

# **Solihull Draft Local Plan Review of Housing and Older Persons Housing Needs**

Greenlight Developments Ltd

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## 1.0 Introduction

1.1 Greenlight Developments Ltd (“Greenlight”) is promoting Land off Meeting House Lane, Balsall Common (“the site”) within Solihull Metropolitan Borough Council (“SMBC” or “the Council”). The site forms part of the wider ‘Barratt’s Farm’ proposed site allocation (Site 1) in the Solihull Draft Local Plan (DLP).

1.2 Greenlight is seeking the allocation of the site through the Solihull DLP, which is currently undergoing a Draft Local Plan Supplementary Consultation (DLPSC) – a supplementary Regulation 18 consultation.

1.3 Lichfields is appointed by Greenlight to consider whether the Council’s proposed approach to determining it’s housing requirement is appropriate, whether the deferral of addressing the wider ‘Greater Birmingham and Black Country Housing Market Area’ (GBBCHMA) unmet housing needs until Regulation 19 is justified, and whether the housing needs of older persons are adequately addressed in the Plan.

1.4 This report has been prepared by Lichfields, on behalf of Greenlight, and is intended to support their representation in response to the DLPSC on the Solihull DLP.

### Report Structure

1.5 This report is structured into the following sections:

- **Section 2.0** – provides an overview and review of the plan-making process to-date;
- **Section 3.0** – reviews the Council’s proposed Local Housing Need figure, and whether there are exceptional circumstances that would justify a departure from the standard method;
- **Section 4.0** – reviews the GBBCHMA evidence base on unmet housing needs, whether the Council’s approach to deferring the consideration of these needs is appropriate, and whether the Council should consider meeting a higher quantum of the GBBCHMA unmet housing need;
- **Section 5.0** – reviews the Council’s approach to meeting the needs of older persons through the DLP, and whether this approach is acceptable and underpinned by an appropriate evidence base; and
- **Section 6.0** – provides a summary of the key points.

## 2.0 Plan-making to date

### Solihull Local Plan

- 2.1 The ‘Solihull Local Plan’ (“the Plan”) was adopted in December 2013 and covered the period 2011 to 2028. In 2014 a legal challenge against the Plan, regarding the housing need figures used in developing the plan and its method used to assess revisions to the green belt boundary, was mounted. Consequently, the High Court challenge was successful, and the Council was required to omit its overall housing requirement from the Plan.
- 2.2 Although the Council consider that the Plan is ‘up-to-date in many respects’ (Para 2, DLP), they have outlined key reasons why an early Local Plan Review (LPR) is required. Principally, and crucially, this relates to the omission of the Plans overall housing requirement and need to establish a suitable strategy for future housing growth, but also:
- 1 The recently adopted Birmingham Development Plan (2017) (BDP) crystallised the scale of the unmet need across the housing market area (HMA) [which Solihull sits within], and under the Duty to Cooperate (DtC) there is a need for the HMA authorities to review their Plans to help address this; and
  - 2 Subsequent to the adoption of the Plan, the High Speed 2 (HS2) Interchange station is now proposed to arrive within the Borough, opposite the NEC. There is, therefore, a need to produce a planning framework that appropriately plans for the arrival of HS2 within the Borough.

