



Policy & Spatial Planning
Solihull MBC
Council House
Manor Square
Solihull
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SENT BY E-MAIL AND POST

17 February 2017

Dear Sir / Madam

SOLIHULL DRAFT LOCAL PLAN REVIEW CONSULTATION

Introduction

Thank you for consulting with the Home Builders Federation (HBF) on the above mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

The HBF submits the following comments in response to specific questions (Q1, Q11, Q12, Q13, Q14, Q15, Q16 and Q18) set out in the Council's consultation document.

Objectively Assessed Housing Need (OAHN), Housing Requirement and the Duty to Co-operate

Under S110 of the Localism Act 2011 which introduced S33A into the 2004 Act the Council must co-operate with other prescribed bodies to maximise the effectiveness of plan making. The Duty to Co-operate requires Solihull MBC to "*engage constructively, actively and on an on-going basis*". The National Planning Policy Framework (NPPF) sets out the high level principles associated with the Duty (paras 156, 178 – 181). One required outcome of co-operation is the delivery of full objectively assessed housing needs (OAHN) for market and affordable housing in the housing market area (HMA) as set out in the NPPF (para 47) including the unmet needs of neighbouring authorities where it is reasonable to do so and consistent with sustainable development (para 182).

The National Planning Practice Guidance (NPPG) sets out a methodology for the calculation of OAHN stating :-

- Sub National Household Projections (SNHP) produced by DCLG are the starting point for OAHN (ID 2a-015-20140306) ;
- worsening trends in market signals should be considered which may necessitate an upward adjustment above demographic projections (ID 2a-018-20140306 & 2a-019-20140306). The NPPG is explicit in stating that a worsening trend in any one of the market signal indicators will require an upward adjustment to planned housing numbers (ID : 2a-020-20140306) ;
- supporting economic growth is an equally important factor which plan makers should assess (ID : 2a-018-20140306). It is essential that housing and employment strategies are properly aligned ;
- an increase in the total housing provision included in a Plan should be considered where it could help to deliver the required number of affordable homes (ID : 2a-029-20140306).

Policy P5 – Provision of Land for Housing proposes a housing requirement of 15,029 dwellings (791 dwellings per annum) for the plan period 2014 – 2033. The derivation of this figure is set out in the Solihull SHMA Final Report dated November 2016 by Peter Brett Associates and a Housing Topic Paper.

The HBF have a number of concerns about the Council's proposed housing requirement figure which in summary are listed below :-

- The Solihull SHMA Report is not an OAHN for the Greater Birmingham HMA of which Solihull forms a constituent part. The Council acknowledges that there is no OAHN for the HMA stating that the Greater Birmingham Strategic Needs Assessment (SNA) only provides a demographic starting point and it does not establish OAHN for each constituent authority. Moreover the SNA is not up to date as it is based on 2012 SNHP rather than the 2014 SNHP ;
- The assessment of worsening market signals, affordable housing need, and supporting economic growth have been calculated for Solihull only rather than the whole HMA ;
- There is no evidence justifying the 2,000 dwellings proposed as an appropriate proportion of the unmet housing needs from Birmingham to be accommodated in Solihull. There is no justification for discounting the 10% uplift for worsening market signals from this unmet need ;
- The proposed uplift of only 10% to address worsening affordability with a house price to earnings ratio of 8.45 is overly conservative ;
- No adjustment to support economic growth generated by the HS2 Hub which will be located in Solihull.

For these reasons the HBF contends that the proposed housing requirement of 15,029 dwellings is based on under estimation of OAHN. It is known that alternative OAHN calculations range up to 23,700 dwellings for Solihull excluding any unmet needs from elsewhere in the HMA. It is recommended that the Council re-considers its housing requirement based on a full OAHN

for the HMA and robust evidence to justify the appropriate proportion of unmet housing needs accrued across the HMA to be met in Solihull. It is expected that the housing requirement will be higher than 15,029 dwellings. The housing requirement should be expressed as a minimum in **Policy P5**.

The HBF may submit further comments on OAHN, the housing requirement and the Duty to Co-operate when further evidence is available.

