

## Shropshire Local Plan Examination

Stage 1 Hearing Statement on behalf of Persimmon Homes and Taylor Wimpey (ID A0595)

Matters 3 and 4 – Development Strategy and Housing and Employment Needs

Wednesday 6<sup>th</sup> July 2022 and Thursday 7<sup>th</sup> July 2022

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### Matter 3 - Issue

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

**Relevant policies – Policies SP1 – SP15**

#### **1. How do the strategic policies in the Local Plan accord with paragraphs 20-23 of the Framework?**

Taylor Wimpey and Persimmon are anxious to ensure that the Local Plan makes sufficient provision for housing such that there can be confidence that the plan requirement will be met over the plan period. Delays to the delivery where there is a lack of evidence to support delivery assumptions risks the plan not meeting the identified requirement. Such a failing would be in conflict with paragraph 20 of the Framework and it is essential that the plan is supported by evidence of delivery of the identified sites.

#### **6. Is it appropriate to show 'saved sites' on the proposals map given they are not site allocations in the submitted Local Plan, bearing in mind regulation 9 of The Town and Country Planning (Local Planning) (England) Regulations 2012?**

It is not appropriate to show saved sites – the deliverability of such sites needs to be assessed as part of the Plan's evidence base, especially as the saved sites were intended to be delivered by 2026, the SAMDev plan period. There is a lack of evidence to demonstrate that the delays to their delivery to date will not persist. This is particularly important where the Plan relies on these sites to meet the overall plan housing requirement

#### **7. What proportion of housing supply comes from the 'saved sites'?**

#### **8. What proportion of the 'saved sites' have an extant planning permission and what is their level of contribution to the housing supply?**

See general comments below – given the reliance on Saved Sites (the schedules in Appendix 5 of the Pre-submission draft Local Plan indicate that saved SAMDEV Plan allocations account for 3,557 dwellings of the total supply and which accounts for approximately 10% of the overall housing requirement), this is a significant level of provision relied upon and any impediments or reasons for their non delivery to date needs to be fully understood.

#### **14. Is Policy SP7 positively prepared, justified, effective and consistent with national policy? How have the residential guidelines been derived? Do these policies duplicate parts of other policies?**

The aims and aspirations of this policy are somewhat confusing. It appears that the policy is aimed at supporting and explaining how the Plan's housing requirements will be delivered over the plan period in line with the settlement hierarchy and strategic settlement policies. It also seeks to provide some flexibility and adaptability to changing circumstances particularly in the context of the Housing Delivery Test.

The Policy appears to resist housing development which would lead to the residential development guideline for a settlement being exceeded. This may be appropriate where disproportionate growth is proposed in less sustainable locations and settlements, but where additional development is proposed in sustainable locations, including for example in Shrewsbury and even exceeds its development guideline, such development which would otherwise be sustainable should not be restricted by the development guideline cap.

The final section of the policy describes circumstances where additional market housing development outside of settlement development boundaries will be strictly controlled but “will only be potentially acceptable where there is clear evidence that the residential development guideline for the settlement appears unlikely to be met over the plan or where specific considerations set out in the settlement policies apply”. This additional flexibility outside settlement boundaries is welcomed however the policy is still somewhat ambiguous and limited in its application. Giving some flexibility to meet housing needs would make the plan sound in this regard.

There are additional circumstances which should allow the council to look more flexibly at proposals for housing outside Settlement Boundaries and this should include where the council is failing their Housing Delivery Test, the absence of a 5 year supply or generally failure in the plan to deliver the housing requirement within the plan period. In this specific regard, this is not just on an individual settlement allocation basis but Shropshire wide, particularly as shortfalls in delivery at one settlement could still be sustainably met in another. Such an approach would avoid the need for an early review of the plan and increase its longevity.

#### Changes Sought

- The policy should be amended to include the additional circumstances suggested.

#### **15. Is the Community Hub and Community Cluster approach to development set out in Policies SP8 and SP9 justified and effective and consistent with national planning policy? Do these policies duplicate parts of other policies?**

The Policy sets out various provisions in relation to the management of development in the countryside which reflect the plans urban focused development strategy. It includes provisions for economic activities as well as other activities appropriate to a rural area. In respect of housing it confirms that new market housing will be strictly controlled outside development boundaries. However, the policy should cross reference to the flexibility allowed for open market housing in the countryside within policy SP7 if the circumstances of policy SP7 are met.

