Shropshire Local Plan Review
Bradford Rural Estates Ltd

September 2019

BIDWELLS

LAND AT J3

REPRESENTATIONS ON BEHALF OF BRADFORD RURAL ESTATES LTD

CONSULTATION ON STRATEGIC SITES

EMPLOYMENT AND HOUSING NEED

Executive Summary

The purpose of this report is three-fold. First, it reviews the Objectively Assessed Needs (OAN) for housing and employment over the emerging local plan period (2016-2036) in the context of the new National Planning Policy Framework (NPPF). Second, it considers the case for Shropshire to accommodate some of the unmet housing and employment needs of the Black Country. Third, it considers what the proposed J3 development would comprise in the event that Shropshire agrees to accept some of that unmet need.

OAN for Housing and Employment

The review of the OAN in the context of the new NPPF is entirely justified. Analysis of Household Representative Rates (HRRs) found that in all probability the 'high growth' scenario selected by the Council will reflect the base demographic projections once adjustments are made to the rate of formation of younger households to reflect the Government's national target of achieving 300,000 dwellings per annum by the mid-2020s.

Bidwells' economic projections for Shropshire concur with those produced for the Council by Oxford Economics. These suggest the creation of approximately 15,000 jobs over the plan period. However, due to the ageing population profile, the resident labour force is not projected to grow at the same rate, which is likely to manifest through changing commuting patterns.

While Shropshire currently has net out-commuting, the job growth anticipated does not reflect the profile of many of these out-commuters. This means that while the commuting ratio may appear to be more balanced, it will likely hide large flows into and out of the County.

Not all of these flows are adverse or unwanted; Shropshire benefits from a network of railways and has major employment centres close to its borders such as Telford and the Greater Birmingham area. Consequently, seeking to attract many of the out-commuters to instead work within the County to facilitate job growth is highly unlikely to be successful.

Instead it will be fundamental that employment is located appropriately to facilitate sustainable forms of commuting from outside of Shropshire, and look to increase the labour force through further housing specifically to meet the economic needs.

Unmet Needs

It is well documented that the Greater Birmingham area and the Black Country cannot meet its own housing needs now that it has effectively used up its brownfield legacy of its former industrial base. The scale of this housing needs depends on which demographic, housing and economic projections are used but it is certainly in excess of 2,000dpa.

This unmet housing need cannot be left unaddressed. It is also likely to be underestimated given the age and ethnic profile of the area. Land beyond the urban area therefore needs to be considered for development, but this is largely Green Belt.

Several spatial and distributional strategies could be employed:

- Possibly, the Green Belt immediately adjacent to the urban areas could be sacrificed, allowing incremental expansion, irrespective of its quality. This would however fail as it would concentrate the housing supply into a relatively small band of competing sites that would simply not be able to achieve the necessary rates of delivery. Furthermore, locations adjacent to the urban area may not necessarily be well connected by sustainable forms of transport. There is also a concern of what happens beyond the current plan periods – it is undesirable to continue to sacrifice elements of the Green Belt – a longer term solution is required.

- The other extreme is to safeguard the Green Belt and expand existing settlements or build new settlements beyond. However, many of those existing settlements, such as Telford, also have Green Belt constraints. Furthermore, there are many other environmentally important statutory designations on which development might encroach. There is also the issue that major new settlements can take a considerable amount of time to start to deliver. Finally, there is the distance from the parent housing markets to be considered and whether people will consider new settlements as a viable alternative to living in more cramped conditions, which relates partially to transport connections, but also perceived separations.
- Finally, a blended approach can be taken that looks for particular opportunities adjacent to the existing urban area, within the Green Belt and outside it. This enables development to be dispersed such that delivery is likely without saturating a local market. It enables sites to be selected on their sustainability credentials and improves the chances of success (i.e. ensuring that eggs are not all in one basket).

The latter is certainly the correct approach. As such, it is fundamental that Shropshire makes some contribution to meeting this unmet housing need, in locations that can still serve the parent markets. Given the shape of Shropshire, this inevitably means the M54 corridor.

Land at J3

The proposed development on Land at J3 can accommodate some 3,000 dwellings towards the unmet needs of the Greater Birmingham area and the Black Country. It has been recognised as a key location to facilitate the growth of employment in key sectors along the M54 corridor with 50ha of dedicated strategic employment land. The colocation of these dwellings with the employment land meets key sustainability objectives in minimising commuting and facilitating a good work-life balance. It will assist in addressing the lack of labour growth in Shropshire to meet the projected job growth.

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1.0 Introduction

Background

1.1 This report setting out the Objectively Assessed Needs (OAN) for housing and employment in Shropshire has been prepared by Bidwells on behalf of Bradford Rural Estates Ltd, who are promoting land north of Junction 3 of the M54 motorway for development. It is submitted in support of representations to Shropshire Council's consultation on strategic sites[1].

1.2 OAN was a matter for a previous consultation on the local plan review, which Bidwells also made representations to on behalf of Bradford Estates. Since that time, however, there have been significant changes in national planning policy, particularly to the way in which OAN for housing is determined. Consequently, the purpose of this report is to review the latest evidence in the context of this new policy framework and reflect on the appropriateness of the housing requirement currently being pursued by Shropshire Council.

1.3 In addition, the report considers if it is appropriate for Shropshire to accommodate some unmet housing and/or employment from the Black Country local authorities (Dudley, Sandwell, Walsall and Wolverhampton).

1.4 Finally, in the context that meeting some of these unmet needs is required, the report considers what the proposed new settlement on Land at J3 may comprise.

The Local Plan Review

1.5 Shropshire Council published their issues and options for consultation in January 2017[2], which set out that the OAN for housing was 25,178 dwellings for the period 2016-2036 (1,259dpa)[3] and contained a series of potential housing requirements:

- Option 1 'Moderate Growth': 26,250 dwellings (1,325dpa);
- Option 2 'Significant Growth': 27,500 dwellings (1,375dpa); and
- Option 3 'High Growth': 28,750 dwellings (1,437dpa).

1.6 This was followed by a preferred options consultation in October 2017[4], which confirmed that Option 3 was being pursued. This document also introduced the Local Housing Need Standard

1 Shropshire Council. July 2019. Shropshire Local Plan Review Consultation on Strategic Sites.
2 Shropshire Council. January 2017. Shropshire Local Plan Review Consultation on Issues and Strategic Options.
3 Shropshire Council. July 2016. Full Objectively Assessed Housing Need Report.
4 Shropshire Council. October 2017. Shropshire Local Plan Review Consultation on Preferred Scale and Distribution of Development.

Method (LHNSM), which at the time the Government was seeking to introduce[5]. The LHNSM at that time was calculated to be 1,270dpa, slightly higher than the previous calculation of OAN. The current LHNSM result is 1,212dpa, the calculation of which is set out in **Appendix 1**.

1.7 The preferred sites consultation followed in November 2018[6], which maintained the preferred option of 28,750 dwellings, as does the current strategic sites consultation. However, the current strategic sites consultation also introduces the potential for provision of a further 3,000 dwellings to help meet the unmet housing needs of the Black Country Authorities, which comprises Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton local authorities.

1.8 It is the housing requirement of 28,750 dwellings and the 3,000 dwellings unmet need that are considered in this report.

The National Planning Policy Framework

1.9 A revised version of the National Planning Policy Framework (NPPF) was published in July 2018 and subsequently updated in February 2019[7]. It is accompanied by revised Planning Practice Guidance (PPG)[8].

Economic Need

1.10 NPPF Paragraph 8a identifies the economic objective of the planning system:

"…to help build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support growth, innovation and improved productivity; and by identifying and coordinating the provision of infrastructure…"

1.11 NPPF Paragraph 80 builds upon this:

"Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future. This is particularly important where Britain can be a global leader in driving innovation[40], and in areas with high levels of productivity, which should be able to capitalise on their performance and potential."

1.12 NPPF Footnote 40 states:

"The Government's Industrial Strategy sets out a vision to drive productivity improvements across the UK, identifies a number of Grand Challenges facing all nations, and sets out a delivery

5 Shropshire Council. October 2017. Full Objectively Assessed Housing Need Supporting Document.
6 Shropshire Council. November 2018. Shropshire Local Plan Review Consultation on Preferred Sites.
7 MHCLG. February 2019. National Planning Policy Framework.
8 MHCLG. Live document accessed September 2019. Planning Practice Guidance.

programme to make the UK a leader in four of these: artificial intelligence and big data; clean growth; future mobility; and catering for an ageing society. HM Government (2017) Industrial Strategy: Building a Britain fit for the future."

1.13 The Industrial Strategy[9] identifies five foundations of productivity:

- Ideas: the world's most innovative economy.
- People: good jobs and greater earning power for all.
- Infrastructure: a major upgrade to the UK's infrastructure.
- Business Environment: the best price to start and grow a business.
- Places: prosperous communities across the UK.

1.14 Infrastructure and places are clearly linked with planning and development.

1.15 In terms of infrastructure, the Strategy highlights that decisions should actively support long-term productivity. In particular, the Government confirmed that it should take greater account of disparities in productivity and economic opportunity between different places, ensuring investments drive growth across all regions. The Strategy notes that:

"Well targeted investment can drive economic development, particularly when implemented as part of a wider programme of interventions to address the unique circumstances of each area. However, an approach based solely on static analysis can favour investment in places where development has already happened, and overlook long-term benefits that infrastructure can bring to a place."

1.16 In terms of places, key policies include:

- Agreeing Local Industrial Strategies that build on local strengths and deliver on economic opportunities (although the first of these are unlikely to before March 2019).
- Find projects that drive productivity by improving connections within city regions.

1.17 The Strategy states that:

"Strong local economies around the world tend to have some key attributes. They have a good supply of skilled labour; they are well connected and have land available for homes, offices and factories; and they have rich innovation ecosystems, often built around a university. They have an attractive cultural environment."

1.18 NPPF Paragraph 81 states that:

"Planning policies should:

9 HM Government. November 2017. Industrial Strategy: Building a Britain Fit for the Future.

a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration;

b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period;

c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and

d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances."

1.19 NPPF Paragraph 82 then states that:

"Planning policies and decisions should recognise and address the specific locational requirements of different sectors. This includes making provision for clusters or networks of knowledge and data-driven, creative or high technology industries; and for storage and distribution operations at a variety of scales and in suitably accessible locations."

1.20 Finally, NPPF Paragraph 104 states that:

"Planning policies should:

…

f) recognise the importance of maintaining a national network of general aviation airfields, and their need to adapt and change over time – taking into account their economic value in serving business, leisure, training and emergency service needs, and the Government's General Aviation Strategy[43]."

1.21 NPPF Footnote states references the Department for Transport (2015) General Aviation Strategy. Building on this Strategy and the UK Industrial Strategy, the Aerospace Growth Partnership (a partnership between key members of the industry and the Government) has published an Industrial Strategy for Aerospace[10]. The Strategy identifies that aerospace is the powerhouse of the UK's advanced manufacturing sector and that the UK is second only to the US in terms of aerospace manufacture. However, the Strategy makes clear that the industry can expand further, including expanding capacity and capability in manufacturing.

1.22 It is clear therefore that location, infrastructure and local priorities are fundamental considerations in pursuing economic development.

1.23 In terms of understanding local priorities and economic needs, PPG Paragraph 2a-027-20190220 states that:

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10 Aerospace Growth Partnership. 2016. Means of Ascent: The Aerospace Growth Partnership's Industrial Strategy for UK Aerospace 2016.

"Strategic policy making authorities will need to develop an idea of future needs based on a range of data which is current and robust, such as:

- *sectoral and employment forecasts and projections which take account of likely changes in skills needed (labour demand);*
- *demographically derived assessments of current and future local labour supply (labour supply techniques);*
- *analysis based on the past take-up of employment land and property and/or future property market requirements;*
- *consultation with relevant organisations, studies of business trends, an understanding of innovative and changing business models, particularly those which make use of online platforms to respond to consumer demand and monitoring of business, economic and employment statistics.*

Authorities will need to take account of longer term economic cycles in assessing this data, and consider and plan for the implications of alternative economic scenarios."

1.24 In terms of the specific locational requirements of specialist or new sectors, PPG Paragraph 2a-032-20190722 states that:

"When assessing what land and policy support may be needed for different employment uses, it will be important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. Clustering of certain industries (such as some high tech, engineering, digital, creative and logistics activities) can play an important role in supporting collaboration, innovation, productivity, and sustainability, as well as in driving the economic prospects of the areas in which they locate. Strategic policy-making authorities will need to develop a clear understanding of such needs and how they might be addressed taking account of relevant evidence and policy within Local Industrial Strategies. For example, this might include the need for greater studio capacity, co-working spaces or research facilities.

These needs are often more qualitative in nature and will have to be informed by engagement with businesses and occupiers within relevant sectors."

Housing Need

1.25 Housing is highlighted above all other land uses in several places in the NPPF, including paragraphs 1, 11 and 15. This underscores the commitment the Government has made to increase house building.

1.26 NPPF Paragraph 59 states that:

"To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay."

1.27 This objective has been central to Government policy since the beginnings of Conservative and Liberal Democrat coalition[11]:

"2. One of the most important things each generation can do for the next is to build high quality homes that will stand the test of time. But for decades in Britain we have under-built. By the time we came to office, house building rates had reached lows not seen in peace-time since the 1920s. The economic and social consequences of this failure have affected millions: costing jobs; forcing growing families to live in cramped conditions; leaving young people without much hope that they will ever own a home of their own."

1.28 Subsequently, various measures were introduced, not least the first version of the NPPF. More recently a white paper explained that[12] *"the consensus is that we need from 225,000 to 275,000 or more homes per year to keep up with population growth and start to tackle years of under-supply".* MHCLG is now targeting[13] *"… the delivery of a million homes by the end of 2020 and half a million more by the end of 2022 and put us on track to deliver 300,000 net additional homes a year on average".* This results in the following stepped trajectory:

- Between 2015 and 2020, one million homes, equating to an average of 200,000 net additional new homes per annum.
- Between 2020 and 2022, half a million homes, equating to an average of 250,000 net additional new homes per annum.
- From the mid-2020s, an average of 300,000 net additional new homes per annum.

1.29 The term 'home' is used exclusively throughout MHCLG's policy documents and is often thought to be synonymous with 'dwelling'. This is not however correct; it also includes communal living such as older persons accommodation and student housing, and accommodation for travellers. For ease, where applicable, homes are converted to dwellings using multipliers derived from the 2011 Census.

