

Draft Shropshire Local Plan

'Snapshot' Housing Trajectory for Shropshire

Data to: March 2023



1. The Proposed Housing Requirement

- 1.1. The proposed housing requirement within the submission version of the draft Shropshire Local Plan was outlined in draft Policy SP2. Strategic Approach. This proposed housing requirement was around 30,800 dwellings over the period from 2016 to 2038. It equated to around 1,400 dwelling per annum, when averaged over the proposed plan period.
- 1.2. This proposed housing requirement was underpinned by the principle of 'high growth'. 'High growth' consists of a 15% uplift above local housing needs in order to contribute to the achievement of wider objectives. It also included a proposed 1,500 dwelling contribution to the unmet housing need forecast to arise in the Black Country.
- 1.3. The Planning Inspectors examining the draft Shropshire Local Plan issued an Interim Findings document (ID28) on the 15th February 2023 and subsequent correspondence (ID36 and ID37) on the 4th October 2023 and 16th January 2024 respectively.
- 1.4. In positively responding to ID28, ID36 and ID37, Shropshire Council has undertaken additional Sustainability Appraisal (SA) work (GC44), including in relation to the proposed housing requirement. The Council has also prepared a new Housing and Employment Topic Paper (GC45) which includes a summary of the planning judgement exercise undertaken regarding the proposed housing requirement - informed by the additional SA work and other relevant considerations.
- 1.5. Through this process, it is proposed that the housing requirement within the draft Shropshire Local Plan is increased to **a minimum of 31,300 dwellings over the period from 2016 to 2038**. This equates to around 1,423 dwelling per annum, as an annual average.
- 1.6. This represents a 500 dwelling uplift to the housing requirement over the proposed plan period. Importantly, this proposed housing requirement continues to be underpinned by the principle of 'high growth' and continues to include the proposed specific contribution of 1,500 dwellings towards the unmet housing need forecast to arise in the Black Country.
- 1.7. This is identified as a proposed main modification to draft Policy SP2 within the Updated Schedule of Proposed Main Modifications to the draft Shropshire Local Plan.

2. The Proposed Annual Housing Requirement

- 2.1. It is acknowledged that there are numerous known and unknown factors in the short, medium and long term that may influence the housing market and housing delivery rates in Shropshire.
- 2.2. Having considered the various components of the housing land supply and reviewed past delivery rates and trends within the local market, the expected rate of housing delivery is considered to be consistent with the proposed housing requirement over the plan period of 1,423 dwellings per annum, as set out in the Housing and Employment Topic Paper (GC45).

- 2.3. Whilst it is acknowledged that there will inevitably be fluctuations over time, which may result in annual rates of delivery falling below or exceeding this level, it is expected that this will 'balance out' over the plan period to ensure that the proposed housing requirement is achieved.
- 2.4. As such, it is considered that this expected rate of delivery over the Local Plan period of **around 1,423 dwellings per annum** forms the most **robust trajectory of future housing delivery in Shropshire** and it is proposed that this figure will be used to assess annual housing delivery.

3. Housing Land Supply

- 3.1. The National Planning Policy Framework (NPPF) specifies that Local Planning Authorities are required to identify and annually review their housing land supply, to determine if there are sufficient deliverable sites within a Local Authority Area to allow for the provision of four or five years' worth of housing (dependent on specific circumstances), unless their adopted Development Plan is less than five years old and was found to have a five year supply of specific deliverable sites when the examination concluded.¹
- 3.2. Consistent with this expectation, Shropshire Council annually reviews its housing land supply. The most recent assessment in the context of the draft Shropshire Local Plan, is summarised within the **Five Year Supply Statement (2023) - Draft Shropshire Local Plan** document (GC47). This assessment has a 31st March 2023 base date.
- 3.3. As summarised in this document and the explanation to draft Policy SP2, the types of site in Shropshire on which sufficient residential development will be delivered to achieve the proposed housing requirement are varied and extensive, reflecting the diverse nature of Shropshire.
- 3.4. The identified housing land supply over the proposed Plan period is around 10% higher than the proposed housing requirement, allowing flexibility.

