

Hearing Statement for the Shropshire Council Local Plan Examination

Matter 3 – Housing Land Need, Requirement and Supply (policy SP2) – see MMs 001-004

Statement on Behalf of the Stanmore Consortium Ref: A0497

SHROPSHIRE LOCAL PLAN EXAMINATION

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Stage II - Hearing Statement

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1. Introduction

- 1.1. This Hearing Statement is on behalf of The Stanmore Consortium (“TSC”) (Apley Estate and Stanmore Properties) and should be read in conjunction with previous representations made on behalf of TSC at the Regulation 18 and 19 Stages, together with the representations at the Stage 1 Examination Hearings and to the updated Topic Papers in April 2024.
- 1.2. This Hearing Statement focusses on those specific questions which are directly relevant to TSC’s position.

2. Matter 3 – Housing Land Need, Requirement and Supply (policy SP2) – see MMs 001-004

The Housing Need

Question 1

In response to previous questions posed by us and discussions at the stage 1 hearing sessions, the Council have provided reasons why they consider the base date of the Plan should remain as 2016 (GC24). We note that the base date of 2016 has been used for the purpose of calculating the requirement for the plan period. Is this correct or should it be when LHN was calculated (2020)? If a base date of 2020 is used how would this affect the housing need, requirement and supply?

- 2.1. TSC are concerned that the Housing and Employment Topic Paper (HETP) (GC24) refers to the proposed housing requirement between 2016 and 2038 which is contrary to Paragraph 22 of the NPPF 2021 which requires that *'strategic policies should look ahead over a minimum 15 year period from adoption.'* The plan period is therefore now outdated with less than the minimum requirement of 15 years from the date of adoption and would fail to plan for the long-term need for new homes in Shropshire. The Local Plan period should therefore be extended to at least 2040 assuming plan adoption 2025.
- 2.2. Given the proposed Plan period is less than the required 15 years set out in the NPPF, the identified housing requirement is considered to be out-of-date. A revised calculation is required to address changing housing delivery context across the County and take into account of the Black Country need, together with the identified housing shortfall since the submission of the Local Plan for examination.
- 2.3. The submitted Local Plan also exceeds the two year period since submission to the Secretary of State. The Planning Practice Guidance states that local housing need calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination, and kept under review and revised where appropriate (*Paragraph 008 Reference ID 2a-008-20190220*).

Question 2

What is the identified affordable housing need?

- 2.4. There is a significant affordable housing need identified in Shropshire, which the Plan needs to fully address.

- 2.5. Addressing the significant affordable housing need is recognised in paragraph 7.7 of the Updated Housing and Employment Topic Paper (GC45), which responds to the Council's Housing Strategy (GC4h / EV063.01).
- 2.6. The Council recognise the affordable housing need is circa 5,000 households and that the “number of new affordable homes over the last 5 years has averaged at 343 per year. This is significantly below the number of homes required”. This rate of delivery proposed is a long way short of the annual need for affordable housing identified in the SHMA and needs to be addressed.

The Housing Requirement

Question 3

Is the approach to calculating the housing growth and the housing requirement set out in the Council’s Updated Housing and Employment Topic Paper – April 2024 (GC45) of a minimum of 31,300 dwellings over the plan period of 2016 to 2038, justified, positively prepared and consistent with national policy?

- 2.7. TSC support the identification of a high growth strategy as set out in Option 3b of GC45 which proposes an increase to the minimum housing requirement to 31,300 dwellings between 2016 and 2038 (including a 1,500 dwelling contribution to unmet needs forecast to arise in the Black Country and a 15% uplift above Local Housing Need). National guidance is clear that the standard method calculates the minimum annual housing need figure and does not establish a housing requirement. Ambitions to support economic growth, deliver affordable housing and support achieving unmet needs from other authorities should be taken into consideration during plan making.
- 2.8. TSC object to the proposed approach to accommodating the uplift to the housing requirement (settlement guidelines and windfall allowances). We are of the opinion that this should be provided through additional site allocations. Paragraph 71 of the NPPF 2021 states any allowance for windfall development must be informed by compelling evidence that they will provide a reliable source of supply. The Council states windfall development has been greater than expected in the plan period to date, however, this could simply mean windfall sources have come forward more quickly than expected, it does not indicate an increase in windfall capacity. It is also relevant to consider that the actual capacity of future windfall sites and all sites for housing land could significantly reduce as a result of the need to accommodate biodiversity net gain (BNG) requirements.