1.30 The first Housing Delivery Test (HDT) results[14], which meet with the definition of 'homes', provide an insight as to how the MHCLG has fared against these targets (**Table 1.1**). The data clearly shows that with two years remaining, the target of one million homes by 2020 is achievable. However, growth between 2016/17 and 2017/18 was marginal (2.1%) and a step change in delivery will be needed to achieve an average of 250,00 net additional homes per annum in 2020/21 – 2022/23.

Table 1.1: MHCLG Targets to Boost the Supply of Housing compared to the HDT Results

	2015/16	2016/17	2017/18	TOTAL	AVERAGE
MHCLG averaged target	200,000	200,000	200,000	600,000	200,000
HDT results	195,073	222,172	226,777	644,022	214,674

11 HM Government. November 2011. Laying the Foundations: A Housing Strategy for England.
12 DCLG. February 2017. Fixing our Broken Housing Market.
13 MHCLG. May 2018. Single Departmental Plan.
14 MHCLG. February 2019. Housing Delivery Test: 2018 measurement.

1.31 NPPF paragraph 60 recognises this:

"To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for."

1.32 The LHNSM is intended as the minimum required to achieve MHCLG's targets with the indicative estimates provided with the consultation document[15] summing to 266,000 net additional homes. The intention was to adjust the standard method over time to ensure it maintained a minimum requirement close to the MHCLG's targets as they increased.

1.33 This however failed to take account of changes in the methodology used to calculate the household projections on which the LHNSM is based. Amendments were made to the relevant guidance to prevent this taking effect[16]. This is however only a temporary fix[17]:

"Over the next 18 months we will review the formula and the way it is set using National Statistics data with a view to establish a new approach that balances the need for clarity, simplicity and transparency for local communities with the Government's aspirations for the housing market."

1.34 In any event, the LHNSM is only intended as a minimum benchmark to assist progress towards meeting the MHCLG target of 300,000 net additional homes per annum. It does, however, underline the commitment that MHCLG has to boosting the supply of housing and therefore the weight it should be attributed in planning decisions.

1.35 Indeed, the concept of 'Objectively Assessed Needs' (OAN) that was introduced in the first NPPF is largely unchanged and is central to plan-making and the presumption in favour of sustainable development as set out in NPPF Paragraph 11:

"Plans and decisions should apply a presumption in favour of sustainable development.

For plan-making this means that:

a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas…"

1.36 NPPF Paragraph 23 further explains that:

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15 DCLG. September 2017. Planning for the right homes in the right places: consultation proposals.
16 MHCLG. October 2018. Technical consultation on updates to national planning policy and guidance.
17 MHCLG. February 2019. Government response to the technical consultation on updates to national planning policy and guidance.

"…Strategic policies should provide a clear strategy for bringing sufficient land forward, and at a sufficient rate, to address objectively assessed needs over the plan period, in line with the presumption in favour of sustainable development…"

1.37 When plans are examined, inspectors are required to apply four tests of soundness, as set out in NPPF Paragraph 35, the first of which is:

"Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs[19]; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;"

1.38 NPPF Footnote 19 deals specifically with housing:

"Where this relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 60 of this Framework."

1.39 This footnote is the lynchpin, connecting the concept of OAN with LHN, as explained in NPPF Paragraph 60, set out earlier. Therefore, OAN for housing is synonymous with LHN, but not the standard method (LHNSM) which is largely a way to show how collectively LPAs can meet the objective of boosting the supply of housing (i.e. NPPF Paragraph 59). It is a benchmark only using a rather crude method.

1.40 While NPPF Paragraph 60 indicates that an alternative approach to LHNSM can only be used in exceptional circumstances, this needs to be considered in the context of what it is ultimately seeking to achieve; that is, an objective assessment of housing need (i.e. NPPF Paragraphs 11 and 23) using a clear and justified method (NPPF Footnote 19).

1.41 Furthermore, as a crude benchmarking method, the LHNSM is not objective since it is tailored to meet an aspirational national target and applies a series of arbitrary caps. Consequently, the LHNSM is only a useful starting point to understanding housing need but requires testing to ensure it is objective and justified, which this report does.

1.42 In terms of exceptional circumstances, PPG Paragraph 2a-010-20190220 explains what these might comprise:

"The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Circumstances where this may be appropriate include, but are not limited to, situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests."

1.43 PPG Paragraph 2a-015-20190220 then explains how this will be tested at examination:

"Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point.

Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination.

Any method which relies on using the 2016-based household projections will not be considered to be following the standard method as set out in paragraph 60 of the National Planning Policy Framework. As explained above, it is not considered that these projections provide an appropriate basis for use in the standard method."

1.43.1 Therefore, an OAN that is lower than the LHNSM will be under greater scrutiny than one that is higher. Furthermore, the Government recognises that the LHNSM cannot predict the influence of economic changes on housing need, which is particularly relevant in the case of Shropshire.

2.0 Economic Need

Introduction

2.1 Shropshire Council's Preferred Scale and Distribution of Development document confirmed that the emerging local plan would target 300ha of employment development at a rate of 15ha per year. This is based on Economic Growth Strategy for Shropshire[18] and employment projections produced by Oxford Economics in 2016. These projections suggest that the number of jobs in the County could increase from 147,000 in 2016 to 162,000 on 2036, growth of 15,000 jobs (750 jobs per year).

Bidwells Economic Projections

2.2 A methodological note on how the Bidwells economic projections are prepared is included in **Appendix 2**. For Shropshire, these indicate the following:

- Based on the 2016-based Sub National Population Projections (2016SNPP), the economically active population of the County is projected to increase from 162,600 people in 2016 to 164,600 people in 2036, an increase of just 2,000 people.
- Unemployment is projected to decline to 3.1% by 2036, which equates to 5,100 people, which is slightly less than current levels.
- Employment is projected to increase by just 2,200 people.
- The number of jobs available in the County is projected to increase from 153,000 in 2016 to 168,000 in 2036, which equates to 140,500 and 153,900 workspaces respectively (workspaces effectively remove the influence of those people who have more than one job). This suggests growth of 15,000 jobs (750 jobs per year), which is entirely consistent with the Oxford Economics analysis.

Commuting

2.3 There is a clear issue when the number of jobs projected is compared with the number of people in employment, which is a symptom of an ageing population (see **Chapter 3**). Such disparities in jobs to labour usually manifest themselves in changes to commuting patterns.

2.4 The commuting ratio (employment divided by workspaces) in 2016 was 1.119, or 11.9% net out commuting. The Bidwells economic projections suggest that this would decrease to 1.036, or 3.6% net out commuting by 2036. This would suggest that the amount of employment and workspaces are coming into balance, reducing commuting and therefore contributing to sustainability. The reality is however somewhat different.

18 Shropshire Council. 2017. Economic Growth Strategy for Shropshire 2017-2021.

2.5 **Table 2.1** sets out commuting ratios for the County by broad industrial sector. Two sectors that dominate out-commuting are highlighted, information and communication, and financial and insurance. The Oxford Economics projections indicate that employment in both sectors is expected to grow to 2036, but neither is identified as a key growth sector in the Economic Growth Strategy. The reason for this is simply that Shropshire does not have the capability to compete with Birmingham in these sectors; according to the 2011 Census, Birmingham has 33.0% of all workspaces in the West Midlands in the financial and insurance sector, and 20.6% of those in the information and communication sector.

Table 2.1: Commuting ratios by broad industrial sector, 2011

	SHROPSHIRE
A, B, D, E. Agriculture, Energy & Water	1.01
C. Manufacturing	1.10
F. Construction	1.04
G. Wholesale & Retail Trade; Repair of Motor Vehicles/Cycles	1.01
H. Transport & Storage	1.04
I. Accommodation & Food Service	0.92
J. Information & Communication	1.25
K. Financial & Insurance	1.27
L. Real Estate	1.08
M. Professional, Scientific & Technical	1.10
N. Administrative & Support	1.04
O. Public Administration & Defence; Compulsory Social Security	0.99
P. Education	1.10
Q. Human Health & Social Work	1.01
R, S, T, U Other	1.00
All	**1.04**

Source: ONS 2011 Census Tables QS605EW & WP503EW

2.6 Consequently, these two sectors in particular are likely to see high levels of net out commuting. The reality therefore is likely that a ‘balanced’ commuting ratio in the future is likely to hide large commuting flows into and out of the County, which is far from a sustainable pattern of economic land use.

2.7 It is also worth considering the economic growth in the WMCA area. **Table 2.1** sets out the job projections and anticipated changes in commuting ratios over the 2016-2036 period.

2.8 This shows that while Birmingham and Coventry are projected to continue to grow, the net effect across the WMCA is a decline in employment. Both Birmingham and Coventry continue to be net in commuting areas, but to a lesser degree. However, the Black Country authorities see a worsening rate of net out-commuting.

2.9 In reality, it is likely that these projections are heavily influenced by the decline in the manufacturing sector over the last twenty years. The economy is restructuring, and new sectors are emerging such that the net decline in jobs is unlikely to be as stark as suggested. However, land supply constraints will also factor such that it is improbable that significant job growth is possible (discussed further in **Chapter 3**).

Table 2.2: Job and Commuting Projections for the WMCA

LPA	AVERAGE CHANGE IN JOB PER ANNUM	2016 COMMUTING RATIO	2036 COMMUTING RATIO	DIFFERENCE (%)
Birmingham	906	0.888	0.899	+12.5
Coventry	321	0.979	0.996	+26.1
Dudley	-775	1.241	1.251	+23.1
Sandwell	-161	1.046	1.052	+17.9
Walsall	-348	1.072	1.084	+21.2
Wolverhampton	-308	1.078	1.092	+18.0
WMCA	-365	-	-	-

Market Demands and the M54 Corridor

2.10 The employment land supply that the Council has identified to date as part of the preferred options is distributed across the County, with much of it in the west and associated with existing settlements. Very little is available along the M54 corridor, which is physically and economically separated from the west of the County by Telford.

2.11 Earlier this year Shropshire Council published a study they had commissioned into the strategic growth options for the M54 corridor[19]. The Economic Growth Strategy identified the M54 as a key strategic corridor:

- *"M54/A5 East growth corridor – this is linked to investment in Telford and the clustering and supply chain opportunities from existing and future companies in close proximity to this part of the County. This is a key road and rail transport corridor which reinforces Shropshire's close proximity to the West Midlands and the growth potential that will develop from the Land Commission as part of the Combined Authority structure."*

2.12 Clearly there is a disconnect between this focus and the identified employment land supply. Furthermore, as the Council discuss in their preferred options report, there is potential for some of this employment land to be used differently.

2.13 The Study concludes that:

"The strategic employment offer needs to be complementary to and not in competition with neighbouring locations (both within and outside of Shropshire) so that it distinguishes its offer from that provided locally. We recommend that a sector/market niche that builds upon

19 Avison Young. June 2019. M54 Growth Corridor – Strategic Options Study.

Shropshire's Economic Growth Strategy objectives, meets both local and inward investor needs and integrates into the existing offer/critical mass is a priority i.e. advanced manufacturing/engineering/automotive supply chain."

2.14 It also found that:

"The location of RAF Cosford within the M54 corridor is a major asset and draw for visitors, military personnel and students with many activities linked to the development of the engineering sector and its supply chain. It is our view that the complete integration of RAF Cosford as part of the developing employment offer along the M54 corridor is central for Shropshire's vision to be realised. The site currently offers military and advanced manufacturing training, with future plans to establish a hub for science, technology, engineering and mathematical (STEM) courses and the RAF Cosford Museum which is a key visitor draw."

2.15 With the exception of the land within Cosford itself, Land at J3 is the largest and nearest developable location that could be used for strategic employment uses. RAF Cosford, and the existing hub of skills clustered in this area, is key and it would therefore be disadvantageous to try and compete with it. The two offers must be complementary.

2.16 As such it is envisaged that the strategic employment area would provide a centre for innovation and skills linked to Further and Higher Education establishments; principally those nearby. The focus should be on engineering, particularly aeronautical engineering, but also other STEM-related areas. For example, the i54 employment area to the east is a growing hub for the automotive industry and it may be that some spin-offs from that which cannot be accommodated at i54 could instead be located at J3.

2.17 To date, many highly skilled individuals who have decided to leave the RAF have been lost to the County because there is not the commensurate private sector hub. Many of these individuals have voiced their desire to remain in the Cosford area; hence why the adopted Core Strategy makes provision for 1,000 dwellings towards this. J3 is therefore an opportunity to enable this, retain these considerable skills in the area, generate a larger and more skilled labour force through the links to education establishments, improve earnings and productivity.

2.18 It is anticipated that the strategic employment area would be predominantly B1, particularly light industrial and research and development, with a small amount of associated B2 heavy industry. B8 uses are specifically excluded except for ancillary storage and warehousing.

2.19 The circa 50ha is indicatively thought to be capable of accommodating approximately 256,000m^2 of gross floorspace in a range of building formats and sizes. Generally, buildings are assumed to be 1-2 (commercial) storeys, but 3-storeys might be appropriate in some locations. It is anticipated that this would ultimately support approximately 10,000 full time equivalent (FTE) jobs, although this will be phased based on market demand.

2.20 Assuming a relatively low level of productivity of £30,000 per FTE job, it is anticipated that the strategic employment area could generate some £300m gross value added (GVA) to the local economy each year.

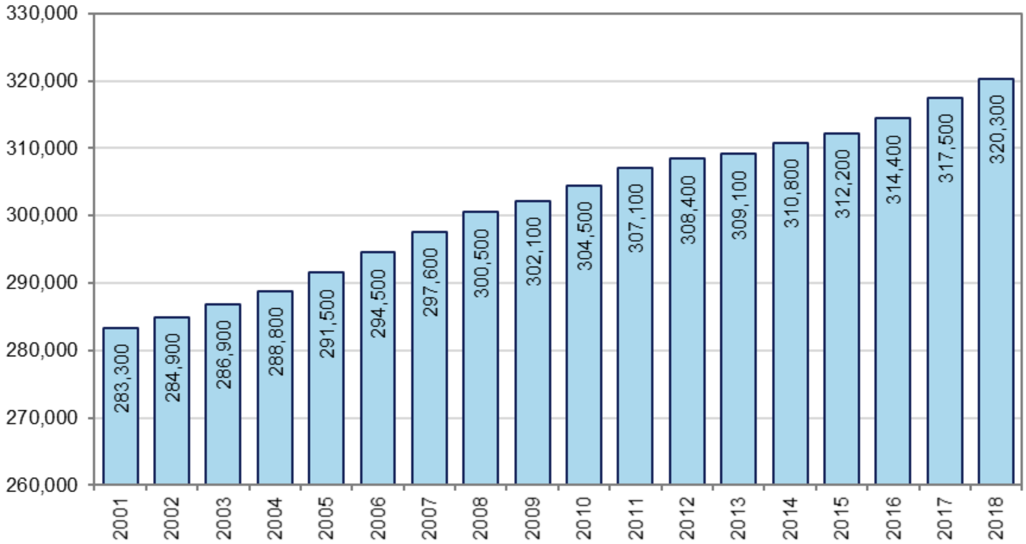
2.21 In addition, the residential element of the development is likely to support approximately 1,300 FTE jobs through retail and community uses (described further in **Chapter 4**), plus those that are likely to work at or from home.

