 - i. Delivery of the development; and
 - ii. Accessibility of the rail and road networks; and
 - iii. Further growth in the 'strategic corridor'.

- c. The scale of the proposal in relation to the location, landscape, character of the surrounding area and the significance of the natural and historic environment;
- ~~d. The availability of land allocated for the proposed use in the same locality;~~
- ~~e. Other sites with long-term potential around the Strategic, Principal and Key Centres;~~
- f. The policies and strategies of adopted Neighbourhood Plans, Community / Parish Plans or growth strategies for the Strategic, Principal or Key Centres.