Question 4

What provision is made within the Plan to fulfil the identified unmet housing 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?

- 2.9. Given the level of Black Country housing shortfall of dwellings to 2038 and constrained nature of the conurbation, it is inevitable that the Black Country will be unable to provide for its own housing needs, as required by NPPF paragraph 11(b). Therefore, an increased contribution by the Shropshire Draft Local Plan is appropriate.
- 2.10. The Council’s approach to determining where the unmet Black Country need should be accommodated is fundamentally flawed at the outset and does not assess all potential and most desirable and sustainable locations for accommodating the Black Country’s unmet housing need.
- 2.11. The proposed approach of allocating significant proportions of housing within existing proposed allocations, to accommodate the unmet need from the Black Country rather than allocating new sites, undermines the wider aims of the Plan and the area-specific strategies within the Plan.
- 2.12. As an example, S3. Bridgnorth Place Plan Area, S3.1. Development Strategy: Bridgnorth Principal Centre sets out that at part one:
- ‘Bridgnorth will fulfil its role as the second largest Principal Centre and contribute towards strategic growth objectives in the east of the County, delivering around 1,800 dwellings and making available around 49ha of employment land to create choice and competition in the market. New housing and employment will make provision for the needs of the town and surrounding hinterland, including attracting inward investment and allowing existing businesses to expand’.*
- 2.13. Despite the quantum of housing proposed within allocations and other means of delivery, the Council can no longer provide for 1,800 units for local demand in the Bridgnorth allocation, as required in the Bridgnorth Place Plan Area commentary, as 600 units, (one third of the units allocated) will now be allocated to demand arising from the Black Country.
- 2.14. The Council cannot reasonably make up this difference by increasing densities and increasing windfall allowances within the area as this measure has already been employed in order to meet the 500 dwelling uplift, also considered as part of the revised SA exercise. In addition, the nature of a windfall allowance means that the location and nature of such development cannot be accurately predicted and its impacts appraised, undermining the accuracy and value of the SA.
- 2.15. This matter can only be resolved by allocating additional sites to ensure that Bridgnorth maintains a sufficient supply of housing to meet its local need, as well as the unmet need for the Black Country. Whilst this could be addressed as part of an immediate review of the Local Plan, as required by the emerging NPPF 2024, it is considered necessary to address this issue now to demonstrate the soundness of the Plan.

Question 5

Has there been significant under delivery of housing? In terms of a buffer for a five year supply of housing sites, should this be 5% or 20% in relation to para 74 of the NPPF?

- 2.16. The draft Shropshire Local Plan was submitted for examination prior to publication of the current version of the National Planning Policy Framework (NPPF) 2021. Therefore assessment of housing land supply should be in accordance with NPPF 2021.
- 2.17. Para 74, of the NPPF 2021, states there should be a 10% buffer above local housing need to allow flexibility, and to positively support the ability to address identified issues and opportunities in Shropshire, particularly given the history of under-delivery likely to result in a failure to deliver much needed homes.

Question 6

Regarding paragraph 69 of the Framework, would at least 10% of the housing requirement be from sites no larger than a hectare?

- 2.18. In accordance with paragraph 69 of the NPPF 2021, there is recognition that small and medium sized sites can make an important contribution to meeting the housing requirement of an area, therefore it is reasonable that at least 10% of the housing requirement should be met with sites no larger than one hectare.

Question 7

Is the updated housing requirement in the Plan appropriately aligned with forecasts for jobs growth?

- 2.19. It is considered that the alignment of job growth and housing need is not substantial in the Local Plan. It is important that the proposed housing requirement should support the diversification of the labour force and the aspiration for increased economic growth and productivity. These factors are important and are recognised in the NPPF 2021 paragraph 81, However, the forecasted growth and target of 21,400 jobs to be achieved through a requirement of 320ha employment land, is neither supported nor clearly evidenced. There is therefore a risk of imbalance between job growth and housing growth which has the potential to undermine the ability to demonstrate that the Plan is justified.

Question 8

What is the requirement for affordable housing and is this likely to meet the identified need?

- 2.20. There is a significant affordable housing need identified in Shropshire, which the Plan should fully address.

