

# Shropshire Local Plan Examination

**Shropshire Council Response to:**

**ID40: Stage 2 Matters, Issues and  
Questions**

**Matter 4**



## **Matter 4: Employment Land Need, Requirement and Supply (policy SP2) – see MMs 001 -004**

***Issue: Whether the Plan has been positively prepared and whether it is justified, effective and consistent with national planning policy in relation to the overall need, requirement and supply of employment land.***

### **Questions: Employment Land**

**Question 1.** *Is the updated approach to the employment land requirement and supply set out in the Council's Updated Housing and Employment Topic Paper – April 2024 (GC45) of minimum of 320 ha of employment land over the plan period of 2016 to 2038, justified, positively prepared and consistent with national policy?*

### **Shropshire Council Response:**

- 1.1. Yes. Shropshire Council considers that the updated approach to the employment land requirement and supply which is identified in the updated additional Sustainability Appraisal Report (GC44) and summarised in the updated Housing and Employment Topic Paper (GC45) is justified, positively prepared and consistent with national policy.
- 1.2. The Council considers that through the updated additional Sustainability Appraisal assessment, it has identified and assessed all reasonable options for proposed contributions to the Black Country (in Chapter 7 of GC44); and identified and assessed all reasonable options for the level of employment land provision in Shropshire to support the reasonable options for economic growth (summarised in Chapter 9 of GC44). The updated additional Sustainability Appraisal assessment also considered these two sources of provision separately and jointly in the reasonable options for the updated employment land requirement also summarised in Chapter 9 of GC44.
- 1.3. The methodology to identify these reasonable options is consistent with that to determine the proposed housing requirement and to assess the sustainability of these options in the Sustainability Appraisal processes. The reasonable options for the employment land requirement have therefore been updated and re-assessed through the updated additional Sustainability Appraisal assessment. This methodology is now considered to be consistent with the expectations of the Inspectors documented in ID28, ID36 and ID37. Where ID37 requires in paragraph 5.7 that options for three levels of growth would still be assessed through the Sustainability

Appraisal processes. Further, ID37 recognises in paragraph 6.1 that some reasonable adjustments to these three growth levels are necessary to reflect contemporary changes during the preparation of the draft Local Plan.

- 1.4. The methodology employed to assess the reasonable options for proposed contributions to the Black Country and for the level of employment land delivery is also considered to be consistent with national guidance in NPPG paragraphs 025 and 027 (of 2a-20190202) and the evidence in the Economic Development Needs Assessment (EV43) and the Authority Monitoring Report (EV012) which has informed the Local Plan. The updated and re-assessed employment land options are therefore considered to be based on a sound assessment of need and to represent reasonable alternatives that are justified, positively prepared and consistent with national policy. Shropshire Council considers these reasonable employment land options respond positively to the Inspectors advice in paragraph 5.8 of ID37.
- 1.5. These reasonable employment land options have been considered within a methodology used consistently in the Sustainability Appraisal process. This methodology was informed by a Scoping Report, refined through consultation, and is considered appropriate and consistent with relevant legislation and policy requirements.
- 1.6. The assessment methodology is also considered consistent with the expectations of the Planning Inspectors in ID28, ID36 and ID37.
- 1.7. GC44 clearly summarises the methodology used to identify and assess reasonable options for proposed contributions to the Black Country and the level of employment land delivery, and reaches clear conclusions on the sustainability of each option and the options overall.
- 1.8. As such, Shropshire Council considers GC44 clearly demonstrates that the approach to calculating and assessing the reasonable options for proposed contributions to the Black Country and for the level of employment land delivery is justified, positively prepared and consistent with national policy.
- 1.9. Identification of the proposed employment land requirement is ultimately a matter of planning judgement, as summarised within Chapter 14 of GC45, the updated Housing and Employment Topic Paper. The Council considers this planning judgement exercise was proportionate and appropriately considered all reasonable options and all relevant information. This included, but was not limited to, the updated additional Sustainability Appraisal work summarised in GC44 and was directed by the objectives of the economic spatial strategy for the draft Local Plan.