3.0 Housing Need

Introduction

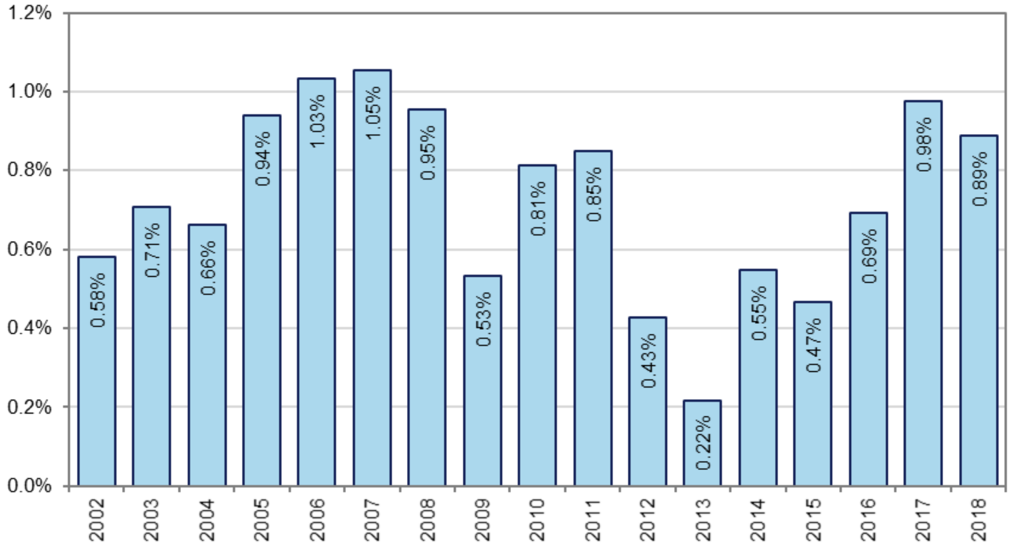
3.1 Since 2001 the population of Shropshire has increased by 37,000 people; approximately 13.1% (**Figure 3.1**). Growth, however, has not been steady throughout this period (**Figure 3.2**). Like much of the country, the highest levels of growth were seen in the run-up to the 2008 recession. Since then growth has been erratic but has increased to pre-recession levels in the past two years.

Figure 3.1: Population Growth



Source: ONS Mid-Year Population Estimates

Figure 3.2: Annual Percentage Change in Population

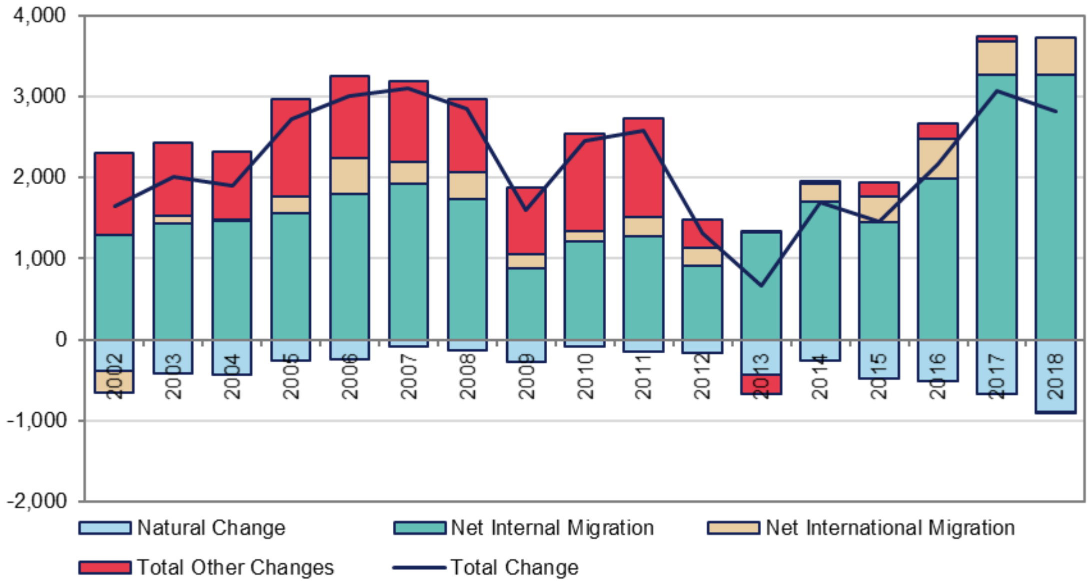


Source: ONS Mid-Year Population Estimates

3.2 Population growth has largely been a result of net in-migration from the rest of the UK (**Figure 3,3**). Net migration (births less deaths) has been consistently negative since 2001. Net international migration has generally been positive but minimal.

3.3 Other changes include various adjustments made between the 2001 and 2011 censuses and reflect errors in the methods used at the time to estimate population. Adjustments since 2011 are relatively small but most likely reflect movements of armed forces personnel.

Figure 3.3: Components of Change



Source: ONS Mid-Year Population Estimates

Official Projections

3.4 The current official projections comprise the 2016-based Sub National Projections and Household Projections (2016SNPP and 2016HP respectively). For Shropshire, these suggest the following:

- Population is projected to increase from 314,390 people in 2016 to 334,790 people in 2036, growth of 20,400 people or 1,020 people per year.
- Total net migration is projected to average +2,170 people per year.
- Natural change is projected to average -1,170 people per year.
- The median age for males and females is projected to increase from 45.4 and 47.9 respectively in 2016, to 49.8 and 53.1 respectively in 2036.
- Households are projected to increase from 135,540 in 2016 to 153,800 in 2036, growth of 18,260 households or 913 households per year.
- Dwellings are projected to increase from 140,620 in 2016 to 159,560 in 2036, growth of 18,940 dwellings or 947 dwellings per year.

- The labour force is projected to increase from 162,570 in 2016 to 164,580 in 2036, growth of 2,010 workers or 101 workers per year.
- Workspaces are projected to increase from 140,490 in 2016 to 142,270 in 2036, growth of 1,780 workspaces or 89 workspaces per year.

3.5 Clearly the increasing average age of the population is projected to have a significant effect on the ratio of those in employment to the total population (51.7% in 2016 to 49.2% in 2036). This dependency ratio is a good indicator of the potential growth on demand for social care relative to public sector income from taxes. Since the number of children (aged 0-15) is projected to decrease from 52,300 in 2016 to 49,180 in 2036, growth will be dominated by the generally more expensive per person adult social care.

Official Projections with Adjusted Household Representative Rates

3.6 As set out in **Appendix 3**, there are significant issues with the Household Representative Rates (HRRs) applied in the 2016HP when the projections are used to determine future housing need. The Government’s current standard method (the LHNSM referred to in Chapter 1) suggests a need for 1,212dpa but this is based on the previous 2014HP that used a different methodology, plus an adjustment for house price affordability.

3.7 Bidwells have produced an alternative method of calculating housing need using the 2016HP and then making direct adjustments to the HRRs for younger cohorts. As discussed in **Appendix 3**, this not only achieves the Government’s national target of 300,000dpa by the mid-2020s, the distribution of housing need across the country is significantly more aligned with the previous Strategic Housing Market Assessments (SHMAs) than the LHNSM.

3.8 Rerunning the model with the Bidwells HRRs does not make any changes to the population or labour force. It results in the following:

- Households are projected to increase from 135,540 in 2016 to 164,030 in 2036, growth of 28,490 households or 1,425 households per year.
- Dwellings are projected to increase from 140,620 in 2016 to 170,170 in 2036, growth of 29,550 dwellings or 1,478 dwellings per year.

3.9 This level of growth is clearly consistent with ‘High Growth’ scenario that Shropshire Council decided to pursue in the local plan of 1,437dpa.

Employment-Led Projections

3.10 The current version of the NPPF makes no provision for employment-led projections. This is because the LHNSM is meant to sum to the total national housing need; any substantial adjustments to this would undermine it. Instead, employment-led projections can assist in understanding if there should be a redistribution of housing need between local authorities where, for example, they share a housing market area (HMA) or travel to work area (TTWA).

3.11 Bidwells' economic projections suggest that workplaces (jobs with a subtraction for double jobbing) in Shropshire would increase from 140,490 in 2016 to 153,900 in 2036, growth of 13,410 workspaces or 671 workspaces per year.

3.12 Historically, Shropshire has seen net out-commuting, which is not surprising given the major employment centres nearby, not least Telford and Wolverhampton. To achieve this level of job growth, commuting would need to become almost balanced with the number of jobs equalling the size of the resident labour force. While this might theoretically be a sustainable scenario, the reality is much more complex.

3.13 Local plans are produced to reflect administrative boundaries rather than functional market areas. Therefore, it is fundamental that a local plan recognises existing intrinsic cross-boundary relationships, such as commuting. It would be irrational to expect a local plan to assume that the administrative area's resident labour force would work within that area, particularly where there are such diverse employment opportunities just across the border. Indeed, job growth between 2007 and 2016 increased by an average of 1,690 workspaces per year, yet the commuting ratio remained largely unchanged at approximately 1.12.

3.14 Consequently, rather than seeking to adjust commuting patterns, which is likely to be impossible, it is necessary to consider if the housing requirement can be adjusted to meet the economic need. For Shropshire, these employment-led projections, using Bidwells HRRs, suggest the following:

- Population is projected to increase from 314,390 people in 2016 to 355,840 people in 2036, growth of 41,450 people or 2,073 people per year.
- Total net migration is projected to average +4,170 people per year.
- Natural change is projected to average -1,170 people per year.
- The median age for males and females is projected to increase from 45.4 and 47.9 respectively in 2016, to 49.2 and 52.2 respectively in 2036.
- Households are projected to increase from 135,540 in 2016 to 175,250 in 2036, growth of 39,710 households or 1,986 households per year.
- Dwellings are projected to increase from 140,620 in 2016 to 181,810 in 2036, growth of 41,190 dwellings or 2,060 dwellings per year.
- The labour force is project to increase from 162,570 in 2016 to 178,020 in 2036, growth of 15,450 workers or 773 workers per year.
- Workspaces are projected to increase from 140,490 in 2016 to 153,900 in 2036, growth of 13,410 workspaces or 671 workspaces per year.

Discussion

3.15 The employment-led projections suggest a need for 41,190 dwellings over the 20-year period compared to the 29,550 dwellings suggested by the revised demographic-led projections, a difference of 11,640 dwellings.

3.16 By contrast, the emerging local plan suggests a need for 28,750 dwellings, plus potentially a further 3,000 dwellings to help address the unmet needs of the Black Country Authorities area located to the east. This would total 31,750 dwellings. Since the demographic-led projections are relatively consistent with the Council's proposed target, it is the additional 11,640 dwellings suggested in the employment-led projections and the 3,000 additional dwellings to meet the Black Country's unmet needs that seem out of balance.

3.17 The employment-led projections would suggest that the emerging local plan requirement would lead to a deficit of 9,440 dwellings, which might suggest that the local plan requirement should be adjusted upwards accordingly. However, this needs to be considered in context.

3.18 First, the employment-led projections assume that net commuting remains fixed at 2016 levels. As discussed above, this is reasonable given that net commuting has remained relatively static over the previous ten years. However, Shropshire Council could adopt a policy of seeking to attract-back workers. This would only work however if housing and employment uses are suitably co-located to make living and working in the County an attractive alternative.

3.19 Second, population growth in the employment-led projections is driven by migration. The model however assumes this migration would have the same age/sex profile seen in previous years, which is not necessarily the case. Whereas migration in previous years has likely been a mixture predominantly of those seeking employment and those seeking to retire, it is likely that future migration would be skewed more towards those seeking employment, which are likely to be younger and have lower rates of household formation. This would suggest that less housing would be needed to provide the same sized labour force.

3.20 Third, accurate long-term local economic projections are notoriously difficult to achieve due to the constant changes to work practices and national and global influences that cannot be anticipated. However, the Bidwells economic model is benchmarked against other leading models and in the case of Shropshire has a particularly high correlation to the projections produced by Oxford Economics that form part of the Council's evidence base. Consequently, while the projections are as accurate as possible, it is equally possible that changing work practices would mean that less employment would be needed, which would result in less housing need.

3.21 Fourth, LPAs are now obliged by law to review their local plans every five years. In addition, it is unlikely that the housebuilding sector could make the substantial stepped increase in completions required by the employment-led projections within the next few years. Therefore, it is reasonable to plan at this stage for 31,750 dwellings (28,750 + 3,000) over the 20-year period at a rate of 1,588dpa with a policy in the local plan stating that the five-yearly review should specifically consider if the housing requirement should be adjusted further upwards to reflect employment-led need and the unmet needs of neighbouring authorities.

4.0 Social Infrastructure

Introduction

4.1 To introduce a new settlement into an area requires a detailed analysis of the social infrastructure necessary to support it. In some instances, existing infrastructure in the area can be used, where there is capacity; in others the new settlement provides an opportunity to invest in infrastructure that is already over stretched.

4.2 At this stage of the process, however, it is difficult to determine exactly how social infrastructure will be implemented, or indeed how much is needed. This is because standards of provision, demographics, financial constraints and simple onsite practicalities are all likely to evolve in the intervening period. Consequently, the key is flexibility to ensure the new settlement can adapt as necessary.

