

Part B: Your Response

Please complete a separate **Part B form** for each response that you wish to make. One **Part A form** must be enclosed with your **Part B form(s)**.

To assist in making a response, separate **Guidance** is available on the Council's website. Responses should be returned by **5:00pm on Tuesday 11th June 2024**.

Name and Organisation:	John Beardsell, Terra Strategic
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Q1. To which document(s) does this response relate?

a. Draft policy on Housing Provision for Older People and those with Disabilities and Special Needs and its explanation.	<input type="checkbox"/>
b. Updated Additional Sustainability Appraisal of the Draft Shropshire Local Plan Report.	<input type="checkbox"/>
c. Updated Housing and Employment Topic Paper.	<input checked="" type="checkbox"/>
d. Updated Green Belt Topic Paper.	<input type="checkbox"/>

Q2. To which paragraph(s) of the document(s) does this response relate?

Paragraph(s):	Sections 8 to 10, GC 45
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Q3. Do you consider the document(s) are:

- A. Legally compliant Yes: No:
- B. Sound Yes: No:

Q4. Please detail your comments on the specified document(s).

Please be as precise as possible.

<p>Accommodating Black Country uplift and housing land supply</p> <p>The revised evidence fails to positively plan for accommodation of the uplift AND the high growth option for Shropshire through displacement of housing needs in 3 allocations and over-reliance (20%) on unidentified and uncertain windfall sites to the end of the plan period. This does not align with employment objectives and undermines sustainable growth to principal and key settlements.</p> <p>See cover lettet 10 June 2024 for more information</p>
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(Please continue on a separate sheet if necessary)

Please succinctly provide all necessary evidence and information to support your response. After this stage, further submissions may only be made if invited by the Planning Inspectors, based on the matters and issues identified for examination.

Q5. Do you consider it necessary to participate in relevant examination hearing session(s)?

Please note: This response provides an initial indication of your wish to participate in relevant hearing session(s). You may be asked to confirm your request to participate.

No, I do not wish to/consider it necessary to participate in hearing session(s)

Yes, I consider it is necessary/wish to participate in hearing session(s)

The Inspectors will determine the most appropriate procedure to consider comments made during this consultation.

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Q2. To which paragraph(s) of the document(s) does this response relate?

Paragraph(s):	Section 21, Draft Policy SP2
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- B. Sound Yes: No:

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Spatial Strategy – revised Policy SP2

The revised minimum housing requirement should be 32,100 units following a consistent approach to the High Growth + Black Country uplift (see comments on Revised SA, Section 8).

Over-reliance on windfall provision and approach in development guidelines requires additional allocations and Table 21.1 proposed distribution is ineffective.

See cover letter 10 June 2024 for further response on approach to Housing Supply.

(Please continue on a separate sheet if necessary)

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Q2. To which paragraph(s) of the document(s) does this response relate?

Paragraph(s):	Section 8, including paras 8.7 & 8.8
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Q3. Do you consider the document(s) are:

- A. Legally compliant Yes: No:
- B. Sound Yes: No:

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Identification of Reasonable Options for the Housing Requirement

The recalculated options 1 to 3 (set out in para.8.8) are inconsistent with the growth options presented in December 2022 (SD00601). Specifically the growth options of Moderate, Significant and High were 10, 15 & 18% respectively in the original SA and are now lower at 5, 10 & 15% (para 8.7). There is no justification or reasoning offered for lowering the growth assumptions in the evidence as original submitted and this revised evidence base. We consider this unjustified and unsound.

See cover letter dated 10 June 2024 appended for more detail.

(Please continue on a separate sheet if necessary)

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10 June 2024

Planning Policy
Shropshire Council
PO BOX 4826
Shrewsbury
SY1 9LJ

By email only to planningpolicy@shropshire.gov.uk

Dear Sirs

Shropshire Local Plan Examination – Representations on behalf of Terra to Key Documents Prepare in Response to the Planning Inspectors Interim Findings (ID28)

This letter and the representations submitted through the proformas are prepared on behalf of Terra.

Terra has not previously been a representor to the Local Plan Examination and welcomes the opportunity provided by the Inspectors to open up comments to any part on the documents that have been prepared.

Our representations are focused on the documents and we do not seek to make comment on other matters at this time, even though the logical conclusion of our comments on these documents is that, we say, the Inspectors should invite the Council to reconsider its site allocations for housing and employment in light of the increased requirement to meet residual needs of the Black Country. However, that is a matter for the Inspectors and for the anticipated hearing sessions in Autumn to consider and answer. We would like to be a participant in those sessions.

This letter acts as a summary of the representations and we trust a more useful collective view of the points we wish to make that are spread over the documents.