4. Purpose of this Document

- 4.1. Shropshire Council prepared a 'snapshot' housing trajectory in March 2022, using data at 31st March 2021. The purpose of this document was to forecast future levels of development over the plan period of the draft Shropshire Local Plan and to thereby provide further confidence in the deliverability of the proposed housing requirement.
- 4.2. It is considered appropriate to update this 'snapshot' housing trajectory due to the proposed 500 dwelling uplift to the housing requirement and associated main modifications proposed to draft Policy SP2.
- 4.3. This update also provides an opportunity to consider the most recent data on housing completions and housing land supply in Shropshire (at 31st March 2023).

¹ DLUHC, (2023), NPPF – Paragraphs 76 and 77

5. This 'Snapshot' Housing Trajectory

- 5.1. This 'snapshot' housing trajectory provides an indicative forecast of future levels of development over the proposed Plan period.
- 5.2. It is based on careful consideration of likely timescales for the delivery of the various components of the housing land supply, taking into account lead in times and expected buildout rates; past rates of delivery/past trends within the market; and known factors which may influence the housing market and housing delivery rates in the short, medium and long term. However, it is recognised that there will inevitably be a range of wider issues which this assessment cannot reasonably take into account, such as individual decisions of developers in how they prioritise their portfolio of sites.
- 5.3. It is for this reason that the housing trajectory represents an indicative forecast as a 'snapshot' in time rather than a firm delivery position. Also for this reason, it is considered that the Housing Delivery Test for Shropshire should in the future be based upon delivery of the proposed annual average housing requirement figure, this being 1,423 dwellings.
- 5.4. The starting point for this 'snapshot' housing trajectory is the information within the housing monitoring framework which underpins the assessment of the housing land supply available over the five year period from 2023/24 to 2027/28 and the housing land supply available over the wider proposed Plan period from 2016 to 2038. This assessment is summarised within the **Five Year Supply Statement (2023) - Draft Shropshire Local Plan** document (GC47).
- 5.5. However, recognising the differences between the processes, the following steps have been undertaken:
 - a. Within the housing land supply for Shropshire, sites for less than 50 dwellings are often documented at 5-year time periods rather than to individual years, which is considered appropriate and proportionate. However, for the purpose of this 'snapshot' housing trajectory, the dwellings on such sites have been allocated to individual years within each 5-year period, using comparable considerations to those which informed the decisions on timescales for the delivery of dwellings on larger sites.
 - b. As part of the assessment of the five year housing land supply and the housing land supply over the wider proposed Plan period, 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.
 - c. Recognising the distinction between housing supply and housing delivery and informed by observations on past rates of delivery; past trends within the market; and known factors which may influence the housing market and housing delivery rates in the short, medium and

long term; 10% of deliverable and developable dwellings in years 1-10 have been re-distributed over later years in the proposed Plan period.

- d. The housing land supply identified for the proposed Plan period includes around 10% flexibility. The sources of this flexibility include the very strong delivery experienced in the first seven years of the proposed Plan period and headroom within the supply identified over the remainder of the proposed Plan period.

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 very strong delivery experienced in the first seven years of the proposed Plan period has already been delivered, 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 flexibility associated with the very strong early delivery experienced in the first seven 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. This provides further reassurance about the overall deliverability of the proposed housing requirement to 2038.

Given the known flexibility (or headroom), which the very strong delivery experienced in the first seven 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 2023/24 and 2037/38, a 6% reduction to the identified housing land supply has been applied.

- 5.6. This 'snapshot' housing trajectory demonstrates that housing completions achieved thus far within the proposed Plan period and the identified housing land supply that is considered deliverable / developable over the remainder of the proposed Plan period are sufficient to achieve the proposed housing requirement.
- 5.7. As such, it is considered that this 'snapshot' housing trajectory and the associated housing land supply provide confidence in the deliverability of the proposed housing requirement within the draft Shropshire Local Plan of a minimum of 31,300 dwellings between 2016 and 2038 (following proposed main modifications).