- 2.21. The significant affordable housing need is recognised in para 7.7 of the Updated Housing and Employment Topic Paper (GC45) which responds to the Council's Housing Strategy (GC4h / EV063.01).
- 2.22. The Council recognise in GC45 that the affordable housing need is circa 5,000 households and recognises that the *“the number of new affordable homes over the last 5 years has averaged at 343 per year. This is significantly below the number of homes required”*. This rate of delivery proposed is a long way short of the annual need for affordable housing identified in the SHMA.

The Overall Supply of Housing

Question 9

Paragraph 74 of the Framework says strategic policies should include a trajectory illustrating the expected rate of housing delivery over the Plan period, and all plans should consider whether it is appropriate to set out the anticipated rate of development for specific sites. Does the Council have an up to date trajectory and if so where can this be found? Is the housing trajectory realistic?

- 2.23. The Council's Housing Trajectory 2023 (GC 50) prepared by Shropshire Council is a 'snapshot' to forecast future levels of development over the plan period of the draft Local Plan. The purpose of the Trajectory is intended to demonstrate the deliverability of the proposed housing requirement. The Trajectory does not take into consideration the rates of development of specific proposed allocations; this is considered important to provide effective monitoring to ensure the overall and settlement specific housing trajectories are met. This is also important in settlements where windfall development has not been significant and delivery assumptions are not met.

Question 10

Is the housing trajectory and information required by the tables appended to our initial questions (ID1) showing the expected rate of delivery of housing land up to date?

- 2.24. The latest trajectory is based upon on housing completions and housing land supply in Shropshire at 31st March 2023. This needs to be updated to take account of completions up to 31st March 2024, the data from which will now be available .

Question 11

Should a trajectory illustrating the expected rate of housing delivery over the Plan period be included in the Plan?

- 2.25. In accordance with Paragraph 74 of the NPPF 2021, there is a requirement that a trajectory illustrating the expected rate of housing delivery over the plan period is provided. This is important to understand the anticipated rate of housing delivery over the Plan period, in order to demonstrate the housing requirements can be met.

Question 12

How will the supply and delivery of housing to meet the identified unmet needs of the Black Country be undertaken? Does this need identifying separately in a trajectory i.e. the expected delivery on the sites (BRD030, SHR060 and IRN001), identified to meet the unmet needs on a yearly basis.

- 2.26. Monitoring the delivery of housing to meet the Black Country needs is essential, however, given the Council's approach to apportioning the contribution in **BRD030, SHR060 and IRN001**, this will be difficult to achieve.
- 2.27. The proposed approach of allocating significant proportions of housing within existing proposed allocations to accommodate the unmet need from the Black Country, rather than allocating new sites, undermines the wider aims of the plan and the area-specific strategies within the plan.
- 2.28. The monitoring of the delivery on these sites is essential. Despite the quantum of housing proposed within the allocations to meet the Black Country need, it is important to recognise that the Council will no longer be able to meet the local need. For example, 1,800 units are required for "local" demand in the Bridgnorth allocation, as required in the Bridgnorth Place Plan Area commentary, however, 600 units (one third of the units allocated) will now be allocated to demand arising from the Black Country, therefore the ability to meet local demand in the Local Plan will be very challenging.
- 2.29. The Council's approach to simply apportioning elements of existing allocations to meet Black Country needs, and in doing so displacing provision which was originally intended to meet local housing need, continues to fail to fully assess the environmental impact of accommodating the unmet need from the Black Country. As the Inspectors set out at in January 2024 [para 4.1 ID36] the Council had failed to '*look at what the environmental impacts are of meeting some of the unmet needs of the Black Country i.e. 1500 homes and 30ha of employment land, in addition to meeting its own needs. Instead, what the revised SA does is amalgamate the Black Country's unmet needs into its own growth options and at the same time alter the growth options compared to earlier SA work. This needs to be assessed as a distinct and separate exercise*'.
- 2.30. While the updated SA appears to assess the impact of accommodating the 1,500 homes, required within Shropshire, by apportioning elements of three existing allocations to meet this need, the Council does not allocate additional sites to accommodate the 1,500 units required to meet housing need from within Shropshire. There is therefore a demand for 1,500 units, whether arising in Shropshire, the Black Country or elsewhere, for which there is not a corresponding allocation and therefore cannot be appraised. This equates to almost 5% of the 31,300 unit demand identified within the plan which are not being appraised. The Local Plan therefore cannot be considered sound in its current form as the SA does not offer a sufficiently robust or thorough assessment of the potential impacts of the plan.