- 1.10. GC45 clearly and unambiguously summarises the planning judgement exercise undertaken and the reasons for the conclusions reached. As such, Shropshire Council considers GC45 demonstrates that the approach to identifying the proposed employment land requirement is justified, positively prepared and consistent with national policy including the requirement on strategic policy making authorities to co-operate on cross boundary strategic matters.
- 1.11. Shropshire Council considers the proposed employment land requirement for the delivery of a minimum of 320ha of employment land from 2016 to 2038 (see proposed main modifications in GC4m), is justified, positively prepared and consistent with national policy.
- 1.12. Importantly, this proposed employment land requirement:
- a. Will meet the 'labour demand' needs identified in EV043, and explained in previous Topic Papers which has been found sound by the Inspectors (ID28, ID36 and ID37).
  - b. Represents a 'high growth' option for the employment land requirement (at 15% uplift to the local employment land need) to meet Shropshire's growth needs. This is above the level previously identified and contained in the submission version of the draft Shropshire Local Plan. As such, it provides the opportunity needed to support the achievement of the economic spatial strategy for Shropshire.
  - c. Represents a continuation of the specific contribution of 30 hectares towards the unmet employment land need forecast to arise in the Black Country. This now represents an additional provision within the employment land requirement compared with the submission version of the draft Shropshire Local Plan.
- 1.13. The updated Housing and Employment Topic Paper (GC45) identifies the employment land supply from the Authority Monitoring Report (EV012) which was updated to 31st March 2020 in the previous Employment Topic Paper (GC4n) to reflect the position for the submission version of the draft Shropshire Local Plan. This identifies an employment land supply of 413 hectares to meet the needs of the County and contribute towards unmet employment land needs in the Black Country Authorities.
- 1.14. This identifies an employment land supply which has delivered 50ha of development between 2016 and 2020 and provides 102ha of land committed with planning permission. This land supply also makes available a further 262ha of land comprising 128ha on saved allocation and proposed new allocations comprising 134ha. The spatial distribution of this employment land supply reflects the 'urban focus' for the spatial strategy with 83% of the supply located in urban settlements focusing on the Principal Centres (38%),

Shrewsbury as the Strategic Centre (25%) and the larger network of Key Centres (20%).

- 1.15. The employment land supply at 413ha reflects the objective of delivering 'high growth' with the supply exceeding the proposed employment land requirement of 320ha by an additional 93ha or +29%. The delivery of 50ha of development from 2016 to 2020, leaves residual employment land supply of 363ha which again exceeds the remaining employment land requirement for 270ha to 2038 by 93ha or +35%.
- 1.16. The employment land supply is considered to provide sufficient flexibility to provide for unforeseen circumstances during the Plan period to 2038, whilst providing for the effective delivery of employment land to contribute towards the unmet employment land needs in the Black Country and to deliver the economic strategy for Shropshire.

**Question 2.** *What provision is made within the Plan to fulfil the identified unmet employment needs of the Black Country, and will the Plan's approach be effective in addressing this sustainably within the plan period, in accordance with national policy?*

**Shropshire Council Response:**

- 2.1. Policy SP2 of the draft Submission Local Plan (SD002) identifies the proposed contribution from Shropshire Council towards the unmet employment land need in the Black Country and addresses the sustainable delivery of this development within the proposed spatial strategy of the Draft Local Plan. This set out in paragraph 3.18 of the policy explanation which states:

*"Shropshire's employment requirement of around 300ha of employment land incorporates up to 30ha of employment land to support the employment needs of the emerging Black Country Plan, where evidence indicates employment delivery opportunities are constrained. This again reflects a positive approach to cross boundary cooperation and responds to the functional relationship between the two areas. This cross-boundary employment land need will be accommodated through the distribution of growth outlined in this policy and delivered through policies S1-S21 of this Local Plan."*

- 2.2. Shropshire Council's proposed contribution to the unmet employment need in the Black Country Authorities and the proposed approach to delivering this development, are explained in detail in Chapter 6 of the Employment Strategy Topic Paper (GC4n).