### Local Plan Review

- 2.3 The Council is currently undertaking a ‘supplementary consultation’ on the DLP. This follows the previous iterative stages of the plan’s preparation since the Council began work preparing the review of the Solihull Local Plan in 2015.
- 2.4 The Council initially consulted on the ‘Scope, Issues and Options’ (Nov 2015) for the Local Plan Review (LPR) over the period from November 2015 to January 2016. This was a high-level document, which sought views on the ‘*scope of the review, the issues that ought to be considered and the broad options for growth that ought to be considered*’ (Para 18, DLPSC).
- 2.5 In December 2016 the Council published the DLP for consultation. The DLP was underpinned by the ‘Solihull Strategic Housing Market Assessment (SHMA) Final report’ (November 2016) (“the Part 1 SHMA”), which considered that the OAN for the Borough over the 2014-2033 period was of 689 dwellings per annum (dpa), or 13,091 dwellings. When including a contribution to help meet some of the GBBCHMA unmet housing needs, the Plan proposed a housing requirement of 15,0299 dwellings or 791 dpa.
- 2.6 The Council considered that as the GBBCHMA unmet need included c.2,600 of Solihull’s unmet need, and the DLP proposed to make sufficient provision for all of Solihull’s housing needs and 2,000 of the wider GBBCHMA unmet needs, that the DLP contributed c.4,600 to meeting the overall GBBCHMA unmet needs. Notably, the DLP provided no explanation for the derivation of the 2,000 figure; and this lack of transparency was criticised through the DLP consultation and acknowledged by the Council in the DLPSC (Para 27, DLPSC).
- 2.7 In July 2018 the Government published the revised National Planning Policy Framework (NPPF).<sup>1</sup> The NPPF (2019) formally introduced the Government’s standard method for

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<sup>1</sup> A further revision to the NPPF was published in February 2019.

calculating local housing needs, at Paragraph 60; alongside other plan-making policy tests. In light of the above, the Council have undertaken a non-statutory consultation on the DLP<sup>2</sup>.

- 2.8 Principally, the DLPSC provides an *'update on local housing need now that national planning policy has changed through the introduction of a standard methodology'* (Para 4, DLPSC). It additionally looks to assess additional sites submitted since the DLP and refining the site selection process. However, it does not seek to revise the contribution to the unmet need or amend the spatial strategy. Importantly, the DLPSC updates the plan period to 2018 to 3035<sup>3</sup> to ensure a 15-year period<sup>4</sup>, and now includes a Local Housing Need (LHN) figure [for Solihull only] of 13,039 dwellings or 767 dpa.

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<sup>2</sup> The DLPSC should be read in conjunction with the DLP.

<sup>3</sup> On the basis that if the plan is adopted in 2020 and it has a 15-year time span post adoption.

<sup>4</sup> Paragraph 22 of the NPPF 2019.

## 3.0 Local Housing Need

### An appropriate baseline

- 3.1 In the context of when the DLPSC was being prepared, the 2016-based Household Projections had just been published<sup>5</sup> by ONS, who had taken over this responsibility from MHCLG. These updated the previous 2014-based projections and were considered the most up-to-date projections of household growth for planning purposes, and the new baseline for LHN. However, there are acknowledged consistency issues with the new 2016-based household projections due to the change in methodology adopted by the ONS in adopting a trend period for household formation from 2001 to 2011 when household formation had been subdued (as opposed to the earlier methodology which used a trend period back to 1971, reducing the impact of such suppression effects). Alive to this, the Government published a statement stating that it intended to consult on changes to the standard method to ensure it could still help deliver 300,000 homes per annum (Government's national target).
- 3.2 This is acknowledged in the DLPSC, which sets out both the 2014-based [767 dpa] and 2016-based [680 dpa] Solihull LHN figures, and acknowledges that, despite the Government's consultation [e.g. 2014 or 2016-based household projections], it would be prudent to plan for the 2014-based figure (Para 45, DLPSC).
- 3.3 Subsequently, the Government published their response to the consultation and revised the Planning Practice Guidance (PPG) to clarify that the 2014-based household projections should be used as the baseline for the standard method (PPG ID: 2a-005). Based on the 2014-based household projections of 621 pa [2018-28], with a 23.6% uplift based on a median workplace-based affordability ratio in 2017 of 7.77, the LHN figure for Solihull is 767 dpa. Therefore, the Council's 2014-based LHN figure is consistent with both the NPPF (2019) and PPG's revised approach to determining LHN.
- 3.4 The NPPF (2019) and PPG are clear that the LHN figure generated by the standard method is a minimum starting point [i.e. a 'policy-off' housing need]; however, '*exceptional circumstances*' may justify an alternative approach. Having regard to this, the DLPSC consequently states that there are no such circumstances (Para 48, DLPSC); but, despite this, the DLPSC asks:
- "1. Do you believe that there are exceptional circumstances that would justify the Council using an alternative approach, if so what are the exceptional circumstances and what should the alternative approach be?"*
- 3.5 Given the significant need for housing in Solihull, and across the wider GBBCHMA area, we do not consider that there are '*exceptional circumstances*' that would justify a departure from the standard method in favour of a lower alternative, and that Solihull should, as a minimum, seek to meet their LHN figure through the DLP – as per the Council's conclusion.