Figure 1: Housing Trajectory - Graph

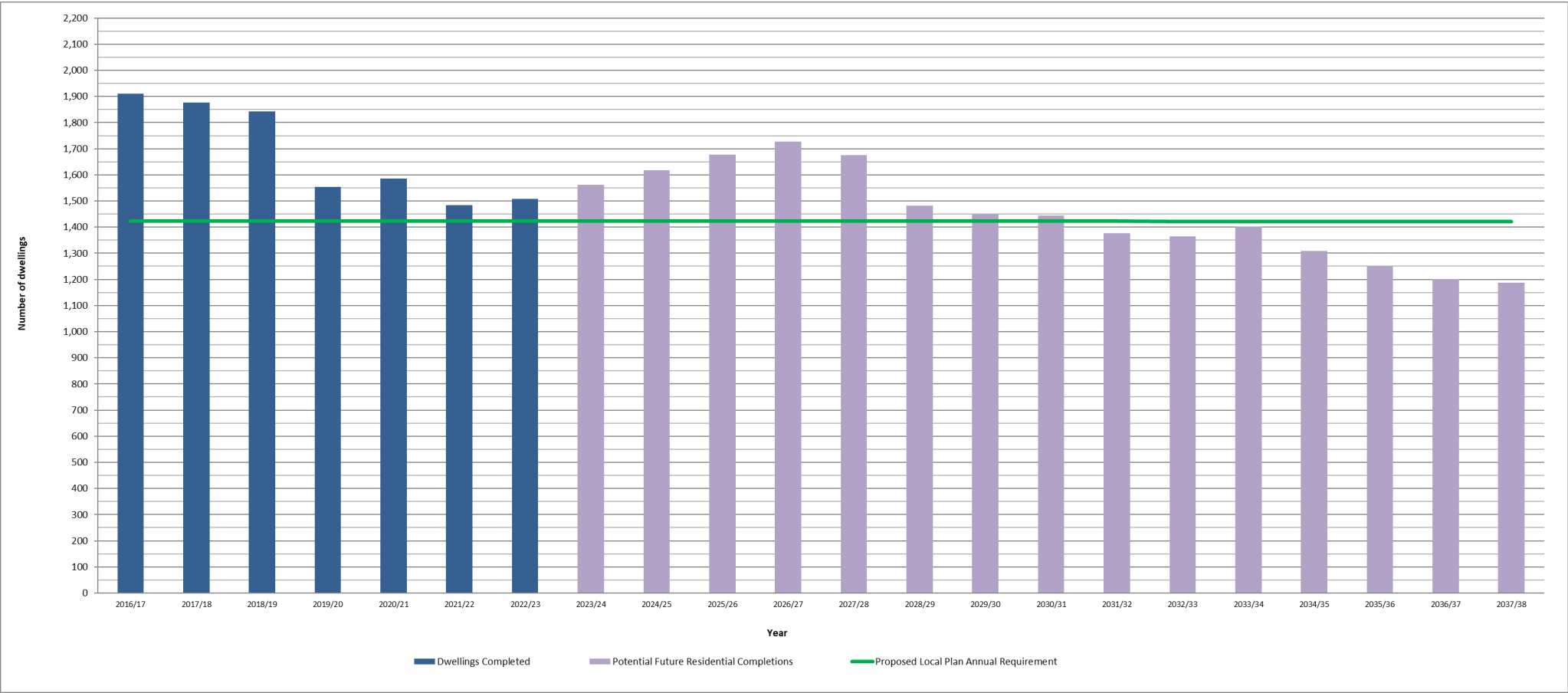


Figure 2: Housing Trajectory – Data

Financial Year	Proposed Local Plan Annual Requirement	Dwellings Completed	Potential Future Residential Completions
2016/17	1,423	1,910	0
2017/18	1,423	1,876	0
2018/19	1,423	1,843	0
2019/20	1,423	1,554	0
2020/21	1,423	1,586	0
2021/22	1,423	1,485	0
2022/23	1,423	1,507	0
2023/24	1,423	0	1,561
2024/25	1,423	0	1,617
2025/26	1,423	0	1,677
2026/27	1,423	0	1,726
2027/28	1,423	0	1,675
2028/29	1,423	0	1,481
2029/30	1,423	0	1,448
2030/31	1,423	0	1,445
2031/32	1,423	0	1,376
2032/33	1,422	0	1,365
2033/34	1,422	0	1,402
2034/35	1,422	0	1,308
2035/36	1,422	0	1,250
2036/37	1,422	0	1,202
2037/38	1,422	0	1,187
Total	31,300	11,761	21,720