#### Changes sought

- The policy should cross reference to the circumstances under Policy SP7

**21. Does the Local Plan strategy rely on windfall development and is the windfall allowance based on paragraph 71 of the Framework? Does the windfall allowance for housing need to be set out in the Local Plan?**

The Local Plan places an undue reliance upon windfall and detailed comments are set out below in our general commentary. This is particularly so where there is no evidence to demonstrate that past trends are likely to continue in the future where there will be an up to date Local Plan.

**23. Should the Local Plan include more small and medium size sites to provide greater choice, flexibility, and certainty?**

Any approach which provides for greater certainty, choice and flexibility in the Plan delivery would be supported.

**Matter 4 - Issue**

**Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national planning policy in relation to the overall provision for housing and employment land.**

**Relevant policy – SP2**

**Housing**

**4. The soundness of proposals for the land allocations in the Local Plan will be considered at Stage 2 of the Examination. However, given that many ‘saved’ sites which are not before us are included in the housing land supply, is it realistic that this examination can determine if the Council have a 5-year supply of deliverable housing land?**

It is essential that the plan provides clear, evidenced justification for their deliverable supply of sites in the 5 year period as well as through the Local Plan period – the evidence provided in support of the supply currently is deficient and should be comprehensively reviewed and re-consulted upon. This is particularly the case noting that the failure of the plan to deliver the required housing to the set trajectory could mean that housing will not be delivered over the plan period and a 5 year supply of sites will not be maintained throughout.

**5. The Council in response to our initial questions said that they wish to ‘fix’ their 5-year housing land supply and have included 10% buffer. Assuming it is agreed that we can determine if the Council have a 5-year supply of deliverable housing land, PPG at Paragraph: 010 Reference ID: 68-010-20190722 says that “When confirming their supply through this process, local planning authorities will need to be clear that they are seeking to confirm the existence of a 5 year supply as part of the plan-making process, and engage with developers and others with an interest in housing delivery (as set out in Paragraph 74a of the Framework), at draft plan publication (Regulation 19) stage.”**

**Can the Council please confirm if they did this and if so, provide evidence of it?**

See comments above and below – there is no clear evidence of delivery within the submitted plan which clearly explains or comprehensively supports the delivery assumptions set out in the plan.

## **6. Should the Local Plan include a housing trajectory showing the expected rate of delivery of housing land?**

Yes, and it is critical to ensuring delivery over the plan period and provide a clear on-going understanding of the Plan's success over the plan period.

### **General Commentary**

Through their submissions to the Submission Stage of the emerging Plan Persimmon and Taylor Wimpey reiterated that it is essential the new Plan provides for an appropriate level of housing in recognition that Government policy is advocating a step change in the delivery of new housing and in doing so raised fundamental concerns that the provisions made within the Plan will not result in its housing requirement being met.

More specifically, Persimmon and Taylor Wimpey made a number of points at the submission stage, some of which were reiterated by the Inspectors in their IDs 1 and 2 in particular, and some of which have now been addressed by the Council. This Hearing Statement therefore updates our previous objections, but acknowledges where fundamental gaps in the evidence supporting the Plan at the Submission stage have at least in part been addressed by the additional information prepared by the Council and put in the Examination Library in February 2022 in order to address the Inspectors' initial questions.

These include where the base date of the housing delivery and supply projections should be updated to reflect a base date at 1<sup>st</sup> April 2021, which would be the most up to date at the time of the Local Plan Examination – to demonstrate that the Council considers that it can demonstrate a 5 year supply of homes upon adoption of the Plan. It is therefore helpful that the Council has issued EVO48.07 and EVO48.08 (summary) to reflect the 5 year housing land supply position, and indeed the projected delivery and supply of housing over the Plan period, as of the 1<sup>st</sup> April 2021 (or to include delivery up to the 31<sup>st</sup> March 2021).

It is also helpful that a trajectory for housing delivery over the plan period is included at Annex 1 of EVO48.07, to show delivery of the housing requirement over the Plan period. Through that we note the Council's identified supply amounts to 34,589 homes over the Plan period, or 12% headroom over the Plan requirement of 30,800 homes between 2016 and 2038. We also note that the Council has applied a 10% lapse rate to its deliverable sites and for each 5 year period across the Plan period which is then re-distributed to later years in the Plan period where they are still considered deliverable or developable.

However, Persimmon and Taylor Wimpey's principal concerns are that the extent to which the components of supply will contribute to the level expected remains unclear and not supported by evidence. Even where the principle of these developments is accepted, a fundamental concern is raised is the lack of evidence to support the delivery assumptions set out. Failure of some of the larger sites (in particular) to deliver their required contribution to the plan housing requirement within the plan period, will put the delivery of the required housing at significant risk.