### Uplifts to LHN

- 3.6 As noted above, the 2014-based LHN figure is the minimum starting point; however, the Council should give consideration to whether delivering a quantum of housing higher than the [minimum] starting point could be sustainably delivered through the DLP. For clarity, no '*exceptional circumstances*' are required to justify pursuing a higher figure than the standard method under policy and guidance as it stands. The exceptional circumstances referred to in the NPPF (Para 60) is clearly linked to determining the minimum number of homes needed, thus

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<sup>5</sup> September 2018.



the exceptional circumstances test is linked to going below the standard method as opposed to going above it. Moreover, this is made clear by the relevant parts of the PPG that clearly differentiated that exceeding the standard method should be considered sound whereas going lower requires exceptional circumstances (PPG ID: 2a-015).

- 3.7 In respect of proposing a higher housing need figure, or adopting a high housing requirement figure through a Local Plan, the PPG (PPG ID: 2a-010) sets out circumstances when a higher figure than that generated by the standard method might be considered. This is because the standard method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour, nor considers local factors, policy and aspiration which might legitimately mean the Council should seek to plan for more homes than the minimum. It goes on to state that it would be appropriate for a higher figure to be adopted on the basis of employment, infrastructure, affordable housing or unmet housing needs (PPG ID: 2a-010).
- 3.8 In the context of employment, the DLP notes that Solihull has one of the most productive economies in the Midlands (Para 110). But, importantly, it also sets out the Council's proposed planning framework for future economic growth in the Borough; namely at the UK Central Hub<sup>6</sup> (Policy P1 UK Central Hub) which it states could generate 100,000 jobs by 2040 (Para 37). The NPPF (Para 80) emphasises the importance of meeting employment needs, stating that '*significant weight should be placed on the need to support economic growth and productivity*'.
- 3.9 However, the NPPF (Para 81c) is also clear that planning policies should '*seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment*'. This recognises the implicit link between economic growth and housing need, and that economic growth should not be decoupled from housing growth. Moreover, ensuring a sufficient supply of homes, within close proximity to existing and future employment opportunities, constitutes a key character of an efficiently functioning economy. This can aid in minimising housing market pressures and unsustainable levels of commuting (and therefore congestion and carbon emissions). Therefore, where the labour force within the Borough would be insufficient to support the projected job growth at the UK Central Hub, this could result in unsustainable commuting patterns or a drag-anchor on realising those jobs in the local economy, consequently acting as a barrier to local investment and the overall DLP economic strategy.
- 3.10 It is noted that both the DLP/DLPSC proposes to allocate land at the HS2 interchange for c.2,500 dwellings [Site 19]. However, the Council does not appear to have considered whether the planned economic and employment growth strategy or the arrival of the HS2 interchange, within the Borough, would require additional housing growth above that of the minimum starting point. The NPPF is clear that housing should not be a barrier to economic growth. Given the significant level of economic and employment growth proposed within the DLP, and for this to be realised, there is a cogent need to consider whether there would be a sufficient supply of housing provided in order to accommodate an increase in the workforce. If not, the Council should consider whether an uplift in housing may be necessary to support this.
- 3.11 In that context it is notable that the Solihull Strategic Housing Market Assessment (November 2016) did address the UKC Hub, concluding that the economic growth associated with UKC Hub did not require further uplift above the concluded OAN figure to 2033 (up to 751dpa, similar in scale to the new LHN minimum figure of 767dpa). However, this was concluded on the basis

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<sup>6</sup> The UK Central Hub is focussed on the main economic assets located around junction 6 of the M42, and comprises of four economic opportunity zones: Zone 1 The UKC Hub which includes Birmingham Airport, National Exhibition Centre, Jaguar Land Rover, Birmingham Business Park and the site of the HS2 Interchange (known as Arden Cross); Zone 2 – North Solihull, Zone 3 – Solihull Town Centre and Zone 4 – Blythe Valley Business Park.