Question 13

Does the Plan identify a developable supply and/or broad locations in years 6-10 and, where possible, years 11-15 necessary to maintain continuity of deliverable supply, including an appropriate buffer for changing circumstances?

- 2.31. Table 8.3 of the Housing and Employment Topic Paper provides details of the approximate site capacity and delivery forecasts (as at April 2023). In order to reflect the current position starting in 2024, this table is required to be updated.
- 2.32. Table 8.3 also fails to consider the delivery of the SAMDev allocations; the delivery of which over the next 5 years will have an impact on the rates of delivery and the timescales for implementation. The delivery Table, needs to have regard to this and take into account whether the market can deliver and absorb a higher rate.

Question 14

The Council relies on sites allocated in the SAMDev Plan to meet the overall need as well as to provide a 5 year supply of housing land on adoption of the Plan. What evidence is there to show that these sites will come forward now when they have failed to do so since the SAMDev Plan was adopted in 2015 to cover the period 2006 to 2026.

- 2.33. The NPPF states that for sites to be deliverable for major development, which has been allocated in a development plan, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years. It is clear that there are a number of SAMDev sites which have not progressed, since adoption in 2015, to the planning application stage. Given the length of time since adoption, it is considered that where either outline or full permission has not been progressed the sites should be excluded from the 5 year supply.

Question 15

The Council's Housing and Employment Topic Paper (GC45) at Table 10.1 includes SLAA sites as part of the housing land supply. What are these sites and why were they not allocated in the Plan? Are they different to windfall sites?

- 2.34. The approach to the inclusion of SLAA sites in Table 10.1 does not accord with the NPPF or NPPG. Paragraph: 007 Reference ID: 68-007-20190722 of PPG which states that in order to demonstrate 5 years' worth of deliverable housing sites, robust, up to date evidence needs to be available to support the preparation of strategic policies and planning decisions. [Annex 2 of the National Planning Policy Framework](#) defines a deliverable site, as well as sites which are considered to be deliverable in principle, namely those which:
- have outline planning permission for major development;
 - are allocated in a development plan;
 - have a grant of permission in principle; or
 - are identified on a brownfield register.

- 2.35. It is considered that the approach to include SLAA sites would not be in accordance with the NPPF 2021 and NPPG in respect of the 5 year supply.
- 2.36. Table 10.1 of the GC45 (HETP) states that the dwellings on SLAA sites total 622 over the 15 year period. It is not clear from the evidence presented how this figure is derived, and there is no evidence that these SLAA sites have been robustly assessed and justified, in order to demonstrate that the Plan meets the tests of soundness.

Question 16

Should windfalls be counted as part of the housing supply for years 1-5 and years 11-15?

- 2.37. The NPPF requires policy-making authorities to have a clear understanding of the land available in their area for housing and identify a sufficient supply and mix of sites, consider their availability, suitability, and likely economic viability. Paragraph 68a) of the NPPF 2021 requires planning policies to identify a supply of specific, deliverable sites for years one to five of the plan period.
- 2.38. As set out in the NPPF authorities should identify a supply of specific, developable sites or broad locations for growth for years 6-10 and, where possible, for years 11-15. The NPPG requires that to meet the test of soundness, plan-makers need to demonstrate that there is a reasonable prospect that these are likely to come forward within the timescale envisaged. We are concerned that it is very difficult to demonstrate that there is a reasonable prospect of the sites identified within the 11-15 years period coming forward.
- 2.39. Notwithstanding the announcement in the recently issued draft NPPF 2024 for the need for an immediate review of the Local Plan, where there is a significant shortfall in meeting the revised housing numbers, there is still a requirement to robustly justify the windfall allowance over the Plan period. The proposed approach of allocating significant proportions of housing within existing proposed allocations in settlements serving the Black Country, to accommodate the unmet need, rather than allocating new sites undermines the wider aims of the Plan and the area-specific strategies within the Plan.

Question 17

With regard to paragraph 71 of the Framework, is there compelling evidence that the windfall allowances for large and small sites would represent a reliable source of housing supply? Does the approach to windfall sites avoid double counting?