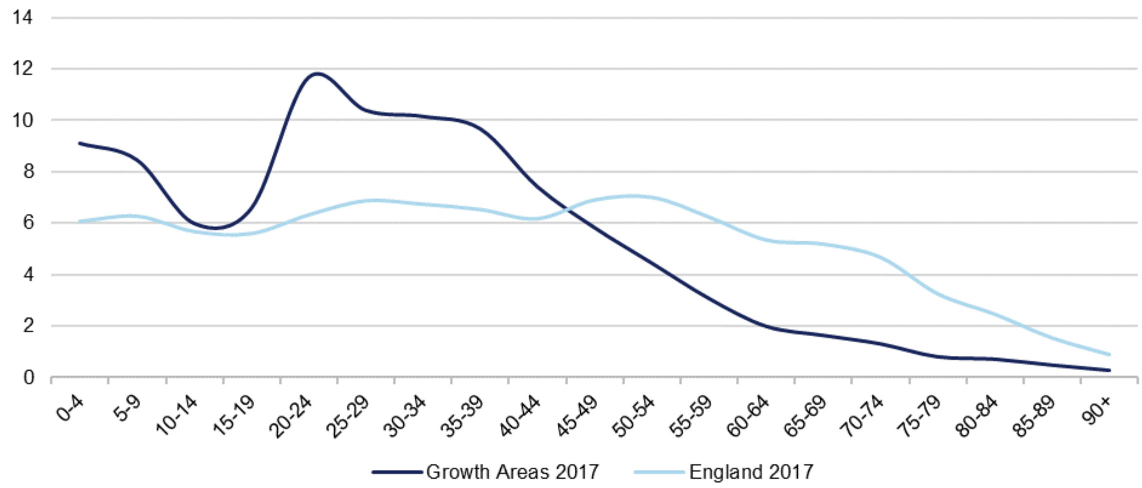
The Resident Population

4.3 Analysis of the population projections and 2011 Census suggests that the 3,000 dwellings would likely accommodate a population in excess of 7,000 people. Of these, approximately 1,300 are anticipated to be aged 0-16.

4.4 However, care needs to be taken when considering these. There is growing evidence that new settlements attract younger populations and J3, with its employment offer, is likely to be typical of this.

4.5 **Figure 4.1** sets out the difference in age profile between England and the highest population 'Growth Areas' in the country. It shows that generally the adult population is, proportionally, significantly younger than the national picture. Furthermore, the child population is also proportionally younger.

Figure 4.1: Comparison of England and Growth Area Age Profiles (%), 2017



Source: Bidwells analysis of ONS Small Area Population Estimates

4.6 The high growth areas were defined by comparing growth patterns at the Lower Super Output Areas (LSOAs) level between 2002 and 2017. Of the 32,844 LSOAs that cover England, 39 were found to fall within the following parameters:

- Population growth of at least 25% in the five years 2012-2017;
- Population growth of at least 50% in the ten years 2007-2017;
- Population growth of at least 100% in the fifteen years 2002-2017; and
- Is not defined as either a major or minor conurbation in the 2011 Rural Urban Classification.

4.7 The latter ensures that inner city areas are removed, which are likely to have a very different built form to new settlements and major extensions to existing settlements. Combined, these areas saw growth of over 1,200% between 2002 and 2017, compared to national growth of 12% over the same period.

4.8 The high proportion of children aged 0-9 is likely to relate primarily to children born in the Growth Areas and associated with the high proportion of adults aged 30-44, although there will certainly be some families moving into the areas. This is also likely to chart the end of the period of increased fertility rates seen between 2006 and 2011.

4.9 The increase in fertility was almost certainly driven by the increase in net international migration, which primarily comprised young adults. Over time, the age profile of net international migration has been less skewed towards young adults, and the overall numbers of young adults staying in the UK long term (and therefore likely to have a family) has declined. At the time of writing it is unclear how future foreign policy will influence net international migration numbers and patterns. However, it is unlikely that such a significant increase in fertility rates will be seen at least in the next decade.

4.10 The comparable proportion of children aged 10-19 is likely to be primarily associated with children that moved to the Growth Areas aged 0-9; generally, families appear less likely to move once children are at secondary school. This is in part due to wanting to provide a stable setting while children are undertaking their exams, but also partly due to families moving before children are of secondary school age to ensure they are living in their preferred school catchment area. This is also likely to be partly the reason why adults in their 40s and 50s are underrepresented in the Growth Areas.

4.10.1 The significant difference in the proportion aged 20-24 is assumed to relate to high density student accommodation with LSOAs in Cambridge, Southampton and Coventry included in the growth areas. It could also be indicative of increased sharing amongst this age group, either as grown-up children in family housing or groups of young adults sharing the housing costs.

4.10.2 Finally, the low proportion of people aged 60+ is likely to be due to inertia with many people of this age being happy in their homes (which they may now own without a mortgage or is now seen as ‘the family home’).

4.10.3 It should be noted that **Figure 4.1** reflects a snapshot in time for these Growth Areas. As the areas mature, the differences in age profile from the national average will begin to change. Within another 20 years the differences are likely to be marginal. This maturing of the resident population is a key factor in determining how a new settlement should be built out.

General Wellbeing

4.11 Health and wellbeing are now central to the NPPF and are now considered integral to the design of any new development. This is expanded upon in the Bidwells Development Principles Document, but it is relevant to consider it in broad terms here.

4.12 Wellbeing is largely about creating environments that people can feel comfortable and relaxed, minimise stress and physical harm (including through pollutants) while facilitating exercise and enjoyment. Clearly, not all people will respond equally positively to all environments all the time; some may at times prefer much quieter, isolated natural environments, whilst others may prefer more active or animated settings. Consequently, it is essential that new settlements provide a mosaic of environments.

4.13 In providing this mosaic, it is also possible to create interesting walkable and cyclable routes, reducing the desire to use the car for short journeys. For example, parks can be linear, along clear desire lines, interspersed with play areas, more naturalised areas and areas of open space. On crossing a road, or even a junction with another desire line, there could be public art and meeting places. All need to be designed in such a way to be safe and feel secure.

4.14 Hubs can be created, within walkable distance of one another, linking into the strategic employment area and the wider countryside. Hubs could be themed, although not exclusively so:

- Retail centre, providing local shopping needs.
- Healthcare and childcare.
- Sports.
- Hospitality and conferencing.

4.15 In addition to the broad theme, each could have community facilities and cafes, providing activity and surveillance. For example, one hub could be adjacent to formal open space providing pitches for a variety of sports. A hall could serve the local community while providing changing facilities in support of the pitches, possibly at a cost towards its upkeep. Storage space for maintenance equipment may also be included if needed. A community café might also be possible, opening during active periods. Such halls are particularly desirable for children's clubs, such as scouts and guides, because the availability of open space significantly increases the opportunities they can provide to their participants.

4.16 Overall, the intention is to provide an environment that is beneficial for users and residents alike, but in such a manner that it remains maintainable and financially viable in the long term.

Education and Child Services

4.17 Discussions with the Shropshire local education authority (LEA) have indicated that it is possible that J3 would only need to accommodate one two-form entry (2FE) primary school, which would have capacity for 420 pupils. It is possible that any demand in excess of this (current analysis suggests at least 500 primary school aged children) could be accommodated in existing schools.

No provision is required for secondary schooling, despite an anticipated population of 400 secondary school aged children, due to plans to expand current schools.

4.18 However, as discussed earlier, the population is likely to be younger than anticipated by the LEA, with a birth rate that is higher than elsewhere in the County. Furthermore, the presence of the strategic employment area is likely to maintain a relatively young population with those reaching retirement age likely to prefer to move to quieter areas and replaced by younger families. As such it is key that enough land is set aside to ensure flexibility should this occur.

4.19 This being the case, provision is being made for two 2FE primary schools, plus a small secondary school. Should the second primary school not be required it could be used for an alternative community use, or further housing. The land for the secondary school will be predominantly formal open space that could be used by the rest of the community when not needed for education. As such, it would only be the footprint of the building itself that could be used for something else. Its location in the indicative masterplan means that this could be used for a wide variety of alternative uses.

4.20 Even if there is not necessarily the need for the secondary school, it might still be implemented, possibly as a free school or college associated with the strategic employment area. There are clear synergies here that could be explored to facilitate high quality learning and high academic qualifications, with direct pathways into rewarding careers.

4.21 Another consideration is the distances to nearby existing schools. There are no schools in Tong or Cosford. The closest primary schools in Shropshire are likely to be St Mary's (CofE) and Albrighton, both in Albrighton. Shifnal and St Andrew's (CofE), both in Shifnal, are alternatives that could be accessed using Stanton Road. The only nearby secondary school is Idsall, which is understood to already being considered for expansion.

4.22 In terms of nurseries, it is assumed that at least one will be included at the first primary school. Depending on local demand, a second could be implemented at the second primary school; enough land has been provided.

4.23 Pre-schools will be another requirement, but need to be considered as part of the wider need for community halls etc. Generally, pre-schools are not viable in isolation despite being a statutory requirement. Therefore, they often rent community halls or rooms during the week, which provides a regular income towards their upkeep. Co-location with other services, such as healthcare is key to facilitating outreach services such as parent and baby groups etc.

Healthcare

4.24 In terms of primary healthcare, it is anticipated that there will be a need for a new medical centre at J3 with 2-3 full time equivalent GPs and a range of support services. Given the growth elsewhere in the M54 corridor, it is anticipated that current practices would not be able to accommodate all this growth. However, some consideration will need to be given to the phasing of the medical centre to ensure that it is delivered prior to existing services being over-reached but not so early that it becomes a financial burden. As such it would be preferable that this medical centre at least starts as a branch of an existing neighbouring practice. Potentially in the earliest years of the development, a satellite service could operate from a community hall or primary school (which is likely to be under occupied for several years) as an interim measure.

4.25 As discussed above, it will be fundamental to ensure that the medical centre is co-located with other services, such as a dentist, pharmacy and pre-school.

Recreation and Open Space

4.26 The NPPF at Paragraph 96 states that:

"Access to a network of high quality open spaces and opportunities for sport and physical activity is important for the health and well-being of communities. Planning policies should be based on robust and up-to-date assessments of the need for open space, sport and recreation facilities (including quantitative or qualitative deficits or surpluses) and opportunities for new provision. Information gained from the assessments should be used to determine what open space, sport and recreational provision is needed, which plans should then seek to accommodate."

4.27 The TCPA in its guidance on the delivery of Garden Communities[20] suggests that:

"Using a landscape-led approach, at least 50% of a new Garden City's total area should be allocated to green infrastructure (of which at least half should be public), consisting of a network of multi-functional, well managed, high-quality open spaces linked to the wider countryside."

4.28 The indicative masterplan makes provision for over 400ha of open space, not including school playing fields, which equates to 57ha per 1,000 residents. The commonly held national standard is just 2.4ha (six acres) per 1,000 people[21].

4.29 How this open space is actually used is dependent on several factors, including competing uses (drainage, ecology, archaeology, etc.) and the wishes of the local community. Several formal pitches will be provided at the schools, with further planned elsewhere in the development (see the Development Principles Document). Less formal spaces are, however, likely to dominate with pedestrian and cycle ways providing access to the wider countryside, to the benefit of both residents and employees.

Other Community Facilities

4.30 Several references have already been made to community halls, which are considered fundamental to creating cohesion early in the delivery. Community halls are, however, difficult to finance in the long term, particularly when it is desirable for them to be as inexpensive to hire as possible to allow the creation of local groups.

20 TCPA. December 2017. Garden City Standards for the 21st Century, Guide 3: Design and Masterplanning.
21 Fields in Trust. October 2015. Guidance for Outdoor Sport and Play: Beyond the Six Acre Standard.

4.31 One way of providing more financial security is to design the community halls in such a way that they can be used for a wide variety of uses, and appeal to regular users. Furthermore, it is theoretically possible for various desirable public sector uses that would not necessarily be financially viable individually to be co-located.

4.32 For example, a library is unlikely to be viable for a 3,000 dwelling new settlement. However, it may be viable when housed in one room of a community hall. Similarly, a room could be set aside for the County Council, allowing officers and council members to meet residents locally. Similarly, the police may wish to have space available should they require it, rather than needing a manned station in the new settlement.

4.33 Private sector uses that have a community benefit could also be co-located. Cash machines can provide a rental income. Post office counters are highly desirable, as are small newsagent-type shops or cafes/pubs.

4.34 These are models that are being formulated across the country and Bidwells will continue to monitor their progress with a view to implementing the best options for the local community at J3.

5.0 Conclusions

5.1 This report has considered the Objectively Assessed Needs for housing and employment in Shropshire. It has found that the housing target proposed by the Council of 28,750 dwellings between 2016 and 2036 (1,437dpa) is likely to be appropriate to meet the demographic-led needs. However, it is insufficient to meet the housing needs generated by the projected growth of jobs in the County.

5.2 It is likely that some of these jobs could be filled by residents that would otherwise commute outside of the County. These are, however, likely to be limited as many out-commuters are employed in industrial sectors that are not expected to see significant growth in the County. Other jobs could be filled by residents of the Black Country, which is projected to see significant housing growth but declines in job growth. However, for this to work, employment sites would need to be located close to the Black Country to limit the impact on transport networks and wider sustainability objectives. Finally, it is probable that the availability of jobs may entice a younger mix of in-migrants than has traditionally been seen, which would provide a larger resident labour force. Overall, however, the most sustainable solution would be to provide additional housing near the employment land.

5.3 The current methods of calculating housing need advocated in the NPPF do not allow for economic-led housing need. Instead it is necessary to identify a source of the housing, relocating it from elsewhere. The alternative is to relocate the economic need to the source of the housing, although this is generally more difficult to achieve.

5.4 In the case of Shropshire, The Black Country Authorities have already indicated that they will not be able to meet their projected housing and employment needs due to land supply constraints, predominantly due to the Green Belt.

5.5 Potentially, the Black Country could simply remove enough land from the Green Belt to meet their needs. This will however fail due to the amount of housebuilding this would result in, in a relatively small area. Furthermore, housing needs are unlikely to abate significantly in the future and a long-term solution is required. Removing enough land from the Green Belt now will simply mean that in a decade's time another tranche of land will need to be removed.

5.6 Other possible solutions are explored but it is clear that a blended approach is necessary with the housing need dispersed such that it allows the market to deliver the needed supply without saturating it in a small area. This dispersal however needs to be informed by sustainable transport links and land use patterns to ensure that environmental impacts are minimised.

5.7 The Land at J3 proposals achieves these objectives:

- It provides a strategic employment area within an existing transport corridor, close to an existing growing hub for advanced manufacturing and training.
- The strategic employment area is located close to transport links into the Black Country, such that it can provide employment opportunities for an area that is anticipated to see a decline in jobs.

- It provides housing close to the strategic employment area to reduce the needs for commuting, creating a sustainable new settlement.
- It provides strategic employment and housing as close as possible to the Black Country to meet some of its unmet needs.

5.8 In creating this new settlement, it is fundamental that the right social infrastructure is provided such that it becomes a truly sustainable settlement. The key to this is to provide enough land for flexibility. The report discusses the issues in estimating the age profile of the new settlement given that it is likely to attract a different demographic from that of traditional in-migrants to the area. As such, an over provision of land for education is provided to ensure that the flexibility is integral to the masterplan.

5.9 The masterplan intentionally significantly overprovides for open space, creating opportunities for a mosaic of different settings, benefiting the health and wellbeing of both residents and those in employment in the area.

5.10 Other community facilities are proposed in hubs to create walkable neighbourhoods in a manner that allows for flexible arrangements that can improve their overall long-term financial viability.