that most of the UKC Hub growth would come forward beyond 2033 and the SHMA recommends that (para 7.26) *“this needs to be kept under review; towards the end of the plan period the UKC Hub may generate a higher demand for new jobs than Amion have estimated. The labour market in the FEMA may also tighten more than the Experian forecast which may mean a labour supply shortage emerges and/or the intentions for the UKC Hub are upwardly revised which may require a housing / labour supply response.”* Given that the plan period is now extended to 2036, with more of the UKC Hub growth within the plan period, it is now likely that an increase would be necessary and supported.

## Summary

3.12

In summary, it is considered that:

- 1 Despite preceding the publishing of the NPPF (2019) and the revised PPG [i.e. confirming the 2014-based household projections as the baseline for the standard method], the Council’s approach to determining its LHN figure, and the DLPSC’s proposed LHN [767 dpa] is in accordance with the NPPF (2019) and PPG;
- 2 There are no exceptional circumstances that would justify a departure from the LHN figure generated by the standard method. The housing need context in which Solihull sits is severe, and the Council should, as a minimum, seek to meet their LHN figure; and
- 3 The DLP and DLPSC place significant emphasis on regeneration, economic and employment growth – particularly at the UK Central Hub. The PPG is clear that higher figures than the Boroughs LHN can be considered on the basis of employment and infrastructure. Coupled with the NPPF’s clear link between economic growth and housing need, and that housing should not act as a barrier to economic growth, there is a cogent need for the Council to demonstrate whether an uplift to the LHN [starting point] is required to align the envisaged employment growth with housing growth.

## 4.0 Unmet Housing Need

### GBBCHMA unmet housing need

- 4.1 In January 2017 the Birmingham Development Plan (BDP) was adopted. The BDP identified a shortfall of c.37,900 dwellings over the 2011 to 2031 period. Additionally, the BDP includes Policy TP48 which requires the local authorities (LAs) within the GBBCHMA to work together to address this shortfall.
- 4.2 On this basis, the 14 GBBCHMA authorities commissioned the ‘Greater Birmingham HMA Strategic Growth Study’ (February 2018) (“the SGS”) to establish the extent to which the GBBCHMA can meet its own housing needs up until 2031 and 2036. The SGS also identified unmet needs arising from: Tamworth (1,825 dwellings); Cannock Chase (500 dwellings); and potentially a further c.22,000 from the Black Country.<sup>7</sup> Overall, it identified a cumulative shortfall of 60,855 dwellings across the HMA up to 2036; albeit, it is noted that this figure is reduced to 48,000 dwellings, once an allowance is made for increasing densities across the HMA.
- 4.3 The ‘Greater Birmingham and Black Country Housing Market Area Housing Need and Housing Land Supply Position Statement’ (September 2018) (“the September Position Statement”) updates the SGS position to reflect updated supply positions as of April 1st 2017. It identifies an additional supply of c.6,000 dwellings, reducing the shortfall to c.10,000 dwelling up to 2031; however, it does not project up to 2036. This is of significant importance, as despite four plans having made a formal commitment<sup>8</sup> to meeting part of the GBBCHMA unmet need – including Solihull’s proposed 2,000 dwelling contribution – there is a further unaccounted for unmet need beyond 2031.
- 4.4 Furthermore, it is noted that the DLP will be examined against the policy tests set out in the NPPF (2019), therefore, despite the above evidence [i.e. the SGS] establishing the level of unmet need across the GBBCHMA, this may change due to the standard method. For example, the objectively assessed need (OAN) for Birmingham was 4,450 dpa, however, due to being unable to meet the entirety of its needs the BDP included a housing requirement of 2,550 dpa. Under the standard method, the LHN figure for Birmingham would be 3,577 dpa, as it would be capped at 40% above the BDP figure. On the face of it, this appears to result in a lowering of the overall unmet need.
- 4.5 However, the PPG states that alternative approaches that identify a need higher than the LHN, which adequately reflect current and future demographic trends and market signals, can be considered sound. (PPG ID: 2a-15). The OAN for the BDP is significantly higher than the capped LHN figure, and is broadly similar to the uncapped figure [4,979 dpa]. Notably, the cap does not account for the unmet needs arising above the BDP figure, and therefore, its application artificially constrains the LHN figure; albeit, the PPG also states that the ‘*cap reduces the minimum number generated by the standard method, but does not reduce housing need itself*’ (PPG ID: 2a-07). Moreover, the September Position Statement (Appendix 1) notes that when considering the implications of the standard method on the GBBCHMA and that collective annual LHN of 10,294 is very similar to the annualised SGS requirement of 10,255.

