Shropshire Local Plan Examination Stage 2 hearings Response to Matter 3: Housing Land Need, Requirement and Supply

Land at Wolverhampton Road, Shifnal

Catesby Estates

19 September 2024



Lichfields is the pre-eminent planning and development consultancy in the UK

We've been helping create great places for over 60 years.

lichfields.uk

Contents

1.0	Introduction	1
2.0	Housing Land Need, Requirement and Supply	2

1.0 Introduction

- This statement to Matter 3 (Housing Land Need, Requirement and Supply) of the examination of the Draft Shropshire Local Plan ('DSLP) is submitted by Lichfields on behalf of Catesby Estates (representations formerly submitted under L&Q Estates).
- It follows the submission of representations to the Shropshire Local Plan Examination Stage 1 hearings (June 2022) in respect of land north of Wolverhampton Road, Shifnal, in which Catesby Estates has land interests. For reference, the representations comprising these proposed changes were identified under Representation Reference **A0148**.
- The National Planning Policy Framework ('NPPF') outlines that during the examination process a Local Plan must demonstrate that it has been positively prepared, is justified, is effective and is consistent with national policy. Outlined below are responses to a select number of the Inspectors' questions which set out why we consider changes to the DSLP are necessary to ensure the soundness of the Plan.

2.0 Housing Land Need, Requirement and Supply

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?

- 2.1 **No**, the preferred approach is not considered justified or effective, on the below grounds.
- As previously indicated by Catesby Estates' previous representations (made under L&Q Estates), the Council's choice to pursue a higher growth option is supported including the inclusion of 1,500 dwellings towards the Black Country's unmet need creating an increase in housing provision from 30,800 dwellings to 31,300 dwellings. However, there is significant concern around the plan period between 2016 and 2038.
- Paragraph 22 of the National Planning Policy Framework (NPPF) sets out that 'strategic policies should look ahead over a minimum 15 year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure.' The plan period is now outdated and is less than the minimum requirement of 15 years from the date of adoption which would fail to anticipate and respond to the long-term need for new homes in Shropshire. Furthermore, it is noted the plan went to examination during September 2021 which was over two years ago. The Planning Practice Guidance states the following:

"Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised where appropriate.

The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities.

However, 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." (Paragraph 008 Reference ID 2a-008-20190220)

As such, as the submitted plan exceeds the two year period since submission to the Secretary of State, has a plan period less than the required 15 years and no agreement has been made with the planning inspector for an extension, it is considered the identified housing requirement is out-of-date and a revised calculation is required to address the changing climate on the delivery of housing across the West Midlands, a matter particularly prevalent considering the changing landscape of the Black Country Authorities (BCA) following the collapse of the Black Country Core Strategy in October 2022 and the identified housing shortfall since the submission of the local plan for examination. The plan period should also be extended to at least 2040 assuming the plan is adopted in 2025 at the earliest.

- 2.5 It is considered the housing requirement should be further updated to reflect the suggested extension of two years to the plan period in line with NPPF paragraph 22. The overall housing requirement should be modified to at least 34,146 dwellings, based on the proposed dwellings per annum of 1,423, to be delivered over the proposed plan period 2016-2040.
- 2.6 Nevertheless, it is considered a greater housing requirement should be facilitated to take account of a proposed higher contribution towards the Black Country's unmet needs. It is considered the Council should test a further 1,500 dwellings to deliver a total of 3,000 additional dwellings of the Black Country's unmet needs, equating to a proposed overall housing requirement of 35,646. The rationale for the suggested increase in contribution is discussed in the next question of the hearing statement.
- It is noted the wording towards the delivery of the housing requirement was previously described as 'around', however, the text has now been updated to state 'minimum'. This amendment is welcomed as it provides clarity to the housing requirement and reflects paragraph 60 of the NPPF to support the Government's objective of significantly boosting the supply of homes.

Housing Supply

- 2.8 The Council is only proposing to deliver 1,423 dwellings per annum (i.e. existing commitments and new allocations) against an identified housing requirement of 1,423 dpa and therefore does not include any flexibility as per NPPF paragraph 11 which requires that Local Plans should be "sufficiently flexible to adapt to rapid change".
- In practice, this means ensuring a housing trajectory has sufficient land supply across the plan period so that it can adjust and accommodate any unforeseen circumstances, such as a degree of flexibility in delivery rates and densities. Critically, this means that to achieve a housing requirement a Local Plan must release sufficient land or allow sufficient headroom so that there is an appropriate buffer within the overall planned supply. In essence, it is strongly recommended that greater flexibility be built into the draft Local Plan.