5.11 The conclusion therefore is that the proposed Land at J3 will make a significant positive contribution to the area, benefitting the economics of both Shropshire, the Black Country and the wider West Midlands. It is therefore recommended that it becomes integral to the emerging local plan.

APPENDIX 1
LHNSM CALCULATION, SEPTEMBER 2019

Step 1 - Setting the baseline

Set the baseline using national household growth projections (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period). Note that the figures displayed are rounded and individual cells need to be viewed in order to see the full number.

For Shropshire:

- Current year = 2019, 2014HP = 138,844 households
- Tenth year = 2029, 2014HP = 148,490 households
- Stage 1 result, average households = 965dpa

Step 2 - An adjustment to take account of affordability

Then adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area.

The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used.

No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent. To be able to apply the percentage increase adjustment to the projected growth figure we then need to add 1.

Where an adjustment is to be made, the precise formula is as follows:

$$Adjustment\ factor = \left(\frac{Local\ affordability\ ratio\ -4}{4}\right) x\ 0.25 + 1$$

For Shropshire:

- Median house price, 2018 = £215,000
- Median gross workplace earnings, 2018 = £26,519
- Affordability ratio (house price / workplace earnings) = 8.52
- Adjustment factor = ((8.53 – 4)/4) x 0.25 +1 = 1.26
- Stage 2 result, 965dpa x 1.26 = 1,212dpa

Step 3 - Capping the level of any increase

A cap is then applied which limits the increases an individual local authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.

Where these policies were adopted within the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.

This also applies where the relevant strategic policies have been reviewed by the authority within the 5 year period and found to not require updating.

For areas covered by spatial development strategies, the relevant strategic policies are those contained within the spatial development strategy. For example, where a requirement figure for an authority in a spatial development strategy differs from that in a local plan, the figure in the spatial development strategy should be used.

Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:

- a. the projected household growth for the area over the 10 year period identified in step 1; or
- b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).

For Shropshire:

- The Core Strategy is more than five years old
- The Stage 2 result is less than 40% greater of Stage 1
- The Stage 2 result is less than 40% of the average annual housing requirement of 1,375dpa
- **Stage 2 result = 1,212dpa**

APPENDIX 2
ECONOMIC PROJECTIONS

Introduction

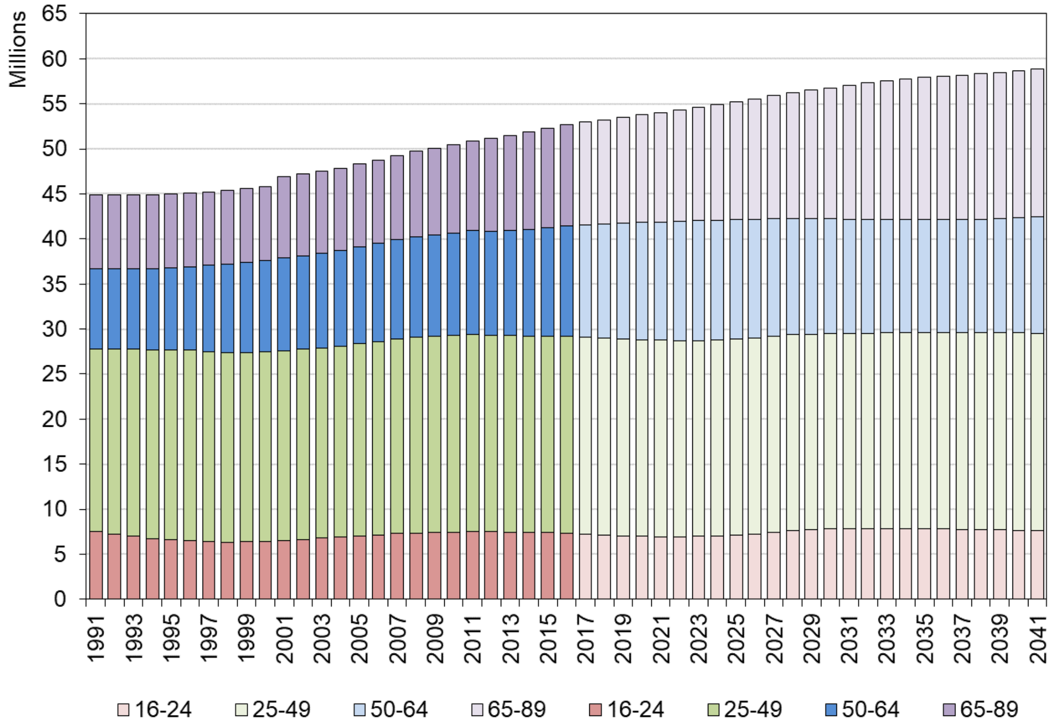
The purpose of this economic model is to provide a broad indication of employment in the future over various geographic areas. It is not intended to predict the implications of future economic policy or consider wider economic outputs.

Projecting Labour Force

Labour force is determined by first understanding the number of people aged 16 or more that are economically active. This is then divided into those that are employed and those that are unemployed.

Age and sex are significant factors in understanding economic activity and the changing age profile of the UK population will have a significant effect on the structure of the labour force in the future. **Figure 1** shows the Mid Year Population Estimates (MYPE)[1] by broad age range from 1991 to 2016, and then shows the 2016-based National Population Projections (2016NPP, principal projection)[2].

Figure 1: UK population estimates and projections by broad age range (1991-2041)



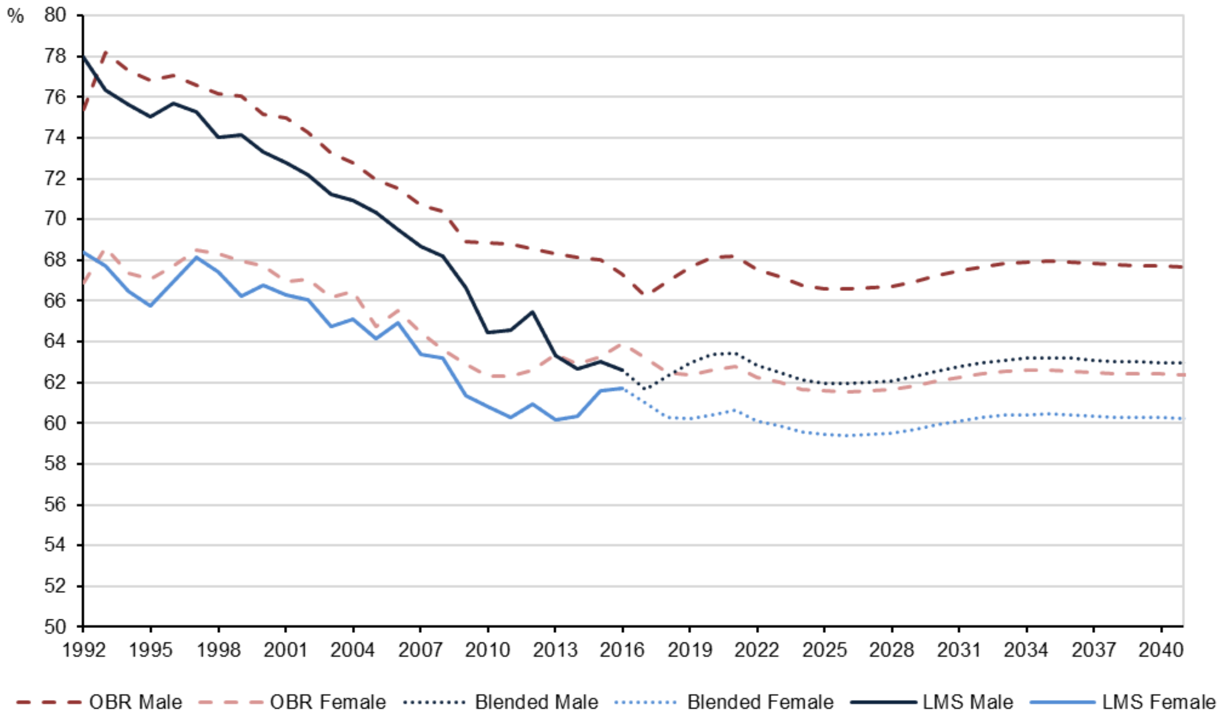
1 ONS. Annual publication. Population estimates for the UK, England and Wales, Scotland and Northern Ireland Statistical bulletins.
2 ONS. 26 October 2017. National Population Projections: 2016-based statistical bulletin.

Labour market statistics (LMS) are published monthly by ONS[3]. From these, economic activity rates (the percentage of the population that are economically active) can be calculate by age and sex. In addition, the Office for Budget Responsibility (OBR) provide forecasts of future changes in participation rates, which are similar to economic activity rates[4].

Unfortunately, due to differences in methodology, there are small differences between the available economic activity rates and participation rates for the period 1992 to 2016. To remedy this and provide a seamless dataset, the LMS data is used for 1992-2016. For 2017-2041, the average change in the OBR participation rates is applied to the economic activity rates to create blended rates. **Figures 2 to 6** set out the resulting blended rates.

The greatest variation between the LMS and OBR data is found in those aged 16-24, particularly amongst females. This is largely due to issues with this relatively small cohort and the difficulty in classifying individuals as economically active when they are only active outside of term times. However, the size of this cohort means that the difference is of little significance to the total economically active population.

Figure 2: Comparison of LMS and OBR economic activity estimates (aged 16-24)

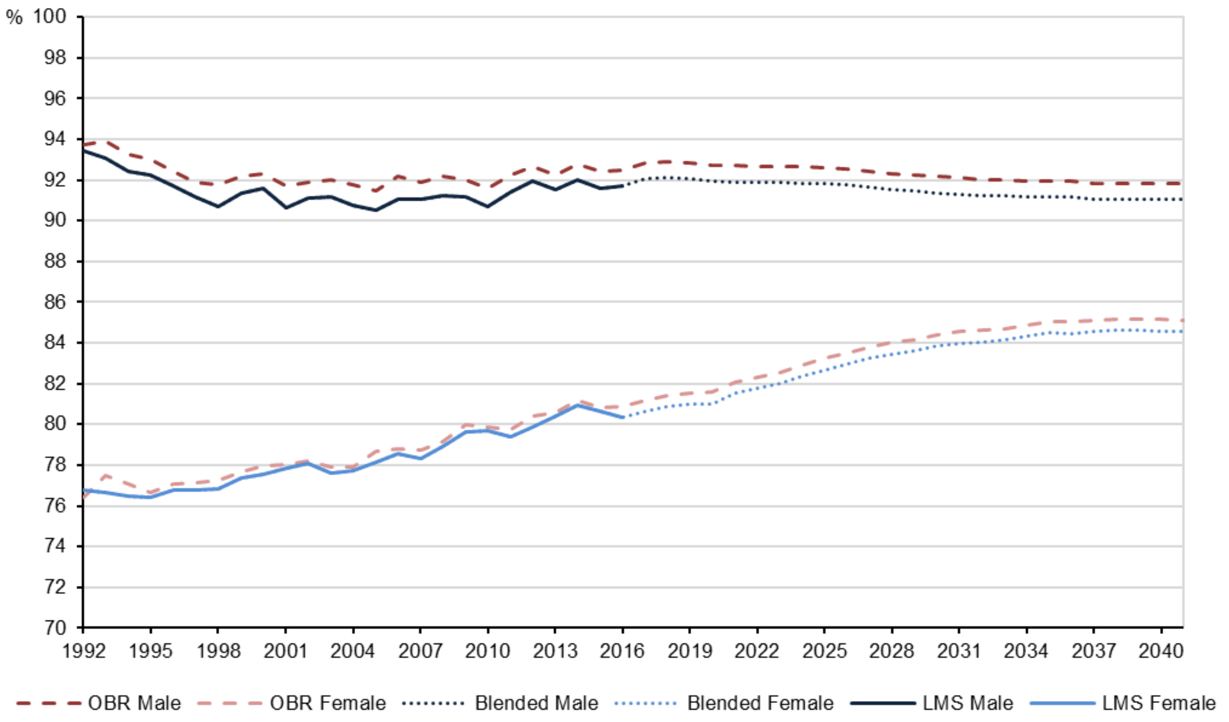


3 ONS. Monthly publication. A05 SA: Employment, Unemployment and Economic Inactivity by Age Group (Seasonally Adjusted).

4 OBR. 17 July 2018. Fiscal Sustainability Report – July 2018.

Figure 3: Comparison of LMS and OBR economic activity estimates (aged 25-34)

Figure 4: Comparison of LMS and OBR economic activity estimates (aged 35-49)



The OBR rates consider how participation is likely to change as a result of changes to statutory pensionable age and the effect this may have on retirement. This results in the gap between male and female economic activity closing significantly for older persons, as shown in **Figures 5 and 6**.