- 2.3. This identifies that Shropshire Council has implemented key objectives of the National Planning Policy Framework to:
- a. Ensure as a minimum, the strategic policies of the Draft Local Plan provide for objectively assessed needs and also needs that cannot be met within neighbouring areas namely the Black Country Authorities (Paragraph 11(b)).
    - i. Engage in early, proportionate and effective engagement with the Black Country Authorities to address their unmet needs (Paragraph 16(c)).
    - ii. Undertake effective and ongoing joint working to produce positively prepared and justified strategies for the Local Plans in Shropshire and in the Black Country Authorities (paragraph 26).
    - iii. Work towards a 'mutuality' that places significant weight on the need to support economic growth and productivity, to meet local business needs and wider opportunities for development and which allows each area to build on its strengths, counter any weaknesses and address the challenges of the future in Shropshire and in the Black Country Authorities (Paragraph 81).
  - b. Contribute towards the Black Country Authorities unmet needs in a way that demonstrates a practicable and sustainable solution to meeting these unmet needs in Shropshire (Paragraph 35(a)).
    - i. Using relevant, up to date evidence that is adequate and proportionate for Shropshire and the Black Country Authorities (Paragraph 31).
  - c. Identify appropriate strategies for Shropshire and the Black Country (Paragraph 35(b)).
- 2.4. This has led to proactive engagement through duty to cooperate discussions between Shropshire Council and the Black Country Authorities which is set out in our SoCG (EV041).
- 2.5. The Black Country Authorities representations (A0377) to the Regulation 19 Pre-Submission Consultation welcomed the proposed contribution towards the unmet need forecast within the Black Country. This further indicated how this need might be met, stating: *"In qualitative terms the employment sites in Shifnal and Bridgnorth, given their location, and the functional relationship outlined above could be assumed to be capable of meeting needs arising in the Black Country"*.
- 2.6. Shropshire Council considers that the proposed approach to delivering the proposed contribution is effective, sustainable and consistent with national policy. This is described in Policy SP2,

explained in the draft Shropshire Local Plan and evidenced within the Employment Strategy Topic Paper (GC4n), the Updated Additional Sustainability Appraisal Report (April 2024) (GC44) and the updated Housing and Employment Topic Paper (GC45).

- 2.7. In relation to the level and delivery of this employment development, the Draft Local Plan now seeks to deliver a minimum of 320ha (equating to around 14.5ha per annum) from 2016 to 2038. The strategy for this development seeks to implement the aspirations of the Shropshire Economic Growth Strategy (EV044) to: support and grow new and existing businesses; attract inward investment and develop and retain talent and skills. This also seeks to deliver sufficient jobs, through the efficient use of employment land, to achieve a sustainable balance with the housing requirement in Shropshire and to meet other employment needs already expressed by the population. The spatial strategy to deliver this level of employment development is also considered to be effective and will achieve a sustainable pattern of development across the County. This will be supported by influencing commuting flows between Shropshire and the Black Country to improve the supply of labour available to the County.
- 2.8. Shropshire Council considers that these policy mechanisms will help to achieve the objective of contributing to the employment needs in the Black Country through the strategy for the Draft Shropshire Local Plan. The spatial strategy for delivering the scale and distribution of this development will provide confidence that the 30ha contribution towards the Black Country unmet need is delivered as part of the employment land requirement for the Plan period to 2038.
- 2.9. Draft Policy SP2 explains that a core principle of this spatial distribution is an 'urban focus', by which the majority of residential development will be directed into identified 'urban' areas.
- 2.10. These are complemented by appropriate new development within the proposed Community Hubs, Community Clusters and the Countryside subject to appropriate policy provisions for rural employment development and economic diversification.
- 2.11. Shropshire Council strongly believes this proposed spatial strategy and the distribution of development will positively contribute to the achievement of sustainable development and the longer term sustainability of Shropshire. This directly responds to the needs of our diverse communities and to the unique and varied characteristics of Shropshire including the protection of key environmental assets. This position is supported by the conclusions of the Sustainability Appraisal to inform and assess the sustainability of the Draft Local Plan (SD006.01-SD006.22).