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<sup>7</sup> The SGS notes that there ‘*is not a specific unmet need arising at this point from the Black Country, however the Core Strategy Review is rolling this forward to 2036. The 2017 Issues and Options Report identifies a shortfall of 21,670 dwellings in comparing supply within the urban area to the identified need.*’ (Para 3.16, SGS)

<sup>8</sup> Either adopted or emerging.

- 4.6 In this context, and when having regard to the relatively recent examination and adoption of the BDP (2017), it would be reasonable to defer to its findings on OAN, rather than the artificially constrained LHN figure (i.e. by the 40% cap) as the level of housing need will, in all likelihood, still exist. On this basis, it is considered that the level of unmet need across the GBBCHMA is likely to remain of a broadly same scale and for plan-making purposes, that Solihull should continue to plan to address these needs.

### **Addressing the unmet need**

- 4.7 Given that the DLP plan period now extends to 2035, it is imperative that the District does everything it can to ensure that it is contributing to the wider GBHMA shortfall and supporting the Government's objective of significantly boosting the supply of homes. Therefore, there is significant pressure for Solihull to meet a greater level of these needs up to 2036.
- 4.8 Despite this, the Council's DLPSC defers the consideration of whether the Borough could accommodate further unmet housing needs, beyond the initial 2,000, until the Regulation 19 stage of plan-making (Para 29, DLPSC). The NPPF is clear that Local Plans should be *'based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground'* (Para 35c).
- 4.9 Ultimately, the Council's approach is not consistent with the NPPF, as it *'defers'* the consideration of meeting the needs of the GBBCHMA until later in the plan-making process, when there is a clear [and urgent need] to produce sufficient and robust evidence to establish what level of need should, and can, be accommodated now and in advance of any Regulation 19 plan.

### **An appropriate quantum of unmet housing needs**

- 4.10 As noted above, the DLP proposed to make provision for 2,000 dwellings of the GBBCHMA unmet housing need; however, a review of the Council's evidence base, namely the 'Solihull Local Plan Review Interim Sustainability Appraisal Report' (2017) ("the SA"), highlights that it is fundamentally unclear as to how the Council has derived this arbitrary figure.
- 4.11 It is acknowledged that there is no agreement between the fourteen authorities within the housing market area in relation to the potential apportionment of needs. Moreover, it is acknowledged that there is not a single, or definitive, approach to determining the proportion of unmet need that any single Council should accommodate. However, the Council has not taken an evidence-based approach to identifying the appropriate level of unmet housing need, with limited analysis or clear explanation of process provided to demonstrate that 2,000 homes is justified. Nevertheless, given the above, and that the NPPF (2019) is clear that Local Plans should be based on *'proportionate evidence'* (Para 35c), there is a cogent need for the Council to produce a robust evidence base documenting how it has arrived at its proposed contribution towards meeting the GBBCHMA unmet housing needs.
- 4.12 In terms of determining an appropriate quantum of unmet housing need, it is helpful to turn to other authorities within the GBBCHMA, who have dealt with this matter through the plan-making process. By way of example, to determine an appropriate contribution to meeting the unmet housing needs of the GBBCHMA, North Warwickshire Borough Council (NWBC) undertook a crude exercise that looked at the travel to work migration flows of its residents into Birmingham, and vice versa, and applied an average household size to derive a quantum of housing associated with the net flow.

