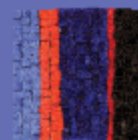


Shropshire Local Plan Examination

**Response to Housing and Employment
Topic Paper (April 2024 Update)**

On behalf of Castle Green Homes

JUNE 2024



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1 Introduction

- 1.1 These representations are submitted on behalf of Castle Green Homes, who have an interest in a draft housing allocation at Chester Road, Whitchurch. The identified site is allocated in the draft plan for housing (Refs: WHT037 and WHT044) with a yield of 200 dwellings under Policy S18: Whitchurch Place Plan Area. Appendix F of the Council’s 5 year Housing Land Supply Statement projects that the site will achieve delivery of new homes in 2026/27. As will be evidenced in future submissions to the Examination process, the Site is free of encumbrance and the Company are committed to bringing the Site forward as early as practicable to achieve completions early in the plan period.
- 1.2 Following the Stage 1 Hearings for the Local Plan Examination, it has become apparent that there were some actual and/or perceived deficiencies in the submission plan with particular regard to the distinction between need and the resultant policy requirement for housing and employment land, largely arising from ambiguity over the treatment of a contribution towards meeting the needs of the Black Country.
- 1.3 In formulating a response on behalf of Castle Green Homes, we have considered the Procedure Guide for Local Plan Examinations (10 February 2023) which states that “There is no provision in the legislation which allows the LPA to replace all or part of the submitted plan with a revised plan during the examination.” However, the Inspectors specifically requested that the Council addresses their concerns by means of an updated Housing and Employment Topic Paper. It will be apparent from our submission that we consider the updated document shows that the required changes will not fundamentally alter the submission plan, and are within the scope of Main Modifications which typically arise during any local plan examination.

2 Local Housing Need

- 2.1 The Council previously established housing need by means of its Local Housing Needs Assessment (August 2020). This followed the Government’s standard method, which is appropriate given the lack of exceptional circumstances to justify an alternative methodology.
- 2.2 This assessment concluded that local housing need for Shropshire was some 25,894 dwellings over the 22-year plan period from 2016-2038, equating to an annual average of 1,177 dwellings. Importantly, the Inspectors found that “The Council’s approach to identifying the housing and employment land needs derived within Shropshire itself is sound”. There has therefore been no requirement to revisit this in association with the updated Housing and Employment Topic Paper.

3 Unmet Need – Black Country

- 3.1 The desirability of assisting with satisfying the unmet housing needs of the Black Country became apparent through the Duty to Co-operate. In the case of housing, a consensus emerged between Shropshire Council and the Black Country authorities that provision should be made for 1,500 homes within Shropshire to contribute to this. It is important to acknowledge that there is no recognised methodology in national guidance for calculating such a contribution, which can therefore only be arrived at on the basis of planning judgement. This was recognised by the Local Plan Inspectors.
- 3.2 The Inspectors agreed that assisting with the Black Country’s needs would “align with the spirit of the Duty to Co-operate”. However, they were evidently concerned that the implications of this had not been correctly addressed within the Sustainability Appraisal which had failed to distinguish this element of housing and employment provision from that intended to satisfy Shropshire’s own needs.
- 3.3 The Council has now undertaken the additional sustainability appraisal which ensures that the procedural requirement has been satisfied and also substantiates the case for the contribution of 1,500 dwellings. However, Castle Green Homes agree with the Council that a range of other considerations are relevant in addition to the findings of the appraisal and should be a matter of planning judgement.
- 3.4 The Council has accordingly listed a number of other evidence and factors which support the contribution of 1,500 homes. Whilst acknowledging and supporting these, Castle Green Homes would also comment that failing to contribute to the Black Country’s needs could mean that Shropshire’s own needs would not be met; a shortfall in housing availability in the Black Country will naturally lead to increased out-migration, meaning that more of its residents will look to nearby areas of Shropshire for housing so that properties occupied would not be available to satisfy locally arising need.
- 3.5 Castle Green Homes are fully supportive of the Council’s approach, which is consistent with the evidence of need, has been thoroughly assessed, and constitutes a positive approach to significantly boosting the supply of homes in the context of constraints elsewhere within the sub-region.

4 The Housing Requirement

- 4.1 Whilst the Inspectors accepted that the Council’s approach to identifying housing need was sound, they were explicit that they had not stated that the housing requirement was sound (ID26; parag. 2). Their Inspectors’ Interim Findings of 15/02/23 (ID28) raised queries over how the requirement of Policy SP2 for around 30.800 homes took account of both the ‘high growth’ option proposed by the plan strategy for Shropshire’s own requirement plus the 1,500 homes proposed to contribute to meeting the needs of the Black Country. They accordingly requested a Topic Paper to unambiguously

set out the requirement, but suggested that the requirement was likely to be the sum of Shropshire's need plus 1,500 and that a Main Modification to Policy SP2 would be required.

