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Dear Sir / Madam

Solihull Draft Local Plan Review

Bromsgrove District Council Consultation Response

1. Bromsgrove District Council (BDC) welcomes the opportunity to comment on the Solihull Draft Local Plan. This response represents an informal view at this stage. Once formal endorsement is received from the Council, we will confirm the wording of the final response via email.
2. BDC have read the Solihull Draft Local Plan (November 2016) with interest and would like to comment on the parts of the draft plan that are relevant to the district and the wider Greater Birmingham Housing Market Area (GBHMA). The response is in two parts, firstly the consideration of the development targets contained within the plan and secondly in relation to site and selection methodology which impact on the Bromsgrove district.

Contribution to HMA shortfall

3. The Council questions SMBC's inclusion of the statement at para 211 that there is:

"A direction of travel that has received a measure of support is indicating that the Council ought to be testing, through this local plan review, the potential to accommodate a further 2,000 dwellings from the shortfall, in addition to accommodating the Borough's own needs."

Notwithstanding the fact there is a lack of similar wording within Policy P5 which would commit the Council to undertake this testing. It is notable that the possibility of SMBC testing a further 2000 dwellings only received a measure of support and not full support in discussions with other housing market area authorities.

4. The Council has been an active member of the GBHMA working group since its formation and has participated fully in all the activities undertaken by this group. This includes the agreement to participate in the recently advertised Greater Birmingham Housing Market Area Strategic Growth Study. It is essential that the Strategic Growth Study proceeds as per the brief and that all areas of the GBHMA are looked at with the same level of scrutiny. Whilst pre-existing work will play a part in informing this study, this work cannot be used to

undermine the strategic nature of what the study aims to achieve, particularly in determining which areas of Green Belt are worthy of consideration for future development needs. The need for a strategic green belt review is also highlighted in the recently published West Midlands Land Commission report which stresses;

The (Green Belt) review should pick up from and, where appropriate, supersede the reviews which a significant number of local authorities have underway, where the Commission has heard from a number of respondents that individual local reviews risk a piecemeal and unsustainable 'chipping away' of the Green Belt.

5. Under Challenge B on page 19 of the draft plan , it is stated that:

“To ensure that provision is made for an **appropriate proportion** of the HMA shortfall in new housing land consistent with the achievement of sustainable development and the other objectives of the Plan.” (emphasis added).

It is important to ascertain how any contribution, 2000 or otherwise, has been arrived at and how it has been concluded that this is an ‘appropriate proportion’. In the context of the Greater Birmingham and Black Country Authorities as mentioned above , the 2,000 contribution from SMBC has not been agreed. Any contribution towards meeting the shortfall from the HMA needs the full support of the GBHMA authorities and should be based on a robust and thorough apportionment methodology. The strategic growth study is mechanism to achieve this. Regardless of the all above it is also unclear whether this 2,000 dwelling contribution to the shortfall has been included within the 15,029 additional homes that SMBC plan to deliver between 2014-2033. This is discussed further in the OAN section of the response below.

6. It should be noted that the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) Strategic Housing Needs Study (SHNS) - Stage 3 Report (August 2015) states at para 2.45 that:

*“Of these ‘missing dwellings’ **most should be within easy reach of Birmingham and to a lesser extent, Solihull.** This is where the largest imbalances between need and supply are found.”* (emphasis added).

This is a reflection of Table 2.2 of the same report which shows that after Birmingham, Solihull had the biggest mismatch between need and supply for the study period of 2011-2031. Throughout the Draft Local Plan, it is emphasised that Solihull plays an important role in the region and is “*a regional and nationally significant economic hub*” (para 29). The proportion of the HMA housing need shortfall to be accommodated by SMBC should therefore reflect the significant role the Borough plays, and be aligned with its economic development aspirations to make the most of the exciting opportunities planned.

7. Para 211 of the draft Local Plan states that the HMA shortfall arising from the 2015 SHNS produced by PBA is 37,500. In the Birmingham Development Plan (adopted January 2017), the shortfall cited in Policy PG1 for Birmingham alone and to be accommodated elsewhere within the GBHMA is 37,900. This was added to the policy to reflect Main Modification 2 (MM2) and also to the Monitoring Section and Policy TP48 through MM84 arising from the Inspector’s Report. The 37,900 shortfall in the Birmingham Plan is a more robust figure which was endorsed through Examination and enshrined in an adopted Development Plan. It should be referred to until superseded by an updated OAN (and shortfall) for the HMA.