- 4.13 Using the 2011 Census to undertake similar analysis for Solihull shows that, in total, c.49,400 residents out-commute for work, compared to c.51,400 that commute into Solihull, resulting in a marginal overall net workday population increase of c.2,000 persons [aged over 16].

Table 4.1 Inwards and Outwards Travel to Work flows between Solihull and the GBBCHMA authorities

GBBCHMA Authorities	Inflows	Outflows	Net Change
Birmingham	26,479 (57.3%)	29,458 (59.6%)	-2,979
Bromsgrove	1,896 (1.6%)	828 (1.7%)	1,068
Cannock Chase	254 (0.1%)	69 (0.1%)	185
Dudley	1,075 (0.8%)	415 (0.8%)	660
Lichfield	625 (0.4%)	231 (0.5%)	394
North Warwickshire	1,697 (4.5%)	2,301 (4.7%)	-604
Redditch	1,282 (1.6%)	804 (1.6%)	478
Sandwell	1,511 (1.8%)	909 (1.8%)	602
South Staffordshire	253 (0.1%)	41 (0.1%)	212
Stratford-on-Avon	1,387 (3.1%)	1,612 (3.3%)	-225
Tamworth	1,077(0.5%)	282 (0.6%)	795
Walsall	967 (0.9%)	461 (0.9%)	506
Wolverhampton	491(0.6%)	293 (0.6%)	198
<b>Solihull Total</b>	<b>51,403</b>	<b>49,415</b>	<b>1,988</b>

Source: Table WU03UK, Census 2011

- 4.14 Looking more specifically at the GBBCHMA authorities, notably, both in terms of outward and inward commuting, Birmingham represents the highest rates for Solihull, equating to nearly 60% of both inward and outward commuting flows, resulting in a population decrease of 2,979 in Solihull. Moreover, it is significantly higher than the next location [North Warwickshire – see Table 4.1]. The travel to work flows into and out of Birmingham result in a population increase of c.64,800. Of the c.101,500 outward commuters, the major travel outflows are first to Solihull, with c.26,500 commuting into the Borough [26%], and then to Sandwell [13%], at half the rate of Solihull. Importantly, flows from Birmingham into Solihull [and vice versa] are the largest of all the GBBCHMA authorities, with c.26,500 people commuting into Solihull from Birmingham.
- 4.15 The travel to work inflow into Solihull, from Birmingham, relates to persons, and not households, so applying an average household size for the Borough translates this figure into a notional numbers of households that might be commuting in (in actuality it is unlikely that more than one member of a household would undertake the same commuting pattern, so this estimate is conservative). At the time of the 2011 Census, Solihull's population was 206,674, and comprised of 86,056 households; this would give an average household size of 2.4. Applying this to the inflow of workers from Birmingham generates a figure of c.11,025 dwellings.
- 4.16 Furthermore, migration levels into the Borough show similar [albeit more significant] trends. Over the 2012-2017 period, the largest inward migration flow – from Birmingham into the GBBCHMA authorities – is to Solihull [25% or c.28,600 persons], slightly higher than to Sandwell [22% or c.25,850 persons]. Conversely, migration from Solihull to Birmingham to 18% of Borough's migration outflows. Overall, Solihull has consistently seen a net inward flow of migration into Solihull from Birmingham [i.e. in-flows have been consistently higher than out-flows to Birmingham over the 2012-2017 period].

Table 4.2 Migration outflows into GBBCHMA from Birmingham/Solihull (2012-2017)

GBBCHMA Authorities	Birmingham Outflows
Birmingham	~
Bromsgrove	9,130 (8%)
Cannock Chase	1,190 (1%)
Dudley	8,870 (8%)
Lichfield	4,450 (4%)
North Warwickshire	2,910 (3%)
Redditch	3,830 (3%)
Sandwell	25,850 (22%)
Solihull	28,630 (25%)
South Staffordshire	1,920 (2%)
Stratford-on-Avon	2,020 (2%)
Tamworth	2,430 (2%)
Walsall	17,030 (15%)
Wolverhampton	6,720 (6%)
<b>Total</b>	<b>114,980</b>

Source: Internal migration: matrices of moves by local authority and region (countries of the UK), ONS

4.17 When viewed together, there are clear housing market drivers within Solihull that originate from Birmingham – the largest source of unmet housing need within the HMA. The above demonstrates that there are significant demographic and economic links between Solihull and Birmingham, to a far greater extent than other GBBCHMA authorities, who have elected to facilitate higher [than Solihull] levels of growth to meet part of the GBBCHMA unmet need. It also fundamentally serves to highlight that the Council should, as a minimum, meet the proposed 2,000 dwellings of unmet need; however, should also consider making provision for a higher level of unmet housing need to address these links.