- 2.12. The proposed distribution of development to meet the Black Country unmet need now also favours the Key Centre of Shifnal in east Shropshire. The level of development proposed within Shifnal is considered to positively respond to the role and function of the town within the settlement hierarchy, the importance of ensuring the longer term vitality and sustainability of this community and the strategic significance of the town in the functional relationship between Shropshire and the Black Country Authorities.
- 2.13. This approach provides greater confidence about the deliverability of development to assist the Black Country. This confidence is strengthened by the statements provided in Harrow Estates representation (A139) to the Council Response to Inspectors Documents ID36-ID37. Harrow Estates as the site promoter has stated:
- a. Any proposal to meet the unmet need of the Black Country would need to be provided on a specific site or sites. The identification of 39 hectares of land east of Shifnal Industrial Estate is an appropriate and justified approach which will meet not only locally arising need but also those from the Black Country.
  - b. Shifnal is strategically located in east Shropshire and as a large town can accommodate additional employment development. It is in close proximity to two strategic corridors and accessible via road and rail links to Shrewsbury and Shropshire to the west and to the Black Country to the east.
  - c. Land east of Shifnal Industrial Estate is suitable, available and deliverable to meet the requirements of the draft Local Plan and the needs identified within the supporting evidence base.
- 2.14. The Harrow Estates representation (A139) also provides a Shifnal Delivery Statement prepared by their development partner Stoford in response to the consultation which proposes sites SHF018b and SHF018d as the preferred site for the delivery of development to meet the unmet employment land needs of the Black Country Authorities. Stoford as the development partner has stated:
- a. Shifnal provides a centrally located site within a market where Stoford have considerable experience of delivery.
  - b. Location of strategic corridors through Shropshire and strategic routes to Shifnal illustrate the key road and rail routes to the Black Country and through Shropshire, that this allocation can benefit from at Shifnal.
  - c. Shifnal offers a source of local labour too, and locating land adjacent to the settlement can assist in the provision of local job opportunities that are available to people by non-motorised travel modes, with walking and cycling presenting themselves as attractive options for journeys to work.



- d. Shifnal also provides a range of local services and facilities, that further enhance the sustainability of Shifnal as a location for growth.
  - e. The development site is also of sufficient size that it can offer a range of unit sizes to the market, from 'move on' spaces for local businesses, to attracting new investment from companies requiring larger spaces that are not available within the Back Country or Shifnal area.
  - f. The scale of allocation, at 39 hectares lends the development to highway improvements where Stanton Lane meets the A41.
  - g. Stoford consider that an outline planning application would be prepared to secure the principles of development along with details of access, and this would serve to offer confidence in terms of delivery timescales to occupiers.
  - h. Stoford are engaged in initial expressions of interest in buildings between 30,000sq ft (2,800sqm) and 250,000 sq ft (23,230sqm).
- 2.15. Shropshire Council is confident about the deliverability of the proposed contribution (30ha) to the unmet employment need forecast to arise within the Black Country and the effectiveness of delivering this proposed contribution in a sustainable manner.
- 2.16. As documented above, this has also been informed by proactive engagement and duty to cooperate discussions with ABCA and has been agreed with ABCA within a SoCG (EV041). This is consistent with Paragraphs 24-27 of the National Planning Policy Framework (NPPF). It is also consistent with the expectation that Plans are based on "...effective joint working on cross-boundary strategic matters..." in paragraph 35(c) of the NPPF.
- 2.17. In positively responding to the best available evidence provided by the Black Country Authorities regarding the unmet employment need within their administrative area, Shropshire Council has "...dealt with rather than deferred..." this strategic issue, which is also addressed in Paragraph 35(c) of the NPPF.
- 2.18. Paragraph 21 of the NPPF includes that "*Plans should make explicit which policies are strategic policies. These should be limited to those necessary to address the strategic priorities of the area (and any relevant cross-boundary issues, to provide a clear starting point for any non-strategic policies that are needed)*..." consistent with this requirement, the proposed spatial strategy for the level and distribution of employment development (which includes the proposed contribution to the unmet employment need forecast to arise within the Black Country) is primarily captured within draft Policy SP2 of the draft Shropshire Local Plan, and then expanded

upon within the non-strategic draft Policies of the draft Shropshire Local Plan.