**The Changes Sought by Persimmon and Taylor Wimpey with regard to make the Plan Sound, as set out in their previous representations, included;**

- **The contribution from Commitments and, SAMDev Allocations should be critically assessed and deductions made for potential lapse and/or non delivery**

*The contribution from SAMDev Allocations needs to be critically reviewed. Whilst some of these sites may be making genuine progress towards delivery, others may not and their future contribution to supply and their suitability should be re-evaluated. It needs to be recognised that these are sites which were allocated in 2015 and would have originally been expected to have delivered housing by 2026 but the list of sites at Annex E of the Council's 5 Year Supply Statement (GC4j) includes a number of sites which still don't have planning permission and even some that have had planning permissions lapse or have had planning applications refused by the Council. In real terms these sites have not seen any tangible progress since their allocation and need to be critically reviewed to ensure that they remain deliverable (where this is assumed) or developable within the Plan period and ultimately that they will contribute to the housing requirement as anticipated by the Council. The evidence provided in Annex E is often not at the level of detail required. Further detailed evidence is need and must be consulted upon*

- **The reliance upon windfall sites should be reduced and the Plan should provide for a greater degree of certainty and specifically plan for the allocation of sites.**

*There continues to be an undue and unreasonable reliance upon windfall sites to meet the shortfall in identified sites. The Housing Topic Paper points to the significant reliance on windfalls to deliver homes in Shropshire in the Plan period to date but the Plan should provide for a greater degree of certainty and specifically plan for the allocation of sites. A greater range and number of sites needs to be allocated and reduce the reliance on windfall provision. The principle of including a windfall allowance for some settlements is supported in helping to provide flexibility on how the housing requirement is delivered. The National Planning Policy Framework at paragraph 71 requires policy for windfall allowance to be based on '...compelling evidence that they will provide a reliable source of supply.'. It also confirms that allowances should be '...realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends' (our emphasis). The Plan should therefore be supported by evidence that the level of windfall allowance proposed is appropriate and justified based on historic delivery rates and robust assessment of the potential for sufficient windfall delivery rates to continue for the duration of the plan period. This is noting that with an up to date plan, the potential for windfall is reduced and the reliance on windfall during the adopted Plan period to date points to a failure of the Plan to allocate the right sites (a point also worth noting with regard to the continued reliance on SAMDev sites). Additionally, given the nature of such a precise and tightly drawn plan, the potential for windfall to continue at past rates over the full 22 year plan period is extremely unlikely. Taylor Wimpey and Persimmon consider that, in line with the requirements of the NPPF, the Plan should be revised to reduce the reliance on windfall and allocate a larger number and wider range of sites to increase certainty of housing delivery and create a positive and proactive planning policy context to encourage sustainable patterns of growth.*

*The Council's 5 Year Supply Statement (GC4j) also indicates that the Council is relying on larger windfall sites in the form of a number of SLAA sites from the Council's current active SLAA database. These larger windfall sites are included at Annex G of the 5 Year Supply Statement and comprise sites that the Council considers are likely to be delivered within the next 5 years or developable within the Plan period. It should be noted that these are sites that the Council is aware of and included in the SLAA database, and whilst the 5 Year Supply Statement indicates that the Council considers it likely that there will be a significant amount of additional site opportunities within the development boundaries of identified settlements, the Council's inclusion of these sites must be supported by clear evidence which cannot be said of the Annex G table. Moreover, and similar to the SAMDev sites which are relied on by the Council, a number of the SLAA sites relied upon by the Council to deliver its housing requirement over the Plan period have been subject of lapsed or refused planning applications in the past – pointing to a history of non-delivery.*

- **The plan needs to evidence a trajectory for each of the larger sites to ensure the risks to their delivery at the rates suggested is known and understood and their contribution to the Local Plan requirement supportable.**

*The Council's Trajectory (provided at GC4p) sets out that the housing land supply identified for the proposed Plan period includes around 12% flexibility (as referred to above). The sources of this flexibility include the strong delivery experienced in the first five years of the proposed Plan period and headroom within the supply identified over the remainder of the proposed Plan period.*

*This Council sets out that this flexibility provides significant confidence regarding the ability to achieve the proposed housing requirement over the proposed Plan period. It also provides confidence in the ability to respond to the various known and unknown factors that may influence the housing market and housing delivery rates in the short, medium and long term; positively responds to observations on past delivery rates and past trends in the market; and with regard to the supply component of this flexibility, provides for choice and competition in the market.*