- 2.40. It is considered that the reliance on windfall allowances and proposed increased capacity of strategic allocations (Option 1) to accommodate the proposed uplift to the housing requirement, is not the most appropriate or sustainable way of planning for additional growth, as over reliance on windfall allowances does not reflect positive and proactive planning.
- 2.41. A more appropriate approach would be allocating additional sites (Option 3). This constitutes proactive planning, allows identification of the most sustainable locations for development, and

ensures the draft Shropshire Local Plan is prepared positively. Such allocations should be distributed across appropriate sites on the edge of a number of sustainable settlements.

- 2.42. The Council’s proposed approach identified through GC45 (HETP) to meeting the Black Country housing need relies heavily on windfall sites, together with the densification of allocations in key settlements which serve the Black Country, including Bridgnorth. Given this reliance on windfall to meet the 5 year supply and to make an important contribution towards the Black Country needs, we have concerns that windfall will not be a reliable source of housing over the Plan period.

Question 18

Table 8.5 (page 59) of the Council’s Housing and Employment Topic Paper (GC45) contains information described as ‘Known Significant Potential Windfall Development Opportunities’. Can they be classed as ‘windfalls’ if they are already known? Should these sites be allocated in the Plan? How likely are they to come forward during the Plan period as some have had planning permission in the past which has now lapsed?

- 2.43. A “windfall” site is defined in Annex 1 of the revised NPPF as any site which *‘is not specifically identified in the development plan’*.
- 2.44. In considering windfall sites, it is important to adopt a cautious approach given the inherent unpredictability of supply from this source.
- 2.45. Given the “Significant Potential Windfall Development Opportunities” are known; in accordance with the NPPF these should be allocated in the Local Plan. This will require further assessment work to be undertaken on the sites to include as allocations, failure to do so will impact on the soundness of the Plan.
- 2.46. Given the Council’s proposed approach to meeting the Black Country housing need, relies heavily on windfall sites, there is limited flexibility in this approach to meet housing requirements over the Plan period. Therefore, it is important that further work is undertaken on these sites to enable them to be allocated, which is required to demonstrate the soundness of the Plan.

Question 19

How is specialist housing factored into supply?

- 2.47. Paragraph 63 of the NPPF specifies that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies. It is considered that there should be more certainty regarding how specialist housing will be delivered in Shropshire, including the specification of the proportions of specialist housing expected on larger development sites.

Question 20

What flexibility does the Plan provide if some of the larger sites do not come forward to the Council's estimated timescales?

- 2.48. We are concerned that there is an over reliance on windfall sites in the Plan from a supply point of view and meeting the needs of the Black Country. If larger sites do not come forward or SAMDev allocations are still not delivered, there will be further reliance on windfall sites, which clearly may not be able to meet the shortfall; such an approach undermines the robustness of the Local Plan particularly in those settlements identified to serve the Black Country need such as Bridgnorth.

Question 21

What are the targets for the provision of affordable housing? What has been achieved in recent years?

- 2.49. There is a significant affordable housing need identified in Shropshire, which the Plan needs to fully address.
- 2.50. This need is recognised in para 7.7 of the Updated Housing and Employment Topic Paper which responds to the Council's Housing Strategy (GC4h / EV063.01).
- 2.51. The Council recognise the affordable housing need is circa 5,000 households and that the *“the number of new affordable homes over the last 5 years has averaged at 343 per year. This is significantly below the number of homes required”*. This rate of delivery proposed falls significantly short of the annual need for affordable housing identified in the SHMA.

Question 22

Is the type and size of housing provided/planned meeting/likely to meet the needs of the area?

- 2.52. The Council's proposed approach identified through GC45 (HETP) to meeting the Black Country housing need, relies heavily on windfall sites and intensification of allocations in key settlements which serve the Black Country, including Bridgnorth. Given this approach there is concern that the ability to control and deliver variety in terms of the type and size of housing will be limited over the Plan period.

Question 23

Is there sufficient variety in terms of the location and type of site allocated?

- 2.53. The Council's proposed approach identified through GC45 (HETP) to meeting the Black Country housing need, relies very heavily on windfall sites and intensification of allocations in key

settlements which serve the Black Country. Given this approach there is concern that the ability to plan, deliver and control the location and type of sites which come forward for housing.



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