Housing Land Supply (HLS)

It is agreed that a combination of spatial distribution options is required to deliver housing needs. It is noted that the Council has identified an overall housing land supply of 15,534 dwellings including 8% contingency to provide flexibility for unforeseen circumstances and in acknowledgement that not all commitments translate into completions. The Council should provide further robust evidence that the proposed 8% contingency provides sufficient flexibility for the District. The Council should also consider mechanisms for bringing forward if necessary reserve sites and / or safeguarded land during as well as beyond the plan period.

Obviously a higher housing requirement will necessitate a commensurate increase in the overall HLS. As set out in the NPPF the Council will have to demonstrate a robust 5 YHLS on adoption of the Plan which is maintainable throughout the plan period. Any phasing set out in **Policy P5** should not be a brake on bring forward sustainable development.

When allocating sites the Council is reminded that to maximize housing supply the widest possible range of sites, by size and market location are required so that house builders of all types and sizes have access to suitable land in order to offer the widest possible range of products. The key to increased housing supply is the number of sales outlets. The maximum delivery is achieved not just because there are more sales outlets but because the widest possible range of products and locations are available to meet the widest possible range of demand.

Other Policies

Policy P4 – Meeting Housing Needs Bullet Point A. The Local Plan should be clearer about its definition of affordable housing rather than deferring to a Supplementary Planning Document.

It is noted that the Council is proposing to increase the provision of affordable housing from 40% as set out in the adopted Local Plan to 50% on sites of 11 or more dwellings. As there is no viability assessment produced as part of the evidence base for this current consultation this proposal should be whole plan viability tested including consideration of the recently adopted CIL charging schedule and its differential charging zones in order that the cumulative scale of obligations and policy burdens is not a threat to housing delivery as set out in the NPPF (paras 173 & 174).

The Council should also justify the proposed 50% affordable housing provision given that the affordable housing need identified by the Council is 3,831 dwellings representing only 26.9% of its proposed housing requirement. The Council has stated that the proposed increase from 40% to 50% reflects the previously anticipated mandatory requirement that 20% of affordable housing must be provided through Starter Homes however the recently published White Paper indicates that this is no longer the case with its proposal that Local Authorities deliver Starter Homes as part of a mixed package of affordable housing alongside other affordable home ownership and rented tenures determining the appropriate level of provision for the locality in agreement with developers (White Paper paras 4.16 & 4.17). So the Council's justification is now invalid.

Bullet Point D on self build housing. The HBF preference is for Option 1 as set out in the consultation document. The HBF would be opposed to the Council's alternative option if chosen as the preferred option. If the Council decides to pursue this alternative option then it should be justified by robust evidence.

Policy P7 – Accessibility Bullet Points 2 & 3 requiring developments to be within 30 minute frequency bus service is overly onerous which may frustrate the development of otherwise sustainable sites. The policy requirements of Policy P7 should reflect the NPPF (para 17) which specifies that planning should actively manage patterns of growth to make the fullest possible use of public transport focussing development in locations which are or can be made sustainable. The “can be made” focus is missing from Policy P7.

Policy P11 – Water Management the requirement for the higher optional water efficiency standard of 110 litres per day per person should be deleted. The NPPG is explicit that higher water efficiency standards should only be proposed in identified areas of water stress. It is noted that the Water Cycle Study by the Environment Agency and Severn Trent Water has not identified Solihull as a water stress area (see paras 303 & 304).

Policy P15 – Design Quality is overly prescriptive.

Conclusions

For the Solihull Local Plan Review to be found sound under the four tests of soundness defined by the NPPF the Local Plan must be positively prepared, justified, effective and consistent with national policy (para 182). It is recommended that the Council re-considers the following matters :-

- the assessment of OAHN within the context of the Greater Birmingham HMA ;
- the assessment of HLS against a higher housing requirement ;
- the justification and viability testing of the proposed increase to 50% affordable housing provision ;
- the excessiveness of requirements proposed in Policies P7, P11 and P15.

It is hoped that these representations are of assistance to the Council in informing the next stages of the Solihull Local Plan Review. In the meantime if any further information or assistance is required please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



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Planning Manager – Local Plans