- 2.19. As such, Shropshire Council considers that its approach to achieving the proposed contribution to the unmet employment need forecast to arise within the Black Country is effective, sustainable and consistent with national policy. This is achieved by:
- a. Incorporating the 30ha contribution into the employment land requirement.
  - b. Meeting this requirement in a manner consistent with the proposed spatial strategy to:
    - i. Locate development on strategic corridors to improve the sustainability of the spatial strategy;
    - ii. Improve employment land provision in the east of the County with a functional relationship with the Black Country;
    - iii. Adopt an 'urban focus' to new development in the period from 2016 to 2038.
  - c. Subsequently, directing this development onto the strategic employment land allocation of SHF018b and SHF018d in Shifnal. This provides 39ha with the capacity to absorb both the contribution towards unmet need in the Black Country and to contribute towards local needs in Shifnal and Shropshire.
  - d. This allocation has the support of its experienced site promoter Harrow Estates and its expert development partner Stoford who are both committed to developing these sites and delivering development early in the remaining Plan period to 2038.

**Question 3.** *Should the employment land requirement be also expressed in terms of the number of jobs expected to be provided?*

**Shropshire Council Response:**

- 3.1. The Council consider it is impractical to identify a jobs growth target with the employment land requirement and the Draft Local Plan appropriately seeks to influence the delivery of jobs through the land uses, scale, design, layout and density of development on employment land.
- 3.2. The Draft Local Plan revised employment land requirement of 320ha which meets the needs of Shropshire and contributes towards unmet employment land needs in the Black Country seeks to achieve a number of strategic objectives including:
  - a. Broader Range of Employment Uses - Shropshire has a diverse economic structure with a long-standing focus on 'service industries' and is seeking to support other key sectors. The

reforms to the planning system in the Use Class Order Amendment (2020) now require greater flexibility in the delivery of employment generating uses. This is recognised in the Economic Development Needs Assessment and has been introduced into Draft Local Plan in Policy SP13.

- b. Efficient Use of Land – Shropshire is seeking greater efficiency in the use of land for employment development particularly in urban markets and locations with a proven record for commercial development and the delivery of employment. The Draft Local Plan is seeking this outcome from the planning of development on key allocated employment sites. The principal objective is to improve the efficient delivery of built floorspace on employment land by increasing the density of development on these sites from 26% upwards to 40% and to increase the number of jobs delivered.

3.3. The Council will address these objectives in the Draft Local Plan through Policy SP13 which permits a broad range of employment use and directs that key employment allocations make more efficient use of land. The Council explain the need for this greater efficiency in the Employment Requirement Topic Paper:

- a. At paragraphs 4.42–4.49 which discuss the delivery of floorspace from 2006 to 2020, showing the lower density of employment development at 26% in Shropshire compared with the standard plot density of 40% for the UK.
- b. At paragraphs 5.17-5.23 which discuss how the lower density of employment development in Shropshire results in a higher employment land requirement for the Draft Local Plan.
- c. At paragraphs 5.24-5.36 which discuss how variations in the density of employment development between the spatial geographies and settlement hierarchy in Shropshire has influenced the spatial strategy for the scale and distribution of new employment allocations in the Draft Local Plan.