Figure 5: Comparison of LMS and OBR economic activity estimates (aged 50-64)

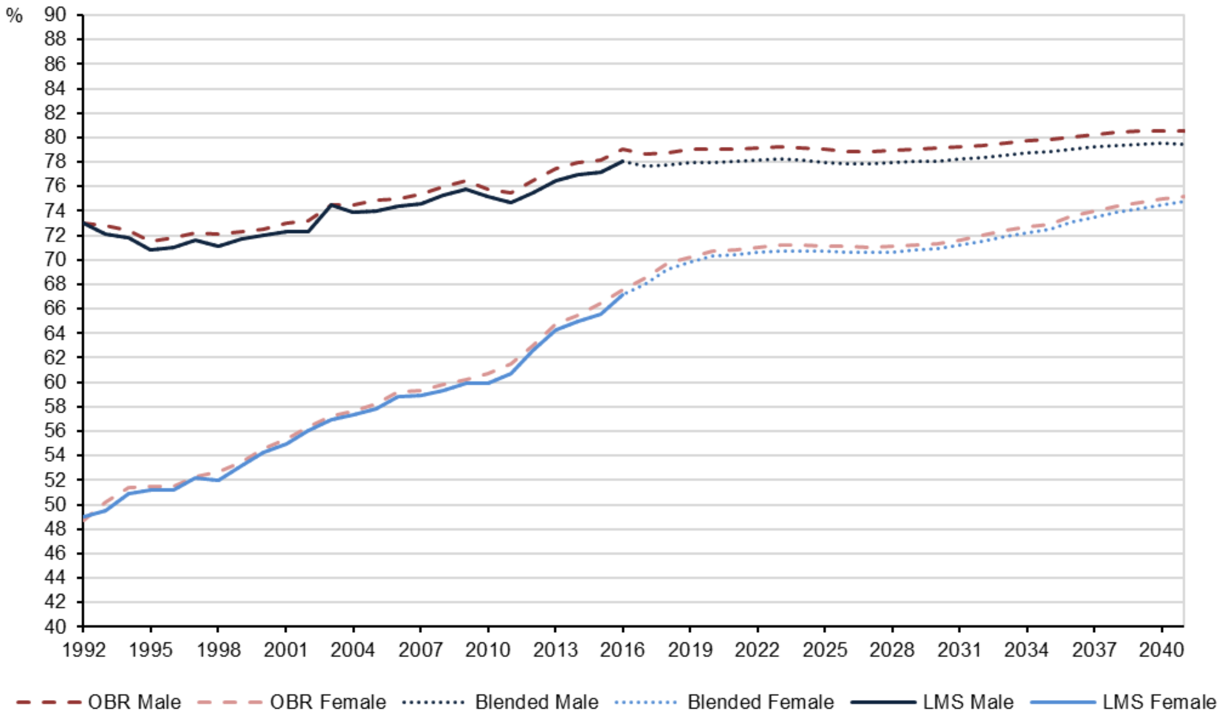
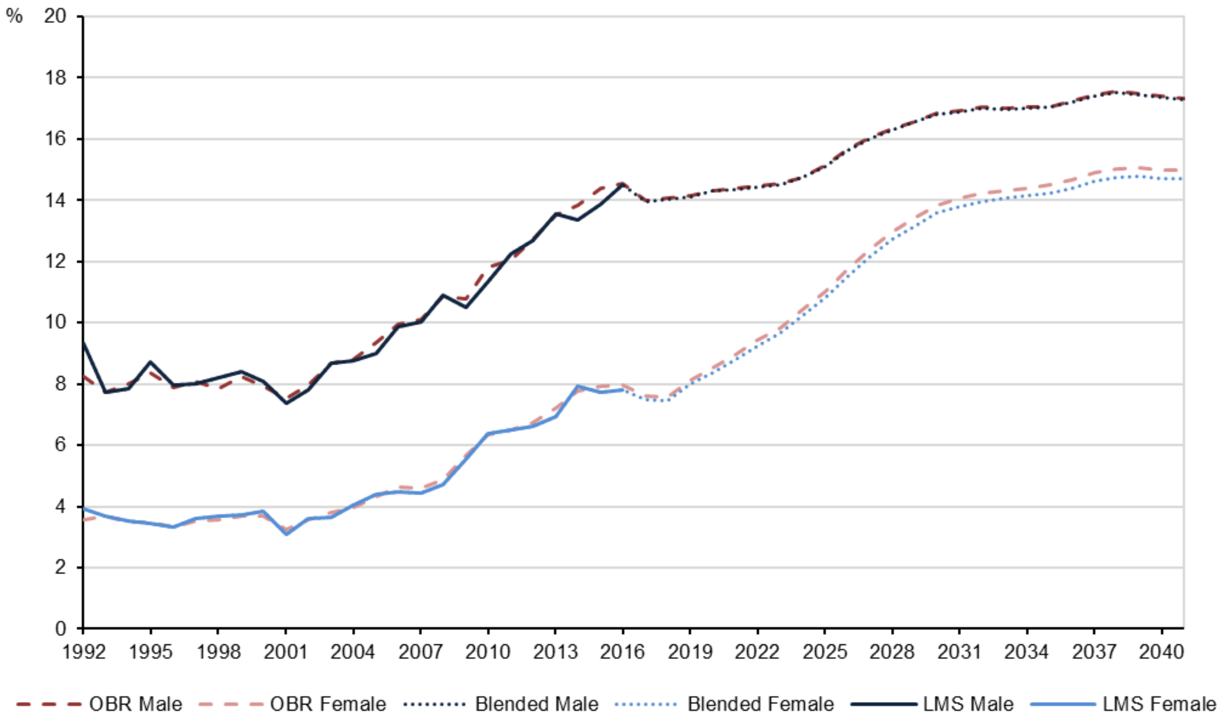
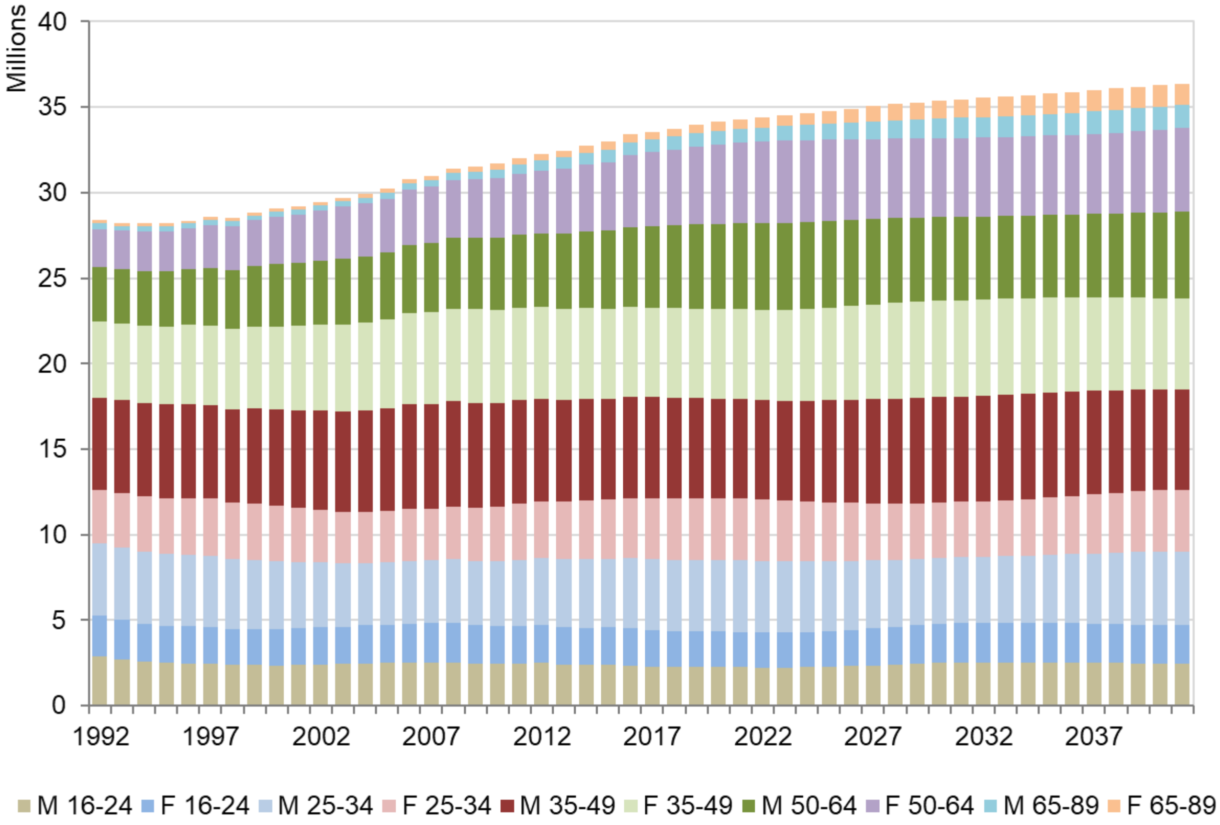


Figure 6: Comparison of LMS and OBR economic activity estimates (aged 65-89)



With these blended economic activity rates, it is then possible to project the scale of the economically active population (**Figure 7**).

Figure 7: Economic active population projections



Unemployment data for 1992-2016 is also included in the ONS LMS. This is projected by considering the relationship of unemployment rates to economic activity rates as a ratio for each age/sex cohort. This is because the population that is economically inactive, depending on their economic outlook, may seek employment. For example, in periods of recession, older persons may decide to retire early and younger people may not be able to afford to be in full time education. This is a complex relationship that is not fully researched and consequently the longest term possible (1992-2016, 25-year period) average annual change is used to project unemployment rates. The resulting unemployment rate projections are shown in **Figure 8** and the scale of unemployment shown in **Figure 9**.

Both **Figure 8 and 9** indicate an issue with growing unemployment among those aged 16-24, even though economic activity rates are projected to fall (**Figure 2**). This may be an issue that the Government might seek to address through a policy intervention. However, this is beyond the scope of these projections.

Employment is then simply the number of people that are economically active less those that are unemployed for each year and age/sex cohort.

Figure 8: Unemployment rate projections

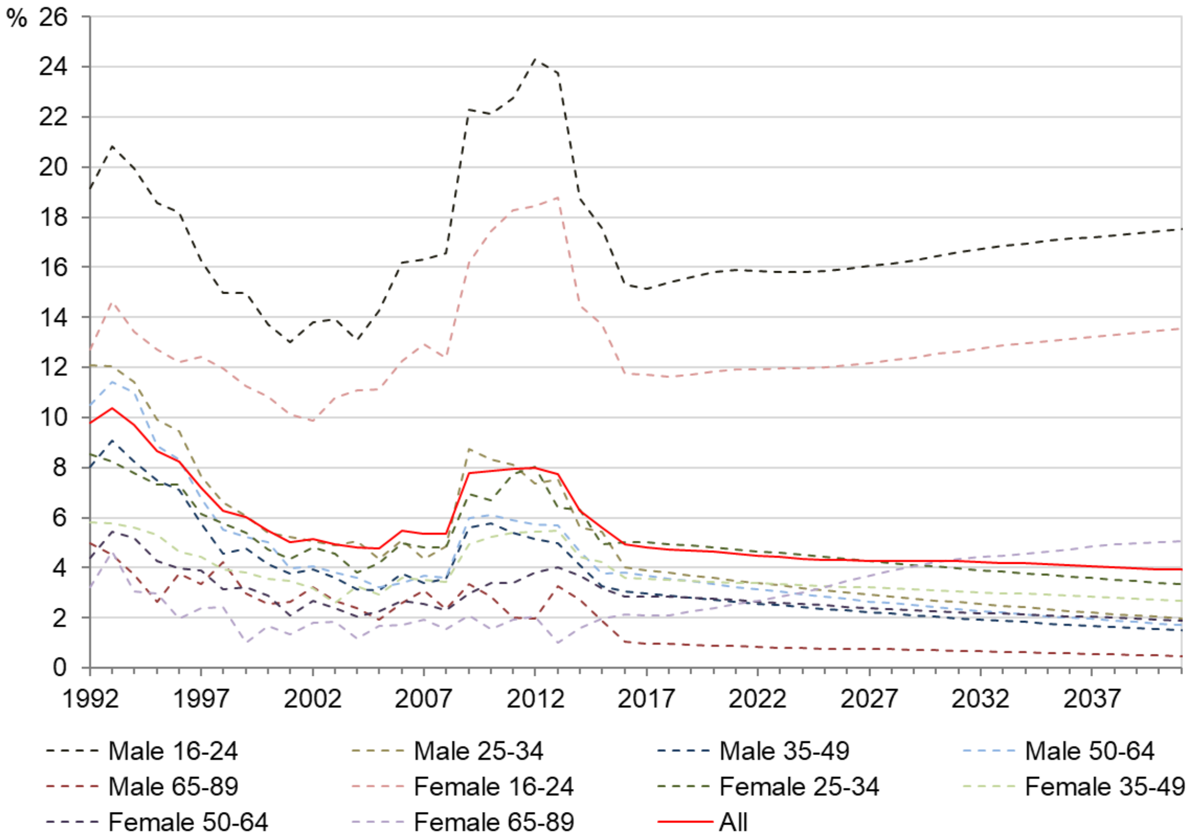
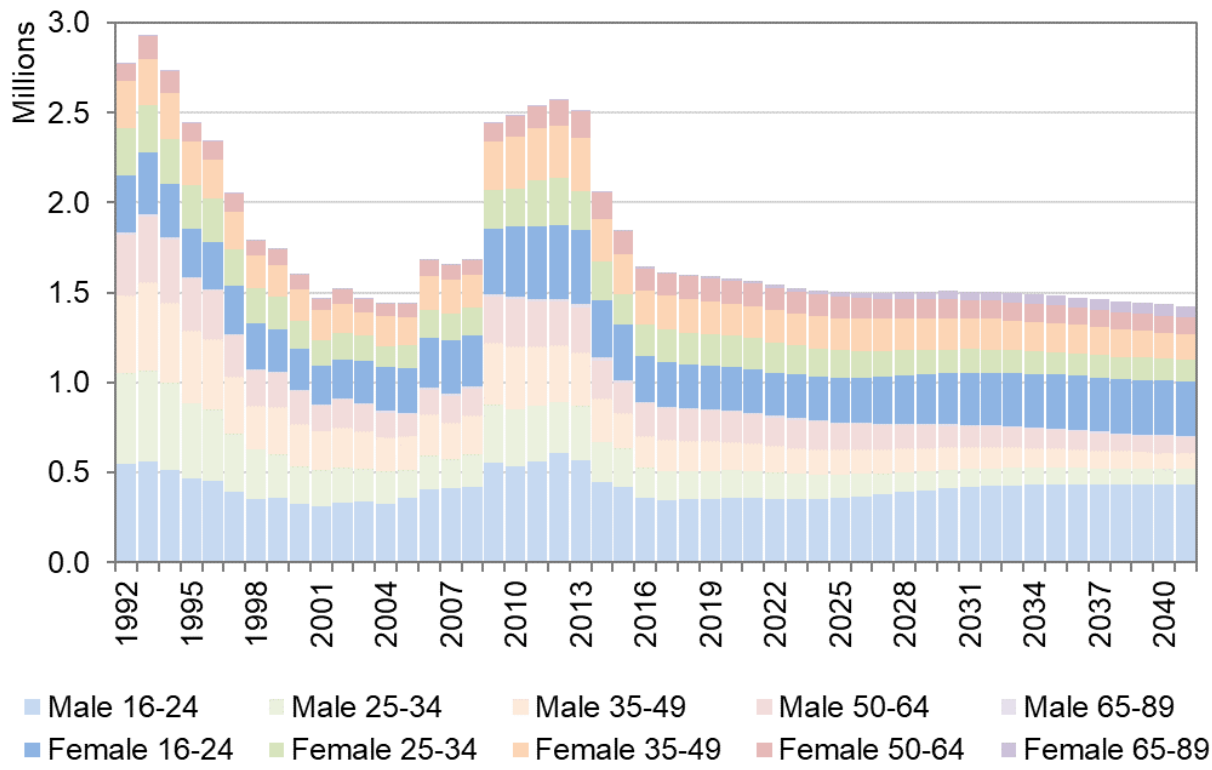