- 4.2 The Council has now undertaken a comprehensive exercise within the Topic Paper to set out moderate, significant and high growth options with and without the 1,500 Black Country uplift, using the baseline of the 2020 Assessment of Local Housing Need.
- 4.3 There is some merit in setting out the alternative approaches as a means of understanding how the preferred requirement has been arrived at, particularly in view of the confusion over its approach which is evident in its dialogue with the Inspectors.
- 4.4 However, it is apparent from paragraph 13 of the Inspectors' letter of 4th October 2023 (ID36) that the additional work which they had requested should not be seen as a means to reduce the housing requirement for Shropshire itself. Having regard to the submission plan strategy, the Interim findings of the Inspectors and their subsequent dialogue with the Council, the supplementary sustainability appraisal, and the analysis within the Topic Paper, there would be no justification whatsoever to change the plan strategy at this stage.
- 4.5 Castle Green Homes therefore welcome the Council's proposed continuation of the High Growth option to meet Shropshire's own needs which was previously identified in the submission version of the Shropshire Local Plan. The justification for this set out in the original Sustainability Appraisal remains unchanged as a result of the supplementary analysis for the Black Country element; for housing it will assist in meeting the requirements of all sections of society in terms of location, affordability and adaptability, it will support services and leisure, recreational and cultural activities and it will promote energy efficiency. Indeed, on the basis of the updated sustainability work, the high growth option in combination with the 1,500 Black Country contribution is the only option which will result in a strongly positive effect when social, economic and environmental considerations are weighed in combination.
- 4.6 It is now the Council's position (Option 3b) that this will be achieved through increasing the minimum number of dwellings to 31,300 over the period 2016-2038 compared with 30,800 in the submission Local Plan, which equates to an annual average of 1,423. Out of the 31,300 dwellings, it is now specified that 1,500 are to meet the unmet housing needs of the Black Country.
- 4.7 One of the considerations which the Council has assessed in support of the high growth strategy is deliverability. The Council refers to the inevitable peaks and troughs in the housing market but correctly considers longer term trends. Although the long term trend of 1,333 dwellings for 2006/7 to 2022/23 is below the average now proposed, within the last 5 years an average of 1,595 dwellings has been achieved. This confirms that there is sufficient appetite from housebuilders to develop at

and above the levels envisaged by the Council subject to the availability of deliverable sites. The allocation of suitable sites through the new Local Plan will reinforce this supply. Castle Green Homes have been predominantly active in the North West and North Wales, which adjoin Shropshire to the north and west, and having acquired an interest in proposed site allocations in Whitchurch, are now eager to pursue development opportunities within the area. The proactive attitude of the Council is very much welcomed.

- 4.8 Castle Green Homes support the approach of the housing requirement being treated as a minimum. As well as providing clarity, this is consistent with the Government's intention to boost significantly the supply of homes.
- 4.9 In conclusion, Castle Green Homes consider that the previous ambiguity in how the housing requirement has been arrived at has been resolved by the approach advocated by the Topic Paper. This unequivocally demonstrates that tests of soundness in paragraph 35 of NPPF (2021) would be satisfied by the resultant Main Modifications; the objectively assessed needs of Shropshire will be met and it has been shown that it would be practical and sustainable to make a contribution to satisfying the needs of the Black Country. In addition to being positively prepared, the resolution of ambiguity means that the strategy is justified. The track record of previous completions in combination with cross-boundary working provides confidence that the approach will be effective, and there is no conflict with national policy.

5 Accommodating the Proposed Uplift

- 5.1 The document refers to the findings of the Updated Additional Sustainability Appraisal, which explores how the additional 500 dwellings could be accommodated and favours the approach of increasing settlement guidelines and windfall allowances.
- 5.2 Castle Green Homes would normally urge caution with any argument that additional housing will be provided simply on the basis of changed assumptions, whilst a reliance on windfalls is undesirable in a plan-led system. However, it must be acknowledged that 55% of completions over a 10 year period have been on windfall sites, and that within the major settlements of Shrewsbury and Whitchurch the windfall allowance for the plan period has already been exceeded. It would be irrational at this stage not to make an allowance for additional windfall completions in these settlements up to 2038, particularly when development here would accord with the plan strategy of urban focus.
- 5.3 The scale of the proposed uplift in relation to overall housing provision is modest, and Castle Green Homes accordingly support Option 1 which takes a more realistic approach to the contributions of Shrewsbury and Whitchurch.