3.4. The Council set out in the Employment Requirement Topic Paper, at paragraphs 4.28 and 4.29, their approach to improving the density of development on employment land, which states:

*"4.28 This objective is not set into policy since the provision of a standard plot ratio will be difficult to achieve across all types of sites and in all development locations. This fact would lead to the most likely outcome, that a range of plot ratios are introduced to match different locations, which is the situation that already exists in the County. The Council wishes to indicate, through the economic growth and development*

*management services, the commercial and environmental opportunities open to the market from increasing the amount of floorspace within a development in order to reduce the amount of land required to deliver these economic benefits.”*

*“4.29 The Council wishes to begin working with the development industry towards this objective, starting by developing our collective understanding of how to achieve this outcome and to test suitable design solutions for Shropshire. This is considered to be better than introducing a restrictive requirement that is likely to adversely affect the important outcomes of driving forward investment and delivering much needed economic growth and employment.”*

- 3.5. The Draft Local Plan set out this objective in the development guidelines for the larger strategic employment allocations in:
  - a. Shrewsbury where the proposed allocation to the West of the A49ha for 49ha should deliver around 20ha of built development.
  - b. Bridgnorth where the proposed allocations totalling 11ha around Stanmore Industrial Estate should deliver a similar density to the existing Industrial Estate.
  - c. Shifnal where the proposed allocation to the East of Shifnal for 39ha should deliver around 16ha of built development.
- 3.6. These ‘exemplar’ sites and the engagement with the market to influence the development process towards higher densities of development are expected to have a broader impact on development in Shropshire, over time.
- 3.7. The Council consider that this approach to the density of development will positively influence the out-turn of employment in Shropshire. This approach uses the planning tools available to the Local Planning Authority including the land uses, scale, design, layout and density of development and the cost effectiveness of infrastructure investment to direct the development process.
- 3.8. The introduction of a jobs growth target into this approach is considered to be an objective that would go beyond the influence of the authority. It is also considered to be an objective that would further complicate the already challenging circumstances being addressed by the Draft Local Plan.
- 3.9. Policy SP13 responds to the Use Classes Amendment (2020) and other development pressures (including recycling and environmental industries) on the use of employment land in Shropshire. Policy SP13 will introduce up to 22 separately identified employment generating uses. The floorspace requirements for each person employed in many of these employment generating uses are described in the Employment Density Guide (3rd Edition 2015).

However, for some of the uses, especially for Class E, the floorspace requirements for each employee are not described in the Guide or it is not possible to predict the number of jobs simply from the floorspace.

- 3.10. The employment densities described in the Employment Density Guide (3rd Edition 2015) also encompass a broad range of out-turns. These out-turns range from 12-30sq.m/job for office uses and mixed business workspaces, through 36sq.m/job for manufacturing, up to 65-77sq.m/job for logistics and 100sq.m/job for ancillary uses e.g. fitness centres. These out-turns would readily lead to significant inaccuracies in any predicted jobs growth target.
- 3.11. The Council consider that these factors make it impractical to identify a jobs growth target with the employment land requirement for two key reasons:
  - a. Jobs growth targets are difficult to define because the floorspace requirements per job for many land uses in Policy SP13 are poorly defined in the Employment Density Guide or they do not lend themselves to any accurate method of prediction.
  - b. It is possible for a Local Authority to specifically influence the land uses, scale, design, layout and density of a development but can only generally influence the preferred end users of completed floorspace making it difficult to achieve a prescribed jobs growth target.
- 3.12. Evidence for this position comes in part from the introduction of new Class E in the Use Classes Amendment (2020). Class E comprises a broad range of uses from office uses to retail outlets with permitted development rights between the various uses. In response to Class E, commercial development markets have still to determine a range of suitable building types to facilitate the largely unrestricted change of use permitted by the Use Classes Order. The commercial property market has also to determine the pattern of market demand for this new type of floorspace in order to determine their preferred building formats. The introduction and progression of Class E uses in the commercial property market would also heighten the challenges of defining a jobs growth target for Shropshire.
- 3.13. The Council consider that a more appropriate focus for the employment land requirement is to positively influence the scale, design and layout of employment development on key employment sites. This seeks to improve the density of development and to increase the out turn of employment. The authority has indicated how this may be achieved and the Draft Local Plan seeks to deliver this outcome through its policies, settlement strategies and proposed site allocations.