Affordable Housing

- 2.10 The approach towards the 15% uplift above the minimum local housing need is welcomed to help account for acute affordable housing need, helping meet the needs of local communities and support new families coming into Shropshire. This uplift accounts for an increase in 125 additional affordable dwellings equating to around 25% of the total housing requirement aligning with PPG ID: 67-008-20190722 is clear that "an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes."
- 2.11 However, the additional provision of affordable dwellings is insufficient to meet the estimated need of 799 affordable dwelling per annum as identified within the Strategic Housing Market Assessment. Catesby Estates still considers further consideration should be given to deliver a greater uplift to its local housing need as the latest evidence to support the plan does not assess whether an increased housing requirement beyond the 31,300 housing requirement would be deliverable in the context of the Plan's deliverability to the meet the estimated need of 799 dwellings per annum.

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?

- No, aforementioned, the high growth option is welcomed, however, it does not appear the Council have assessed and tested the potential of contributing a higher quantum of dwellings to help meet the Black Country's unmet housing need. Insufficient justification (duty to cooperate met and agreement reached with the Black Country Authorities) is provided for not testing a higher contribution than 1,500 dwellings. Given likely changes to unmet need as a result on ongoing work in the Black Country, it is considered essential to test a higher figure, as there is a likelihood that unmet need apportioned to Shropshire may increase.
- 2.13 NPPF paragraph 11b is clear that strategic policies should, as a minimum, provide for housing needs and other uses 'as well as any needs that cannot be met within neighbouring areas.' It is also clear that Local Plans should be 'based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground' (paragraph 35c).
- 2.14 Principally, Catesby Estates welcomes the Council's recognition of its functional relationship with the Black Country and commends the positive dialogue undertaken between the relevant bodies through preparation of the draft local Plan. However, there is significant concern regarding the quantum of the proposed contribution at 1,500 dwellings.
- As previously stated within Catesby Estates' representations to the Regulation 19: Pre-Submission Draft of the Shropshire Local Plan consultation (A0148), Wolverhampton Council (on behalf of the Black Country Authorities) welcomes the opportunity to provide additional evidence to enable Shropshire Council 'to make a positive recommendation to members to allocate land at M54 junction 3 for employment-led mixed use development'.
- 2.16 Crucially, the Black Country Authorities not only indicate a broad location considered appropriate in meeting their employment and housing shortfall, but suggest that a quantum of 3,000 dwellings would be an appropriate contribution:

'With the exception of Shropshire, and those areas summarised above, other local authorities are either not currently progressing Local Plan reviews, have very limited physical capacity themselves or consider themselves to be too remote from the Black Country to be able to reasonably meet our needs.

In this context, the strategic opportunity at M54 J3 of some 50ha of employment land, supported by provision of 3,000 homes to contribute towards meeting both the employment and housing needs of the Black Country would therefore make significant quantitative headway in addressing unmet needs for both employment land and housing in the Black Country.' [Emphasis added]

Association of Black Country Authorities (ABCA) later submitted further communications on 30th September 2019 strongly supporting the potential for land at M54 Junction 3 to be allocated in the draft Local Plan, as well providing further justification relating to the strong functional economic relationship between Shropshire and The Black Country. Resultingly, Catesby Estates strongly objects to the Council's proposed contribution of 1,500 dwellings

2.12

to the Black Country unmet housing need, as opposed to a significantly larger contribution of 3,000 dwellings as suggested by ABCA.

In addition, following consultation on 'Changes to the current planning system' in August 2020, the Government published its response in December 2020 confirming that the 20 most populated cities will see an uplift 35% to their local housing need figure. At the time of writing, the adopted NPPF (December 2023) maintains the requirement of urban uplift, therefore, considerable weight should be given to this requirement.

2.19 Wolverhampton is included within the urban centres uplift and therefore its local housing need will increase from 750 dwellings per annum to 1,013 dwellings per annum.

2.20 The Black Country Urban Capacity Review (December 2019) confirmed an identified shortfall of around 26,920 dwellings up to 2038. It is therefore clear that the urban centres uplift will exacerbate this shortfall and consequently it is critical that those neighbouring authorities with physical and functional links, such as Shropshire, accommodate the unmet need.

