

# Shropshire Local Plan Examination

**Shropshire Council Response to:**

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

**Matter 5**



## **Matter 5 – Infrastructure, Delivery and Viability (policies SP1, SP2 & SP14) – see various MMs**

***Issue: Whether the approach to infrastructure delivery, implementation and monitoring is positively prepared, justified and consistent with national policy.***

### **Questions: Infrastructure**

**Question 1.** *In our letter dated 15 February 2023 (ID28), we explained that we had some concerns about the gaps in the IDP and asked that it be updated and some of the gaps populated. Has this now been done?*

### **Shropshire Council Response:**

- 1.1. Shropshire’s Strategic Infrastructure and Investment Plan (SIIP) is a ‘live’ document, which is reviewed annually. The most recent review of the SIIP was completed in 2024 (GC54). Shropshire Council considers that through this annual review it has complied with the Inspectors request for the SIIP to be ‘updated and some of the gaps populated’.
- 1.2. This review was proactively informed by:
  - a. Engagement through the Strategic Infrastructure and Investment Network. This network brings together, at a strategic level, the main organisations responsible for planning, managing and delivering Shropshire’s strategic needs.
  - b. Engagement through the Place Plan process. The Shropshire Place Plan’s set out the infrastructure identified by communities and infrastructure providers in order to make our settlements better places for everyone. The SIIP uses information from these Place Plans to help identify the strategic needs for Shropshire as a whole.
- 1.3. GC54 reflects latest available information on strategic infrastructure projects and funding. Shropshire Council considers it clearly demonstrates the Council’s understanding of infrastructure requirements and funding sources.
- 1.4. Importantly, draft Policy DP25 identifies the overarching approach to infrastructure delivery to facilitate development. It specifies *“...where a new development would lead to a shortfall in infrastructure provision, the development will be required to fund necessary improvements through a suitable developer contribution, unless the identified shortfall is being addressed by other means.”*

- 1.5. Consistent with draft Policy DP25, there is an expectation that much of the infrastructure necessary to support development would be funded directly through the development or through CIL and/or S106 contributions from a development.
- 1.6. Indeed, draft Policy DP25 specifically identifies the intended approach to utilisation of CIL and/or S106 contributions in order to facilitate development – this is reflected within the Local Plan Development Viability Study (LPDVS) (EV115.01).
- 1.7. As recognised within draft Policy DP25 and the SSIIP, it is expected that developer contributions will be complemented by investment by infrastructure providers (including as a result of statutory duties) and funding from other sources such as that from Government (including with regard to highways, education and medical facilities).

**Question 2.** *Are there known sources of funding for development expected to be delivered in the first 5-7 years of the Plan? Are these all in the Council's latest Infrastructure Delivery Plan?*

**Shropshire Council Response:**

- 2.1. Yes, Shropshire Council considers that there are known funding sources for the development envisaged to occur within the first 5-7 years of the draft Shropshire Draft Policy and that these funding sources are identified within the Councils' latest Strategic Infrastructure and Investment Plan (SIIP) (GC54).
- 2.2. Draft Policy DP25 of the draft Shropshire Local Plan identifies the overarching approach to infrastructure delivery. It states: "*...where a new development would lead to a shortfall in infrastructure provision, the development will be required to fund necessary improvements through a suitable developer contribution, unless the identified shortfall is being addressed by other means.*"
- 2.3. Consistent with this policy requirement, much of the infrastructure necessary to support development will be either provided as part of development proposals or funded through CIL and/or S106 contributions from development proposals.
- 2.4. As recognised within draft Policy DP25 and GC54, this will be complemented by investment by infrastructure providers and funding from other sources such as the Government (including with regard to highways, education and medical facilities).
- 2.5. It should also be noted that there are significant existing commitments on sites with planning permission or prior approval (around 8,000 dwellings in total, of which 6,000 dwellings are forecast to be delivered in years 1-5) and the infrastructure requirements for such sites have already been established.

**Question 3.** *Will the delivery of strategic infrastructure allow for the delivery of planned development in line with the latest housing trajectory? If not, what will be the shortcomings and how will the Council address these matters?*

**Shropshire Council Response:**

- 3.1. Yes, Shropshire Council considers that the delivery of strategic infrastructure will allow for the delivery of planned development in line with the Council's latest housing trajectory (GC50).
- 3.2. It should also be noted that there are significant existing commitments on sites with planning permission or prior approval (around 8,000 dwellings in total, of which 6,000 dwellings are forecast to be delivered in years 1-5) and the infrastructure requirements for such sites have already been established.

**Question 4.** *Has the time lapse that has occurred with this examination resulted in any changes in terms of viability? Is so, what are they and will they affect the deliverability of any aspects of the Plan?*

**Shropshire Council Response:**

- 4.1. To provide confidence in the deliverability and viability of the draft Shropshire Local Plan and development proposals in Shropshire; a Viability Assessment Briefing Note (GC49) has been prepared by the consultants that undertook the original Local Plan Development Viability Study (LPDVS) (EV115.01). The intention of this Briefing Note was to consider the implications, if any, of changes to costs, values and national policy since the LPDVS was undertaken. This will cover the time lapse of the examination.
- 4.2. In summary, GC49 identified that since the LPDVS was undertaken:
  - a. The average new build residential sale price has increased by about 37% whilst the cost of construction has increased by 23.5%. This indicates that viability will have improved.
  - b. There have been changes introduced in national policy that impact on the cost of development. However, relevant changes were already anticipated in the LDPVS and as such informed the preparation of the draft Shropshire Local Plan.
  - c. There are two further changes to national policy being considered by Government, but are subject to further national consultation.
    - i. The first is mandating M4(2) Accessible and Adaptable Standards. In Shropshire the requirement would be increased from 70% to 95%. Across a scheme, this is likely to add about 0.1% to the cost of development over and above the

cost of the policies set out in the draft Shropshire Local Plan. This is a small cost and beyond the Council's influence.

- ii. The second related to the 2023 Future Homes Standard. Government is consulting on two options for this change. If the higher of these options were introduced, it is expected to add 6% to the current base costs. This is more than the cost of the higher energy standards considered within the LPDVS.
- iii. With regard to these further changes, GC49 concludes "*If the extra costs associated with the mandating of M4(2) standards and introduction of 2023 Future Homes Standard were added to the costs of construction, the cost of construction will still have increased by substantially less than the increase in values since the 2020 LPDVS was completed.*"

- 4.3. Having considered changes to costs, values and national policy since the LPDVS was undertaken, GC49 concludes that: "**...the Council can continue to have confidence in the 2020 LPDVS and rely on it in the plan-making process.**"
- 4.4. Furthermore, GC49 also specifies that "*Whilst an update to the 2020 LPDVS would inevitably derive different appraisal results, it is unlikely that the conclusions of the study would be materially different. At this late stage of the plan-make process, it is not proportionate or necessary to undertake a full update.*"
- 4.5. As such, Shropshire Council considers that whilst there have been changes to costs, values and national policy since the LPDVS was undertaken; they **will not negatively affect** the deliverability and viability of the draft Shropshire Local Plan or development proposals in Shropshire.
- 4.6. Shropshire Council considers that the LPDVS is a proportionate and robust assessment which can be relied within the plan-making process, ongoing examination of the draft Shropshire Local Plan and subsequent implementation of the draft Shropshire Local Plan.