Objectively Assessed Need and the Solihull SHMA (November 2016)

8. There is an absence of an objectively assessed need (OAN) figure within the plan at this stage, and having read Part 1 of the November 2016 Solihull SHMA, it is important that the Council specify which of the two OAN figures stated at para 7.21 of their SHMA report that they are looking to deliver (13,094 or 14,278). Reflecting on the Council's own experiences at the examination of the Bromsgrove District Plan, the Inspector insisted that the Council specify Bromsgrove's OAN, in line with the requirements of the NPPF. Defining the OAN is particularly relevant in the context of establishing Solihull's contribution to the wider HMA shortfall.
9. Para 214 states that the target of 14,905 net additional dwellings reflects the full OAN, a contribution to the wider HMA shortfall and an allowance to ensure consistency with the SHNS (Strategic Housing Needs Study) for the period 2011-14. Firstly, it is unclear what the 14,905 figure refers to, given the target in Policy P5 is 15,029 and nor does it tally with the total estimated capacity figure of 15,534 in the Table on page 73. Secondly, a clear calculation or commentary should be included in the Local Plan as to how the dwellings target has been arrived at, specifically defining the OAN and any other 'policy-on' factors over and above this.

Market Signals

10. The decision in the SHMA to uplift the demographic starting point by 10% in response to market signals is an intriguing one. This is in the context of high house prices compared to regional and national averages which is referenced throughout the Draft Local Plan, but specifically at paras: 32, 49 and 63.
11. The conclusion that the market signals only represent the need for a modest uplift of 10% is also questionable based on para 4.57 which says:

"From the three cases discussed above we cannot draw definite conclusions about the correct market signals uplift for Solihull."

and para 4.58:

"In short, the size of any market uplift cannot be simply inferred from earlier examples; it also requires judgement."

12. Therefore it is interesting that this judgement has resulted in the use of a low uplift based on the comparison with the authorities of Eastleigh (10% uplift), Uttlesford (10% uplift) and Canterbury (30% uplift). It is suggested that alternative authorities could have easily been referenced to support a different conclusion and higher percentage uplift. It would have been prudent to use authorities which are more comparable to Solihull in terms of their housing markets and geography.
13. Using the recommendations of the Local Plans Expert Group (March 2016), specifically Appendix 6 which amends the text of the NPPG to provide advice on market signals and how plan makers should respond to them. This states that:
"Based on the data published by DCLG, LPAs should apply an upward adjustment to the demographic starting point in line with the following benchmarks
 - *Where the House Price Ratio is less than 5.3 and Rental Affordability Ratio is less than 25%, no uplift is required;*

- Where HPR is at or above 5.3 and less than 7.0, AND/OR the RAR is at or above 25% and less than 30%, a 10% uplift should be applied;
- Where the HPR is at or above 7.0 and less than 8.7, AND/OR the RAR is at or above 30% and less than 35%, a 20% uplift should be applied; and
- Where the HPR is at or above 8.7, AND/OR the RAR is at or above 35%, a 25% uplift should be applied.”

14. Para 183 of the Draft Local Plan states that the house price ratio (lower quartile house prices to lower quartile earnings) in Solihull in 2015 was 8.45 (which was notably higher than the average for England (7.02)). In line with the LPEG’s methodology, a **20% uplift** may be more appropriate to address the market signals.

Future Jobs

15. It is highly important that future labour supply matches future jobs growth and Experian forecasting has been used at Chapter 5 of the Solihull SHMA to explore this. The forecasting model shows an increase of 15,200 jobs over the plan period from 119,700 to 134,300 (para 5.9). On this basis the SHMA reports that “*the availability of labour will be sufficient to fill those jobs.*” Therefore there is no upward adjustment proposed to the demographic starting point in response to jobs growth. This growth of 15,200 jobs over the plan period appears relatively low and is questionable given the number of major employers in the Borough, coupled with the economic growth aspirations of SMBC. The commentary in the Draft Local Plan itself at paragraph 30 also appears to contradict this very conservative level of jobs growth when it is cited that:

“Over the five years 2010-2015 Solihull had the fastest growing labour market outside of London”

And

“At a broad sector level 2015 saw particularly strong employment growth in manufacturing (+1,300, +12%), transport and communications (+1,100, +14%), as well as across all financial, professional and business services;”

16. Based on the information provided in the Draft Local Plan, if 2,400 jobs were created from just two sectors in one year alone, this is equivalent to 16% of the predicted jobs growth over the entire plan period to 2033. It therefore appears that the Experian model has significantly underestimated the jobs growth for the plan period.