Housing and employment land needs / requirements

The reason to revisit the housing and employment need and requirement is to show how the Plan has incorporated the residual needs of the Black Country, i.e. an additional 1,500 homes and 30 ha of employment land.

It is the presented evidence that Shropshire intends to set its housing land requirement on the basis of meeting its Local Housing Need (LHN) in full (25,894 at base date 2020) plus an uplift of 15% (calculated as 3,884 additional dwellings) representing its proposed High Growth option (Option 3b). A total provision of 29,778 homes. Option 3b with addition of provision for the Black Country needs for 1,500 homes, raises that total to 31,278 homes. Revised Policy SP2 sets a housing requirement rounded-up to 31,300 homes. This represents a 500 dwelling increase on Policy SP2 in the December 2020 Submission Version Local Plan (SVLP).

The 500 dwelling policy increase raises concerns as it would be anticipated to be higher given the direction of the Inspectors was to look again at the Sustainability Appraisal on the growth options

with and without the Black Country uplift, and the Council has confirmed it intends to meet the uplift in full within the plan period to 2038 in addition to the High growth option for the needs of Shropshire.

The reason for the lower than expected increase is because the growth options are not like for like in the December 2020 submission version (SD00601) and the March 2024 version (GC44). Specifically, the three growth options by percentage value have changed as follows:

- Option 1 Moderate Growth – was 10% in 2020, now 5% in 2024;
- Option 2 Significant Growth – was 14%, now 10%; and
- Option 3 High Growth – was 18%, now 15%

No explanation is given or evidence presented as to why the three growth options are changed. We note that the Council refers at GC44, paragraphs 8.7 and 8.8 to the Inspector's letter (ID37, paragraph 5.7) and its direction to the Council that;

“What the SA should do is test options based on the 2020 baseline with 2 extra years, but only look at the growth options tested in the original SA, so a 5, 10 and 15% uplift and look at this with the Black Country unmet needs of 1,500 homes and without it.”

However, the reference to the three percentages in that letter is wrong. We can see the originally applied percentages in the original SA calculations were 10, 14 and 18% respectively (see boxed text below). The Council should have corrected this mistake with the Inspectors in presenting its revised SA in absence of any reason to why it now adopts these lower growth options.

Original SA (SD00601) uses a 20 year projection of housing need, (rather than the plan period 22 years), leading to the following positions:

- LHN (base 2020) 1,177 dpa x 20 years = 23,540 units
- Option 1 Moderate 26,250 units less 23,540 = 2,710 uplift or 10% (10.3%)
- Option 2 Significant 27,500 units less 23,540 = 3,960 uplift or 14% (14.4%)
- Option 3 High 28,750 units less 23,540 = 5,210 uplift or 18% (18.1%)

As a sense check we also applied the 5, 10 and 15% figures to the stated three growth options in the original SA to work back to the base input figure, which came to 25,000 in all three options. This indicates either that we are correct that the percentage growth rates have been lowered since the original SA was prepared, or that the original SA was using an input LHN base figure that had no relationship to the evidenced 1,177 dpa identified need (EV069). We presume that this second scenario cannot be the case as this would raise further concerns on the justification of the housing requirement.

It is our position that, without any supporting evidence to why the growth rates are now lowered in each option, as much as halving Option 1 growth, that the updated SA (GC44) is not justified or positively prepared as it is seeking to retrospectively lower the growth ambitions of the Local Plan that was submitted in December 2020.

Indeed, setting aside the reason for this consultation, which is ostensibly about the Black Country uplift, the change to the growth percentages raises a question on the justification of the evidence base of the whole Plan, and potentially reopens previously discussed matters as Hearing sessions.

Instead, we say that through application of a consistent approach to growth options that the three scenarios, before application of any uplift for the unmet needs of the Black Country should be as follows:

- LHN (base 2020) 1,177 dpa x 22 years = 25,894 units
- Option 1a Moderate 28,483 units 25,894 x 10% (+2,589 units)
- Option 2a Significant 29,519 units 25,894 x 14% (+3,625 units)
- Option 3a High 30,555 units 25,894 x 18% (+4,66 units)

With the uplift added to accommodate the unmet needs of the Black Country, we say the housing requirement should be in each option:

- Option 1a Moderate 28,483 units + 1,500 = 29,983
- Option 2a Significant 29,519 units + 1,500 = 31,019
- Option 3a High 30,555 units + 1,500 = 32,055

Therefore, revised Policy SP2 housing requirement should be around 32,100 units allowing for rounding, an increase of 800 units on the Council's stated position, and an overall increase of 1,300 units on Policy SP2 as presented in the SVLP. This is not quite equivalent to the Black Country unmet needs but this a function largely of rounding in the percentage growth rates and the policy figure.