*As the flexibility associated with the strong delivery experienced in the first five years of the proposed Plan period has already been delivered, the Council sets out that it provides certainty about its availability to respond to the various known and unknown factors that may influence the housing market and housing delivery rates moving forward.*

*The Council also sets out that the flexibility associated with the strong early delivery experienced in the first five years of the plan period is inherently embedded within the 'snapshot' housing trajectory. It therefore provides in-built flexibility, or headroom, for the remainder of the proposed Plan period addressed within the 'snapshot' housing trajectory, provided at Figure 1 of GC4p and therefore provides further reassurance about the overall deliverability of the proposed housing requirement to 2038.*

*Given the known flexibility, or headroom, which the strong delivery experienced in the first five years of the proposed Plan period already provides, and the fact that the flexibility associated with the identified housing land supply seeks to ensure choice and competition and resilience of supply, it is considered reasonable to discount this subsequent flexibility from the potential future levels of delivery identified within the 'snapshot' housing trajectory. In practice therefore this means that within the 'snapshot' housing trajectory for each of the years between 2021/22 and 2037/38, a 7% reduction to the identified housing land supply has been applied.*

*Whilst at face value there has been strong delivery in Shropshire since 2016, as set out previously and in more detail in the Council's Housing Topic Paper this strong delivery has relied strongly on delivery from windfall, rather than planned development which should form the basis of the Local Plan review. As we have set out above, the continued reliance on windfall development is a concern to Persimmon and Taylor Wimpey, as is the continued reliance on SAMDev allocations that have so far failed to deliver, if the homes needed in Shropshire are going to be delivered over the emerging Plan period. If these sources do not deliver as anticipated by the Council, or any of the other sources of supply don't come forward as anticipated by the Council, the Council's approach appears to be that this doesn't matter the strong delivery that has accrued in recent years has afforded the Council some flexibility such that its housing requirement will be met in any event during the Plan period.*

*As part of the Council's assessment of the five year housing land supply and the housing land supply over the wider proposed Plan period, it says that a cautious assumption is applied to all sources of housing land (with the exception of the windfall allowance) that 10% of dwellings within each 5-year period will not be delivered within the relevant 5-year period. However, as these dwellings are still considered to be deliverable / developable, professional judgement has been utilised to distribute these dwellings to individual years within subsequent 5-year periods. So in effect, a 10% lapse rate is applied and those dwellings that have lapsed are added back into the supply later in the Plan period.*

*However, the Council's approach, whilst perhaps cautious at face value, doesn't reflect the potential for sites not to come forward at all – as has been the case for a number of SAMDev allocations to date. Similarly, the Council's approach relies on continuation of strong delivery in the middle years of the Plan such that if there are lapses to sites assumed to deliver during those years, delivery is pushed back to later in the Plan period but still remains within Plan period. However, if delivery at sites relied upon during the later parts of the Plan period lapses or does not come forward as anticipated the trajectory is pushed back to beyond the Plan period and ultimately the homes needed during the Plan period will not be delivered.*

*Our concern is that the Council must maintain strong delivery across the Plan period rather than accepting lower delivery towards the middle and end of the Plan period because it has delivered strongly in early years. If there are lapses to delivery, and*

*non-delivery, from sites the Council has relied upon to deliver in the five year or ten year periods then the whole trajectory is pushed back but the Council's trajectory relies on there being strong delivery from these periods and has assumed lower delivery towards the end of the Plan period as a result. Ultimately, there are insufficient allocated sites available to provide the flexibility needed to maintain delivery across the Plan period because the Council is sitting on its laurels on the back of strong delivery in early years of the Plan period, and whilst this affords some flexibility, the Council needs to maintain that strong delivery if the homes it needs to deliver over the Plan period are to be delivered.*

- **Additional sites should be allocated to plug any gaps in delivery of the housing requirement.**

*Allocating sites provides certainty. Paragraph 68 of the NPPF sets out that "Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment." However, it goes on to say that "From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:*

- a) Specific, deliverable sites for years one to five of the plan period; and*
- b) Specific, developable sites or broad locations for growth, for years 6 to 10 and, where possible, for years 11-15 of the plan" (our emphasis underlined).*

*Taylor Wimpey and Persimmon consider that, in line with the requirements of the NPPF, the Plan should be revised to reduce the reliance on windfall and allocate a larger number and wider range of sites to increase certainty of housing delivery and create a positive and proactive planning policy context to encourage sustainable patterns of growth.*