17. The SHMA attempts to quantify the impact of the UK Central proposal by undertaking bespoke modelling (in addition to the Experian forecasting) around this proposal. Para 37 of the Draft Local Plan states that:

“The potential of UK Central, to generate further economic and employment growth for the region as a whole is on a nationally significant scale – over 100,000 jobs and £15bn GDP in the West Midlands by 2040 – jobs and growth that are critical to Solihull, its neighbours and to the rebalancing of the national economy.”

18. Whilst it is accepted that the impact of UK Central will extend beyond SMBC’s boundaries, given the location of the project which is centred around Birmingham airport in the authority’s area, it would be expected that the majority of the jobs growth would be delivered within the Borough. The SHMA uses jobs figures from the UK Central Strategic Outline Case which “*estimates 16,500 gross additional jobs will be delivered in the UKC Hub*

between 2026 and 2045" (para 5.20). This figure is then reduced further to 9,286 reflecting purely the net additional jobs for the same period (para 5.21). However it is argued that this new reduced figure related to the whole of the GBSLEP sub-region and are not specific to Solihull. We do not follow this explanation as the SHMA notes at para 5.21 that these jobs would be located in Solihull.

19. Once all of the forecasting and modelling is disentangled, it is recommended at para 5.34 that:

"For the purpose of calculating the OAN, the rebalanced UKC Hub scenario results in an additional 400 people in 2033 over the baseline model. Experian comment that 'the results are as you would expect, there is a small increase in population, jobs and employment and a fall in excess jobs to zero'."

20. Common sense would dictate that the major infrastructure and economic growth proposed through the UK Central project should result in a far greater jobs growth and associated increase in labour supply than 400 additional people as cited in the SHMA. If it is surmised that the additional jobs would be filled by workers commuting in to Solihull from the rest of the West Midlands, as suggested at paras 5.27 and 5.36 of the SHMA, this would represent unsustainable commuting, contrary to para 70 of the NPPF and as quoted at para 5.1 of the Solihull SHMA.

21. The SHMA goes on to conclude Chapter 5 at para 5.39 by stating:

"Given we are recommending both a demographic adjustment and a market signals uplift on the 2014-based projections, we do not think that there is any justification for a separate economic uplift to address the UKC Hub, not least because it will only start to come forward at the very end of the period and the uncertainties surrounding long-term economic impact forecasting of this nature."

22. The application of a demographic adjustment and a market signals uplift are separate factors and do not restrict the Council's ability to apply an economic uplift where common sense would indicate a further uplift is necessary. The online Planning Practice Guidance does not state that it is an 'either/or' approach in terms of applying uplifts in response to market signals, employment trends and affordable need. Additionally, the SHMA appears to be internally inconsistent as the Strategic Outline Case is referenced which indicates that the new jobs are going to be delivered from 2026 which is just over halfway through the plan period, not 'at the very end' as referenced in the quote above.

Affordable Housing

23. In addition to the modest uplift for market signals and the lack of any uplift for future jobs growth, it is noted that the SHMA does not propose an uplift to the OAN to address affordable need. This should be reviewed in light of the commentary throughout the Draft Local Plan of a 'severe lack of affordable housing' (para 49) and the high ratio of lower quartile house prices to lower quartile earnings (para 183).

Proposed Allocations and site selection methodology

24. This section of the response focusses predominantly on the proposed site allocations and supporting evidence base and relate predominantly to questions 15 and 16. Although the site allocations appear to be presented as options they are not truly options since they do not

provide comparative levels of growth and all appear to be required to meet the Housing requirement.

25. Three sites appear to be proposed for allocation in relatively close proximity to Bromsgrove;
 - Proposed site allocation 4 west of Dickens Heath-700 dwellings
 - Proposed site allocation 13 (Christmas tree farm) south of Shirley - 600 dwellings
 - Proposed site allocation 12- Dog Kennel Lane east of Dickens Heath- 850 dwellings

Site allocation 4, in particular, abuts the District and County boundary. With Majors Green lying in Bromsgrove District already abutting the boundary to the west, this allocation would result in the coalescence of settlements contrary to purpose 2 of the function of Green Belts as set out in Paragraph 80 of the NPPF.