2.21 In accommodating increased need from the urban centres uplift, the PPG advises:

"Where should the cities and urban centres uplift be met? This increase in the number of homes to be delivered in urban areas is expected to be met by the cities and urban centres themselves, rather than the surrounding areas, unless it would conflict with national policy and legal obligations. In considering how need is met in the first instance, brownfield and other under-utilised urban sites should be prioritised and, on these sites, density should be optimised to promote the most efficient use of land. This is to ensure that homes are built in the right places, to make the most of existing infrastructure, and to allow people to live nearby the service they rely on, making travel patterns more sustainable." [Emphasis added]

2.22 Whilst there is an expectation for Wolverhampton and thus the Black Country to meet the uplift themselves, the PPG confirms this is only expected "unless it would conflict with national policy." In this instance, the Black Country has declared a housing shortfall of 26,920 dwellings up to 2038 and has concluded that that exceptional circumstances exist to trigger a Green Belt review, under NPPF paragraph 138, in order to meet these needs.

Given the under-bounded and constrained nature of Wolverhampton and Sandwell, it is inevitable that the Black Country will be unable to provide for its own housing needs, as required by NPPF paragraph 11(b). Catesby Estates therefore considers it entirely appropriate for the draft Local Plan to incorporate an increased contribution within the housing requirement.

In the absence of a statement of common ground confirming any of the BCA's agreement to this quantum of contribution, the Council risks its plan being considered unsound by failing to satisfy NPPF paragraph 35c requiring 'joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground.'

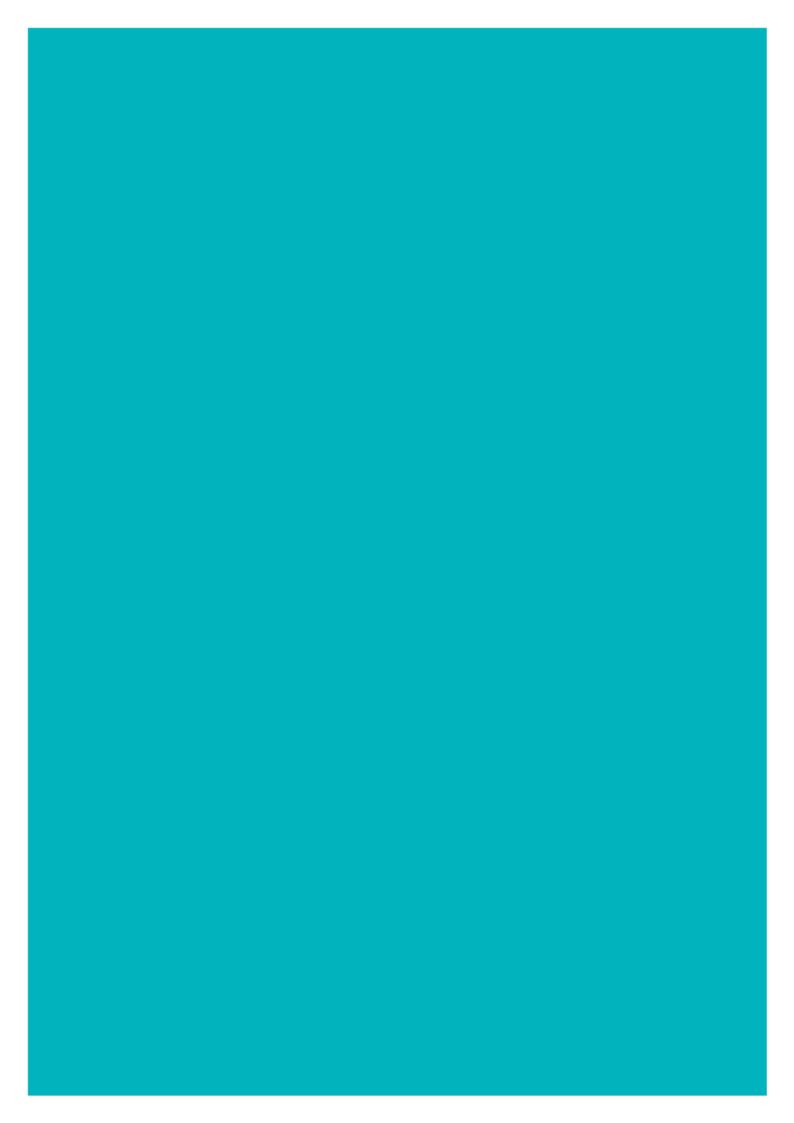
Furthermore, the latest consultation on the Wolverhampton Local Plan was the Issues and Preferred Options Consultation (Regulation 18) in February 2024 which identified a housing supply of 9,722 homes which would be carried forward via "existing housing"