Figure 9: Unemployment projections



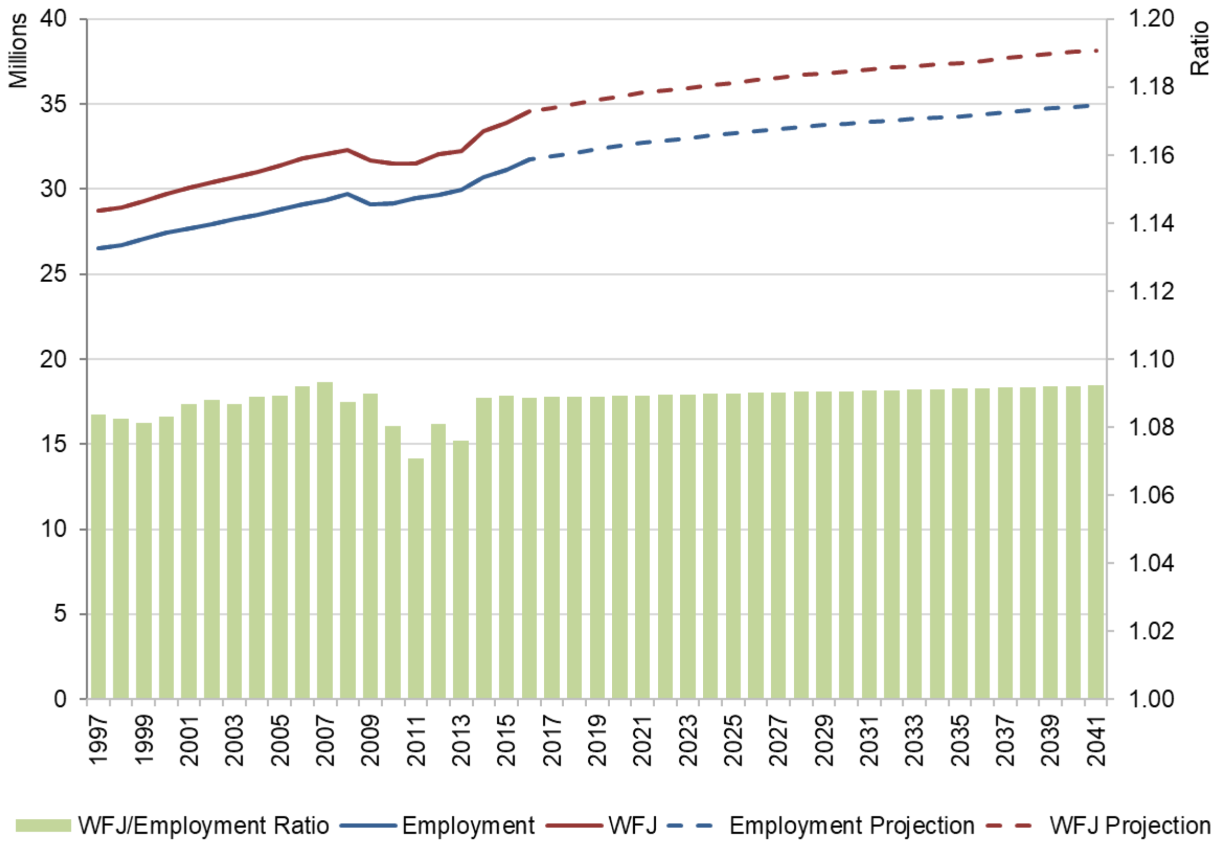
Projecting Workforce Jobs

ONS publishes detailed data on labour force every quarter for each country/region[5]. This includes numbers of workforce jobs (WFJ), which ONS defines as a compound measure and draws upon a range of sources including employee jobs estimated from a range of employer surveys, self-employment jobs estimated from the Labour Force Survey (LFS), HM Forces from administrative sources and Government-supported trainees from administrative sources[6].

The total projected number of WFJs is calculated by understanding the ratio with the available labour force. For this it is assumed that all residents of the UK in employment work in the UK rather than abroad and the all WFJs in the UK are filled by residents of the UK. In reality there is a small amount of interaction with outside markets, but it is insignificant for the purposes of these projections. This also assumes that labour force is the main constraint on job growth. Again, while the reality is more complex, the relationship between labour and jobs is sufficiently consistent that it will continue.

To create the projection, the average change in the ratio between 2002 and 2016 (15-year period) is applied. This provides a good cross-section of the economic cycle.

Figure 1: Projection all UK WFJs



5 ONS. Quarterly publication. Regional Labour Market Statistics in the UK.
6 ONS. 4 March 2019. A Guide to Labour Market Statistics.

WFJ are available for each broad industrial sector using the 2007 Standard Industrial Classification (SIC07)[7]. These comprise:

A	Agriculture, forestry and fishing
B	Mining and quarrying
C	Manufacturing
D	Electricity, gas, steam and air conditioning supply
E	Water supply; sewerage, waste management and remediation activities
F	Construction
G	Wholesale and retail trade; repair of motor vehicles and motorcycles
H	Transportation and storage
I	Accommodation and food service activities
J	Information and communication
K	Financial and insurance activities
L	Real estate activities
M	Professional, scientific and technical activities
N	Administrative and support service activities
O	Public administration and defence; compulsory social security
P	Education
Q	Human health and social work activities
R	Arts, entertainment and recreation
S	Other service activities
T	Activities of households as employers; undifferentiated goods-& services-producing activities of households for own use

Due to the size of the sectors, two amalgamations are used:

- B, D, E: Mining, energy and water supply
- R, S, T: Other services

These are amalgamations that are used consistently in official statistics.

Figure 2 shows the base WFJ data for the UK in percentages. This shows the decline of the manufacturing sector (C) and rise of the public sector (particularly Q).

For each industrial sector, the average annual change 2002-16 (15-year period) in the percentage of all WFJs is calculated. Again, this period provides a good cross-section of the economic cycle. Using these multipliers, a first-round projection of the annual percentage of all WFJs is created for 2017-2041. Inevitably, this projection results in the total WFJs summing to more than 100% for each year on the projection. To correct this, each year is constrained to 100% by a pro-rata reduction to each industrial sector. The results are shown in **Figure 3**.

[7] ONS. 2009. UK SIC 2007.

Figure 2: WFJ by industrial sector (%, 1997-2016)

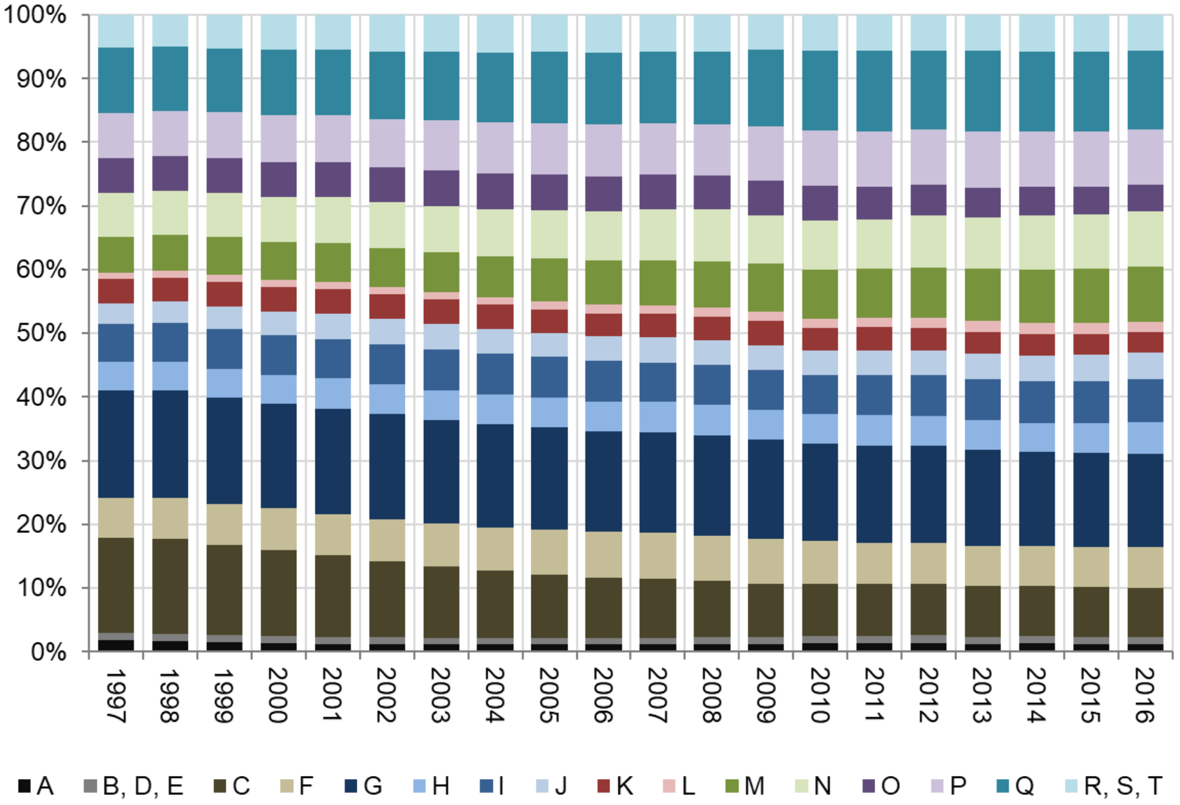
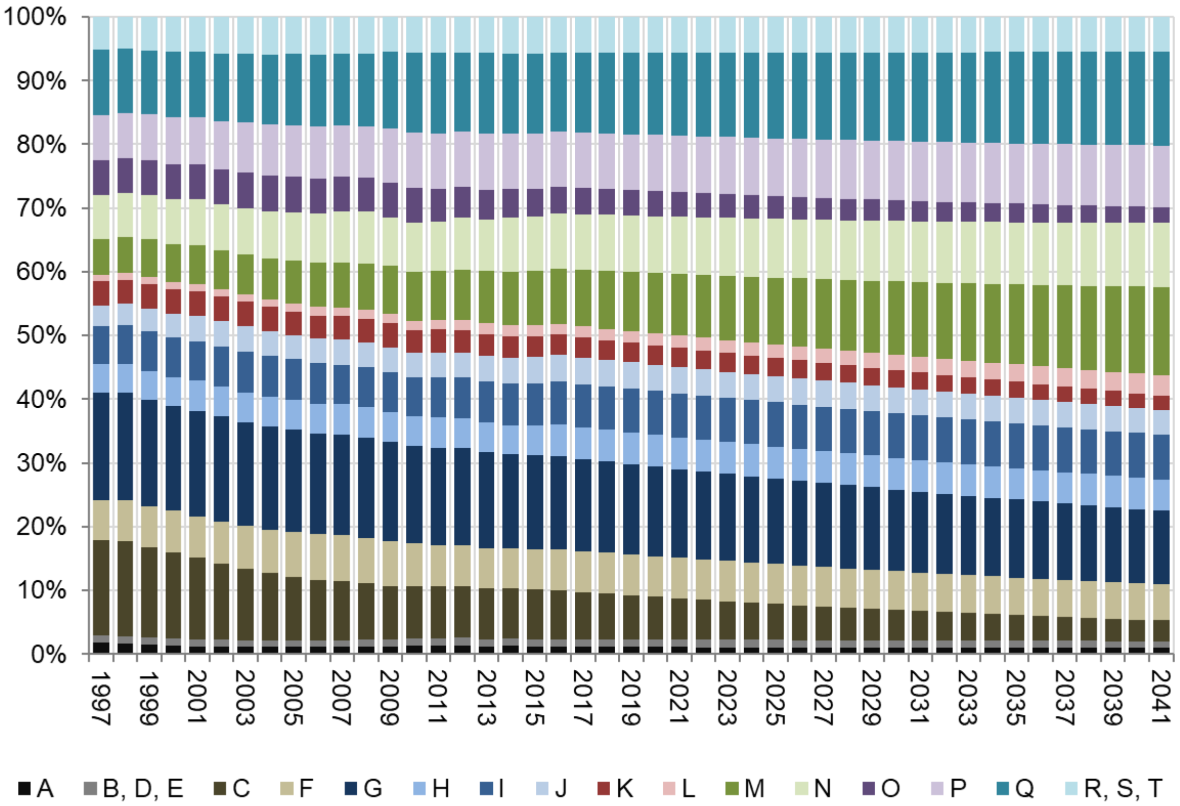


Figure 3: WFJ projection by industrial sector (%, 1997-2041)

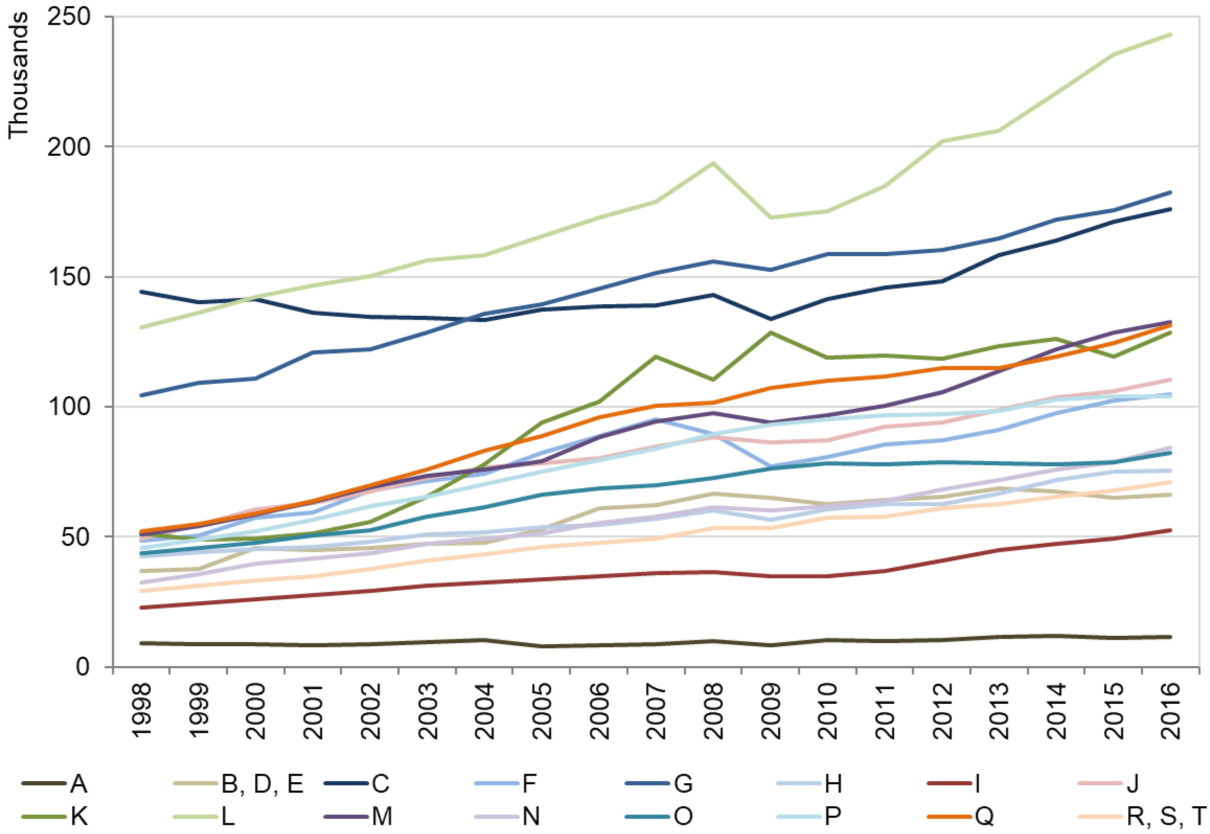


Projecting GVA

ONS have published estimates of Gross Value Added (GVA) by industrial sector for 1998-2016[8] (**Figure 4**). By simply dividing the GVA by the number of WFJs for each industrial sector provides an estimate of productivity; the GVA generated by each job (**Figure 5**).