6 Accommodating Black Country Contribution

- 6.1 Having regard to the Inspectors' Interim Findings (ID28), the logical consequence of an explicit separate allowance for the Black Country, which is expected to feature in Main Modifications, is that further consideration must be given to the distribution of development and the extent to which this should be in the part of Shropshire nearest to the Black Country
- 6.2 The Council's additional Sustainability Appraisal analysis has found that the reasonable options for sites to meet the unmet needs of the Black Country are in the east and central parts of Shropshire, and it has identified 3 sites in locations which it considers to have a functional relationship with the Black Country. This followed an assessment of all available sites using filters which remained appropriate when considering the specific requirements of the Black Country.
- 6.3 The approach of specifying individual sites, which are no more or less likely than others in the vicinity to meet the needs of the Black Country and without relating this to allocations as originally made appears rather contrived, and to be of less relevance than overall spatial distribution resulting from the final selection of sites. In reality, decisions of where people choose to live is driven by a variety of factors including but not limited to local connections, budget, commuting distance, local schools etc.
- 6.4 Castle Green Homes do not object to the resultant overall distribution but the position should be set out in a more rational manner if it is to be regarded as sound.

7 Housing Land Supply

- 7.1 The Council did not specify that it was seeking to confirm the existence of a 5-year supply as part of the plan making process or engage with developers on this point, and so the Inspectors cannot ratify its existence. Furthermore, allocations within the Site Allocations and Management of Development (SAMDev) Plan (2015) but which have not yet been delivered will be 'saved' and are not before the Inspectors for consideration. This further limits the scope for housing supply to fully evaluated within the current Examination. Nevertheless, it is necessary to come to a pragmatic view based on the evidence provided.
- 7.2 As the Plan was submitted for Examination prior to publication of the current version of NPPF published in December 2023, we would expect it to be examined under the policies in the version extant at the time as contained in the 2021 version. In accordance with paragraph 68a), the Local Plan should identify specific, deliverable sites for years one to five of the plan period with an appropriate buffer of 5%. The Council now advises that there is a 6.86 housing land supply available as of 2023/24 which appears to provide a sufficient margin, although it is unclear why the 5% buffer has not been used in the calculation.

- 7.3 The Council identifies a deliverable or developable supply of 34,874 dwellings over the plan period as a whole. This takes account of 11,761 completions between 2016/17 and compares with the minimum requirement of 31,300, and is calculated by the Council to constitute a 10% flexibility allowance.
- 7.4 Whilst Castle Green Homes have not undertaken their own analysis of the sources of supply, if the Council's figures are taken at face value, it is agreed that the flexibility allowance is appropriate and that the level of housing identified would provide a reasonable assurance that the requirement can be satisfied or exceeded.

8 Strategic Distribution

- 8.1 The Council has retained its previous preference for the strategic distribution of development as 'Urban Focus', in preference to the alternatives of 'Rural Rebalance' or 'Balanced Growth'.
- 8.2 Having regard to the Interim Comments of the Inspectors, and to the increase of 500 in the housing requirement (1.6%) being provided for in principal urban centres, there is no justification at this stage to revisit or change the strategic distribution contained within the submission plan. This is confirmed by the absence of Main Modifications relating to this matter.

9 Spatial Strategy and Conclusion

- 9.1 The Spatial Strategy section of the Topic Paper effectively brings together the issues which we have separately considered above, together with the linked analysis of the approach to employment land set out by the Council. It then specifies how Policy SP2 is envisaged to be changed by the Main Modifications process.
- 9.2 The overriding point is that the spatial strategy now proposed is consistent with that previously proposed in the submission draft Shropshire Local Plan. Castle Green Homes consider that the Topic Paper has removed the ambiguity over how the previous housing requirement had been arrived at. The expectation of the Inspectors that the total should transparently combine the high growth option for determining Shropshire's requirement with a contribution of 1,500 dwellings towards the unmet needs of the Black Country has been met, and is now properly evidenced.
- 9.3 Notwithstanding queries over the logic of relating specific sites to the needs of the Black Country, the resultant overall distribution is consistent with providing an appropriate level of development within areas which have meaningful cross-boundary functional linkages.
- 9.4 Planning Practice Guidance notes that it is essential that local plans are in place and kept up to date, and now that the Council appears to have satisfactorily addressed the concerns previously identified,

there is a clear opportunity for all parties to constructively work together to achieve early adoption and the delivery of identified sites.

- 9.5 Castle Green Homes look forward to formal consultation on Main Modifications with a view to supporting these aims.