2.25

allocations and make new allocations which focus housing growth in urban area, with increased density in accessible locations and structural change in Centres, and export remaining housing need to neighbouring authorities" (Para 5.17 – Option H3). This would mean that there is a significant unmet need for 11,998 homes over the Plan period for Wolverhampton, Catesby Estates consider it reasonable that Shropshire should be expected to help deliver through the Duty to Cooperate. This exceeds the previous understanding from the Examination Hearings which anticipated a housing requirement from Wolverhampton as 11,086 dwellings as referred to within Black Country Authorities housing need and supply position 2020-39. This demonstrates the changing landscape of housing need across the West Midlands and requires authorities such as Shropshire to deliver a larger proportion of housing than that previously enlisted within the hearing statements in order to deliver the unmet needs of surrounding authorities.

- As previously indicated, Catesby Estates welcomes the Council's commitment to addressing part of the Black Country's unmet needs through the Local Plan Review. Despite the changes set out within the revised NPPF (2024), it remains entirely appropriate and in accordance with the NPPF (Paras 11b and 35c) that the Council makes provision for these strategic and cross-boundary needs to be addressed within the Local Plan Review.
- As the Council will be aware, despite the BCAs Black Country Plan Review [BCPR] no longer proceeding, the acute unmet housing needs still need to be addressed and each of the BCA authorities still requires assistance separately. Indeed, following the Stage 1 Hearings of the Examination in Public of the Shropshire Local Plan, the Inspector issued Interim Findings which (inter alia) reflected on Shropshire's proposed approach to addressing the BCAs unmet housing needs (i.e. c.1,500 dwellings). In particular, and in reflection on the breakdown of the BCPR, the Inspectors stated that despite "this new plan making context, there is no reason before us to find that the identified unmet needs in the Black Country area will disappear" (Para 14) and that "it remains an important strategic cross boundary matter that should not be deferred" (Para 15).
- In this context, a review of the BCA's separate emerging LPRs suggests that the authorities' supplies have reduced, which suggests that the stated supply and unmet housing need conclusions out in the BCPR (i.e. c.28,000) has markedly increased to c.37,000 dwellings. Whilst the needs of the BCAs are already quite acute in and of themselves, Birmingham City Council's latest Issues and Options consultation also identified an emerging c.78,000 dwelling unmet need between 2022 and 2042 (Para 5.13). Neither of the updated topic papers make reference to addressing Birmingham's needs at all, further emphasising the requirement to review the housing requirement to consider all of the surrounding authorities unmet needs.
- Even if the BCAs and Birmingham are able to make provision for further land within their Green Belt, the extent of the unmet housing needs arising up to 2042 is likely to remain acute and severe. Whilst it is accepted that the NPPF requires LPAs who are subject to the 35% urban centres uplift to accommodate their needs within their own area where possible (Para 62) (i.e. Birmingham and Wolverhampton's share of the unmet housing needs), it is critical that the Council makes an appropriate contribution towards assisting in addressing this unmet housing need now, as these needs are acute and unlikely to be met in full by the surrounding authorities without conflicting with the wider policies in the NPPF (Para 62).

2.30 As such, greater consideration should be placed on delivering a greater need towards the Black Country. Should this not be provided within the draft local plan, Catesby Estates considers that the Council should introduce a mechanism into the draft local plan to trigger an early review of the Local Plan in order to address the ongoing unmet needs, in order to ensure soundness of the draft local plan in the context of NPPF paragraph 35(c).



Birmingham 0121 713 1530 birmingham@lichfields.uk

Edinburgh 0131 285 0670 edinburgh@lichfields.uk

Manchester 0161 837 6130 manchester@lichfields.uk Bristol
0117 403 1980
bristol@lichfields.uk

Leeds 0113 397 1397 leeds@lichfields.uk

Newcastle 0191 261 5685 newcastle@lichfields.uk Cardiff 029 2043 5880 cardiff@lichfields.uk

London 020 7837 4477 london@lichfields.uk

Thames Valley
0118 334 1920
thamesvalley@lichfields.uk

@LichfieldsUK