What it highlights is that the housing requirement now proposed under Policy SP2 will not meet the underlying high growth assumption and policy objectives of the Local Plan presented for submission. And that the revised evidence fails to support the Plan.

Approach to housing supply

In dealing with the uplift to meet the unmet 1,500 homes of the Black Country the Council proposes to assign capacity within three existing allocations at Shrewsbury (Land at Mytton Oak Road, SH060 / SH158 / SH161), Bridgnorth (Tasley Garden Village BRD030) and the former Ironbridge Power Station (IRN001); the amounts being 300, 600 and 600 units respectively. The reasoning is broadly that the locations are sustainable as the principal or key settlements, and geographically associated / accessible to the Black Country to the east of the county. As an approach to assign spatially capacity to meet the needs we have no specific objection to raise.

The consequences of this approach, however, are not rigorously dealt with in the revised plan / evidence base. The first consequence of this is what happens to the displaced housing allocations at the three areas? Each allocation was originally selected to meet the identified housing needs of Shropshire, (LHN + High growth option), absent the Black Country uplift. By reassigning retrospectively other needs to those three allocations the plan is now deficient in considering how the displaced needs are met. Its answer is windfall, pointing to past performance and forecast supply as adequate to meet it. We return to whether that is a robust assumption numerically later,

but the initial question is how can windfall housing – that by definition is uncertain and unidentified – be sure to meet the specific displaced needs in equivalent, sustainable locations?

Whilst the principal town of Shrewsbury undoubtedly has the most opportunity to accommodate windfall housing within its settlement boundaries, and a figure of 300 homes we would accept as reasonable as an uplift, there is no evidence presented how Bridgnorth could handle 600 windfall homes, or at Ironbridge. To the contrary, Ironbridge is simply reset to accommodate 1,075 homes in line with the planning permission [19/05560/OUT granted in September 2022], a gain of just 75 units; and at Bridgnorth the evidence suggests that just 40 additional homes, over and above the original windfall figure can be accommodated [GC45, Table 8.5].

A second issue arises in that the windfall housing is by definition uncertain. Whilst an amount of windfall can be allowed for in meeting housing requirement the greater one's reliance on such a figure the less able you are to effectively plan. By this we mean not just the overall housing requirement across the plan period and housing market area, but effect plan-making to direct homes into sustainable locations that are accessible, provide a range of services and facilities with capacity (or potential capacity) to meet the new residents' needs and fulfil a wider spatial distribution of development that aligns with the strategy set by the development plan, including employment land allocations.

On its own revised evidence the Council suggests 21% (20.8%) of all housing supply going forward to 2038 will derive from windfall housing sites (4,816 homes of 23,113 claimed residual supply 2023-2038; source GC45, Table 10.1¹). This is a significant amount.

Within that 4,816 windfall total, three-quarters are from small sites (3,588 units / 74.5%), and only one-quarter from potentially identified sites through the SLAA, lapsed permissions and emerging affordable housing sites.

The small site windfall allowance is based on 299 dpa delivery in Years 3 to 15 (2026-38), a figure derived from the past five year trend of 334 dpa with a 15% discount applied for slippage, and we note that in previous iterations of the evidence base (GC4, et al) that a similar position was set out to justify the 299 dpa figure from small site supply. We agree with the figure and application of a slippage rate.

For the large site (>5 units) windfall supply of 1,228 units, which is split across the three categories, we see the Council has provided commentary to each within the updated 5-year housing land supply (GC47, and details at appendices G, H and J). Within commentary on each category, (GC47, paragraphs 5.109, 5.120 and 5.137), the Council, correctly, notes that inclusion in the supply figures is without prejudice to the plan making process or determination of any future planning application for those sites. We would also add that caution should be added to the forecast capacity on each site too. Lapsed permissions may provide a previous capacity figure but in failing to be developed the viability to deliver is brought into question; evidence of SLAA capacity is only an informed estimate and the affordable housing applications while more certain in capacity are subject to funding and legal agreements of various complexities.

Bringing those points together we question whether reliance in plan-making can be made to the figures presented and we propose a 15-20% discount is applied to the total large site windfall supply, i.e. a revised figure of around 1,030 to 1,044 units.

¹ Source Table 10.1 – categories G, H, I and J are all large or small windfall sites / allowance, combined total 4,816 units.



The evidence on the SLAA sites, and to lesser extent lapsed permission, presented in GC47 also strikes at a further level of uncertainty on meeting the displaced housing needs in the three housing allocations at Shrewsbury, Bridgnorth and Ironbridge.