For each industrial sector, the annual change in GVA per WFJ is then calculated for each year. The 2002-2016 (15-year period) average is then used to project GVA per WFJ for 2017-2041 (**Figure 6**). This is then converted back to GVA using the WFJ projections (**Figure 7**). This suggests average annual GVA growth of 3.2% for 2017-2041, compared to 3.8% seen in 1998-2016.

Figure 4: GVA by industrial sector (£m, 1998-2016)



8 ONS. 12 December 2018. Regional Gross Value Added (Production Approach).

Figure 5: GVA per WFJ by industrial sector (£, 1998-2016)

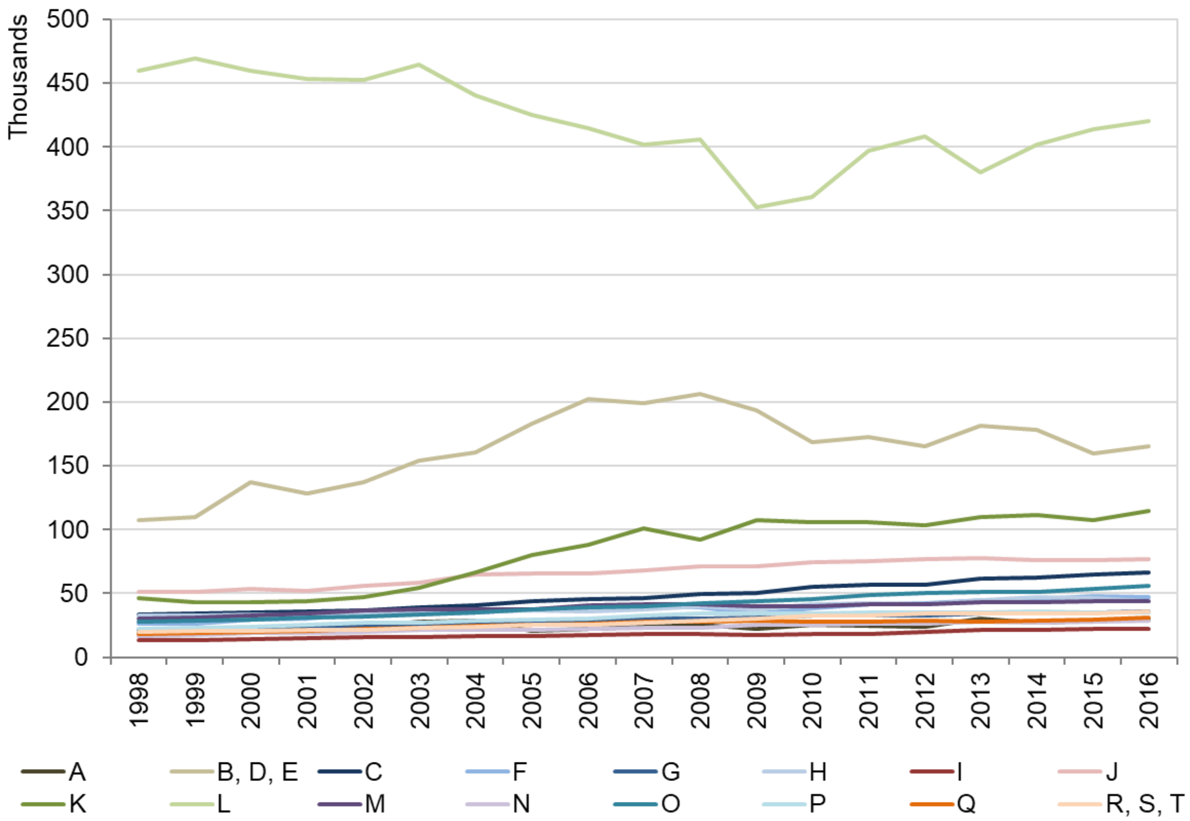


Figure 6: GVA per WFJ projection by industrial sector (£, 1998-2041)

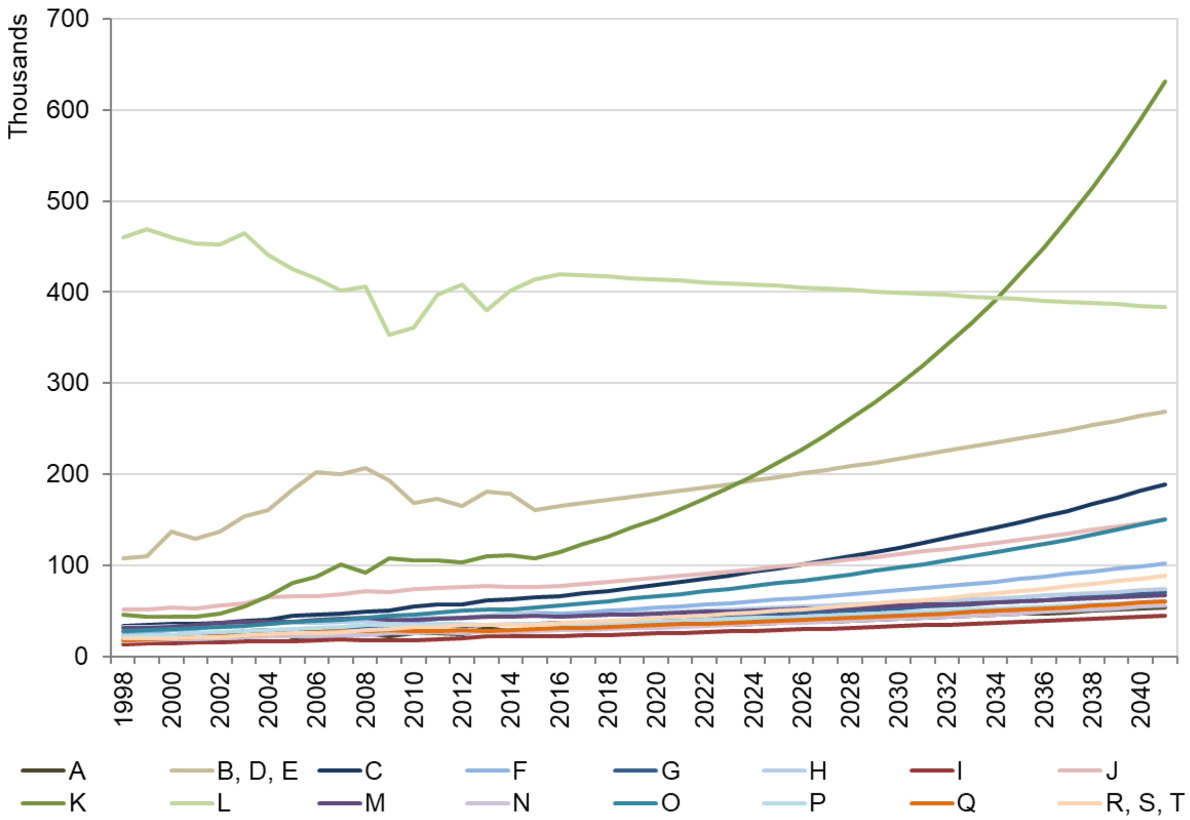
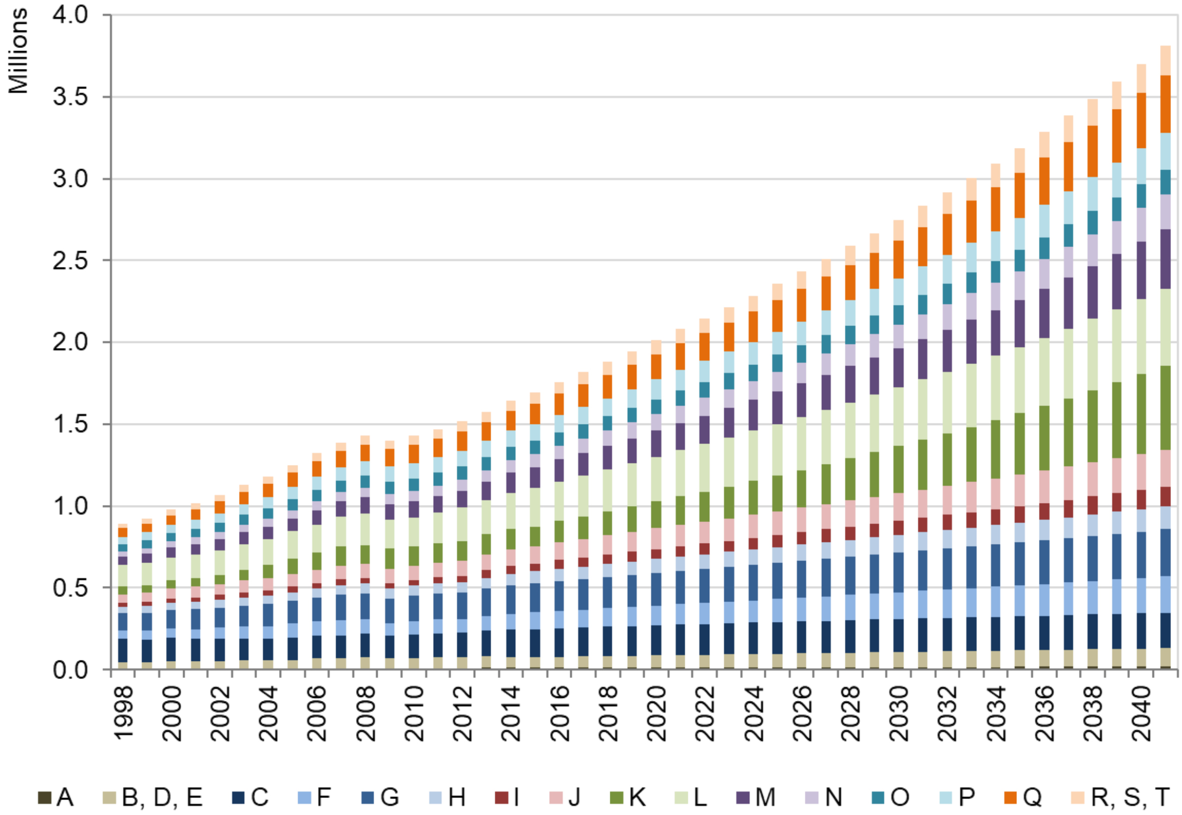


Figure 7: GVA projection by industrial sector (£m, 1998-2041)



APPENDIX 3
HOUSEHOLD REPRESENTATIVE RATES

Household projections simply replicate the circumstances in previous years over the projection period. They cannot take account of policy decisions made during the base period or the projection period. Consequently, where insufficient housing is available to allow households to form in the base period, this will be continued into the projection period. As such, household projections are not a particularly good indicator of future housing need.

Previous analysis has suggested a range of estimates of total housing need. Some suggest a rapid increase in housebuilding is required to address the backlog before setting back to a lower rate. Others advocate a more long-term view that housebuilding should increase to a target level and then maintain it. To complicate things, some consider 'dwellings' while other consider 'homes', which also includes communal living and spaces for travellers.

The Government's target of 300,000 'homes' by the mid-2020s is likely to be a reasonable one. It reflects targets for 250,000+ dwellings, 40,000+ elderly care bed-spaces and increasing demand for dedicated student housing. It also reflects the need to increase and then sustain capacity in the construction sector, which cannot happen overnight. Furthermore, all major political parties have acknowledged this scale of housebuilding is required and therefore the target is likely to survive any change in government.

The key issue however is how these 300,000 homes should be distributed across England. The Government's Local Housing Need Standard Method (LHNSM) attempts to do this by using the household projections as a base that is then multiplied by an 'affordability factor', which is derived from the ratio of median house prices and median gross workplace earnings.

There are significant issues with this, which have led to the 300,000 homes being skewed towards London and the South East of England. The reason for this is that the calculation is too simplistic and only addresses affordability amongst those wish to buy a property. While this might be the aspiration for many, over half of households live in rented accommodation for various reasons and not always due to affordability. Consequently, unless a comprehensive analysis of all housing market indicators is carried out for each housing market area, the final distribution of the 300,000 homes is unlikely to be particularly accurate. Even then, there will be significant debate in terms of the weight attributed to each variable, making the entire exercise extremely complex.

There is however an alternative. No matter the reasons for the lack of suitable housing in an area, and accessibility to it, the young are disproportionately affected. The reasons for this might include:

- Lower earnings
- Fewer financial assets
- Lending is likely to be more difficult to obtain due to the above and lack of credit history
- Less accessibility to social rented housing, particularly single person households and couples without children

Only the first of these is addressed in the LHNSM and then only marginally as younger people in employment are more likely to fall into the lower quartile of earnings.

Consequently, there is some justification to make weighted adjustments directly to the household representative rates (HRRs) rather than seeking to include affordability. By distributing more housing towards younger age ranges, those areas with the greatest affordability issues, which usually coincide with younger populations with lower HRRs, will see the greatest uplift.

Furthermore, those areas of the country that command higher house prices and where households accept that a higher proportion of their earnings should contribute to housing costs, will likely be less affected. These areas are usually the most desirable areas, such as areas of particular landscape value and the affordability ratios more likely reflect society's wants (demand) rather than requirements (need).

The method therefore assumes the following:

- The benchmark year is 2025 by which a target of 300,000 homes per year needs to be achieved.
- This should then be sustained over subsequent years in the projection period.
- Age ranges where HRRs are in excess of 90% require no adjustment, the majority of people can access housing.
- For each age range from 25-29 up to 55-59. Regular adjustments are made with 25-29 seeing the largest adjustment.
- Age ranges 16-24 reflect those most likely to still reside in the familial home or be in full time education. Therefore, they are likely to be less affected by accessibility to housing as they have less desire to form households. That said, they are also the age ranges most likely to require student housing. Consequently, an adjustment half that of the 25-29 adjustments.

BIDWELLS