26. Turning now to the Green Belt Assessment carried out in July 2016. Site 4 lies part in 'refined parcels' RP70 and 71 which achieve above average scores of 8 and 7 respectively. Whilst it is stated that the assessment is 'policy off' it is apparent certain assumptions are made as relative importance to different areas of the Green Belt such as the several references being made to the 'vital' or 'strategic' " Meriden Gap"

"this Assessment has been carried out using an entirely 'policy off' approach in order to assess the strategic performance of the land designated as Green Belt within the Borough"

27. Further references to this study are then found in Topic Paper 4 which examines 'Options for Growth and Site Selection' December 2016, for example,

Page 76...

Area F - South of Shirley between Tanworth Lane and the Borough Boundary

373. **Accessibility** -This area is generally accessible, with most sites being of medium to high accessibility in the Accessibility Mapping study.

374. **Green Belt** - The eastern part of this area performs moderately in the GBA with scores of 6, with the western part of the area, parcel 70, being moderate to high. Development in some areas could lead to the loss of the gaps between the urban area and Dickens Heath.

375. **Constraints & Opportunities** - This area is largely constraint free, although there is a Local Wildlife Site towards Whitlock's End. The draft LCA identifies the sensitivity of this area to pressure for development close to the urban edge of Solihull and Dickens Heath.

376. **Capacity** - The area presents an opportunity for significant growth.

377. **Deliverability** – The SHELAA indicates generally good marketability/viability for sites assessed in this area.

378. **Conclusion** - The moderate impact on the Green Belt and the medium to high accessibility indicate that this land is suitable for consideration for growth, although any development would need to ensure that meaningful gaps to settlements are retained. Where impact on Green Belt is more than limited, this is balanced by the higher accessibility that the area has.

No further information is provided on how 'meaningful gaps' will be achieved. In para 374, parcel 70 is referred to as being 'moderate to high' but this transfers to 'moderate' impact on the Green Belt in the conclusion.

28. It is also interesting to note that the Landscape Character Assessment carried out again in December 2016, identifies this area LCA 2 'Southern Countryside'. What it concludes (page

22 onwards) is that this area has a very low landscape capacity to accommodate new development with visual sensitivity in the area being high.

29. In terms of infrastructure, updated evidence is found in the evidence document "Solihull Connected Transport Strategy 2016 Delivery Plan 2016-2036." Improvements to infrastructure in the vicinity of all 3 sites appear to be:

- 28. Jct 4 M42 (Blythe Valley) capacity improvement
- 32. A34 Stratford Road high quality multi modal route enhancements including Shirley Centre
- 34. Local Stations multi modal interchange and access improvements

BDC have concerns regarding the trip movements associated with the 3 proposed site allocations potentially amounting to over 2000 dwellings in close proximity to Bromsgrove district and impacts on wider transport network.

30. Also of concern, as voiced in previous responses to the Solihull Plan, is the impact on other components of infrastructure in terms of schools, GP surgeries, for example, in the nearby settlements in Bromsgrove. Although it is noted in the accessibility study carried out again in December 2016, this does not fully cover infrastructure outside the Borough. It is noted that for shops and GP surgeries this extended 800m beyond the Borough boundary but schools are limited to those within the Borough.

Conclusions

31. Bromsgrove District Council has concerns about the Draft Solihull Local Plan review as expressed above. The most significant one being the lack of full or evidence based consideration of the wider housing needs of the Greater Birmingham Housing Market Area. At the moment the Council is concerned that SMBC may not be able to meet its duty to cooperate as prescribed in the Localism Act. Full engagement in the work of the GBHMA would help to satisfy this requirement.

32. The other concerns relate to the allocation of sites in the vicinity of Bromsgrove District. We believe that the proposed allocation in relation to site 4 does not comply with national green belt policy. We also do not consider that at this stage the evidence base being used to support the 3 allocations, is complete or consistent. This leaves the Council with unanswered questions as to the impact on Bromsgrove District of developing these areas.

Officers from the Council will be more than willing to meet with SMBC representatives to try and ensure that the issues outlined above are addressed in later iterations of the Draft Local Plan review.

Yours faithfully,



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Bromsgrove and Redditch Councils