It is the Council's position that this displaced need will be met by windfall. However, a consequence of moving from a period of limited plan coverage and allocations to a period of an adopted plan and allocations is that windfall, proportionally and usually in absolute numbers too, falls as part of the housing supply in the housing trajectory. Not unsurprising as large sites that might have been a windfall site a few years ago are now positively allocated and delivered through the duly made plan. But for Shropshire the depth of the evidence in the SLAA sites means that there are few realistic deliverable sites to identify additional large site windfall sites to meet the displaced housing needs from the three allocations. Effectively, what was previously positively allocated housing in strategic locations to meet Shropshire's growth needs, which are sustainable and supportable to grow communities, is to become reliant on delivery through dispersed small site windfall opportunities often in rural locations and community hubs. This is not equivalent to the allocations in the principal and key settlements being lost and as such is not an effective or positive approach to plan-making.

Moreover, the dispersal of the housing growth distorts the alignment of employment land provision and housing provision which requires geographical alignment to the settlement hierarchy too. With a greater proportion of housing delivery to small site windfall there is greater uncertainty and more risk of failure of the plan delivering on its development strategy and objectives across the plan period.

And this brings us back to the housing requirement and its alignment with housing supply. The Council's evidenced supply (GC47 et al) for the plan period is 34,874 units. Against its revised minimum housing requirement for 31,300 units this represents a circa 11.4% flexibility or headroom, sufficient it considers, for confidence of delivering on the minimum requirement over the plan period. A misplaced confidence we say given 20% of that supply is from windfall going forward.

Measured against our recalculation of the minimum housing requirement, maintain a consistent High growth percentage, that flexibility and headroom lowers to circa 8.6% (34,874 supply v 32,100 requirement).

But we also must consider the housing trajectory from sites with planning permission and allocations (SAMDev and draft Local Plan), including lead-in times and build-out rates. It is too much to take a line-by-line approach in this plan-making context to the figures, though some parties to the Examination may have interest to do so. We would advocate a simpler approach to apply a discount on a precautionary basis of around 5%. This percentage reflects that has to be some certainty in the supply stated – indeed we are guided to give weight to such sources of supply in 5-year housing land calculations by NPPF / PPG - but as we move into Years 6-10 and 11-16 in the forecast there is an ever increasing degree of uncertainty to factor-in. A 5% discount allows some change to final density / capacity and delivery within the plan period by 2038 for the largest / more complex sites to be delivered. Applied to the combined delivery of 18,292 homes (permissions, prior approvals, resolution to grant, SAMDev and draft Local Plan allocations), this would suggest a discount around 900 homes (914) in the stated supply would be reasonable on a precautionary basis.

A 900 discount would lower the stated supply closer to 33,700 units (33,724 to be precise). This would mean the flexibility, or headroom, between the minimum housing requirement on the Council's figure falls to 7.6% and to 5% on our calculated figure.



A 7.6% headroom in housing supply in a plan-making context where that supply is heavily reliant on windfall (20%) is a significant risk to accommodate; it places uncertainty that the Local Plan will achieve its stated development objectives over the plan period, which is to support a sustainable, High Growth option. On our calculation of minimum housing requirement that risk magnifies with only 5% flexibility.

The correct response to this risk in plan-making is to positively plan to meet the minimum housing requirement, reducing reliance on windfall and lowering the uncertainty and risk. Positively allocating additional housing development to the most sustainable of locations will ensure forecast growth benefits are best achieved to meet overall plan objectives and alignment to parallel employment land objectives.

As matters stand, we consider the revised evidence base and draft Policy SP2 fails to address the criticism levelled that the plan failed to correctly assess the impact of accommodating the unmet housing and employment land needs of the Black Country. Specifically, it has sought to downplay the significance of the geographical requirements of that need, it has downgraded its High Growth aspiration from that presented in December 2020, thereby undermining an ability to meet Shropshire's growth needs and to achieve a balanced, sustainable Local Plan.

We would invite the Inspectors to reflect on the evidence of the Council, our submissions, and no doubt others too in this regard, and to invite the Council to reconsider positively allocating additional land to meet the uplift in housing and employment land required to meet minimum requirements to ensure there is certainty and sufficient headroom and flexibility across the plan period.

Our client has suitable land interest for such consideration at Grange Road, Ellesmere that already partly benefits from a SAMDev allocation (ELR075) and outline consent for employment use (21/05802/OUT) on part of its wider land interest totalling some 4.4 hectares that could be delivered for mixed-use housing and employment development. See the site location plan below. We would welcome the opportunity to put forward the site for consideration should the Inspectors accept that the Council has not sufficiently evidenced how it will support the unmet needs of the Black Country and maintain a high growth strategy for Shropshire in the Local Plan review.

Yours faithfully

Richard Purser, Director
Plan Red Ltd

M:

E: richard@planred.co.uk

Land West of Grange Road,
Terra (red line)