4.18 It is important to note that these calculations have been undertaken purely to demonstrate the ineffectiveness of the Council's currently proposed provision to the GBBCHMA unmet housing needs. It is not to suggest that the Council should seek to address the entirety of the Boroughs inward flow of persons travelling to work from Birmingham, as the c.11,000 figure generated would represent a significant part of the overall unmet need, and would equate to 85% of Solihull's own LHN for the DLP period. Fundamentally, the above serves to highlight that the Council should re-evaluate its unspecified approach to deriving an appropriate contribution to the GBBCHMA unmet housing needs, and provide sufficient and robust evidence to underpin this.

## Summary

4.19 In summary, it is considered that:

- 1 The unmet housing needs arising across the GBBCHMA are of a significant scale, and the SGS has quantified these needs at 48,000 up to 2036. The introduction of the standard method, on the face of it, appears to reduce this shortfall. However, this is largely by reason of the application of the cap, which as the PPG states, does not '*reduce housing need itself*'. Therefore, it is considered reasonable to defer to the initial findings of the SGS, and that the level of unmet need across the GBBCHMA is likely to remain the same for purposes of plan-making;
- 2 The NPPF is clear that strategic matters [such as unmet need] should be '*dealt with rather than deferred*'. The Council's approach is not consistent with the NPPF, as it currently seeks

to defer the consideration of addressing a higher quantum of the GBBCHMA unmet needs until the Regulation 19 stage of plan-making. There is an urgent need to address this strategic matter now, through the production of a robust and sufficient evidence base; and

- 3 The Council's currently proposed provision to the GBBCHMA does not significantly, or sufficiently, contribute to addressing both the scale of the GBBCHMA shortfall or the clear economic and demographic strategic links between Solihull and Birmingham. Whilst the DLPSC states that further consideration of this matter will be addressed at the Regulation 19 stage of plan-making, there is a necessity to establish a more appropriate level of housing provision to meet the significant scale GBBCHMA unmet housing need arising up-to 2036.

## 5.0 Older Persons Housing Needs

5.1 The DLP provides some context on the older persons housing needs arising within the Borough over the previous DLP period, highlighting that:

*‘The number of households represented by the over 75s is projected to increase by 7,000 between 2014 and 2033 to comprise 22% of all the Borough’s households. This leads to market demand for specialist and supported housing together with homes which can provide opportunities for households to ‘downsize’, thereby releasing family housing for resale and re-letting.’ (Para 181, DLP)*

5.2 In terms of the existing supply, the DLP noted that there is a Borough-wide shortage of homes which are suitable for older people (Para 182), and that there is a growing need for such accommodation, as evidenced by the SHMA, local Borough wide data and the Independent Living and Extra Care Housing Strategy (Para 188).

5.3 In this context, the DLP (Policy P4) states that the Council ‘will identify the tenure, mix and type of the homes and any requirements for homes to be designed to meet specific needs such as those of older’; albeit, the policy does not specify specific types and tenures. It also implies that the need for older person housing will be addressed through a Supplementary Planning Document (SPD) (Para 182, DLP), or through site-specific development briefs (Policy P4c). Subsequently, the DLPSC further implies, although not explicitly, that this will be achieved on a site-by-site basis; stating that for Balsall Common ‘A mix of market and affordable housing [...] as well [...] specialist housing to meet the needs of older people will be provided in the area.’ (Para 145).<sup>9</sup>

### Evidence base

5.4 As noted above, neither the DLP or DLPSC specifically refer to the quantum of housing needed to address the needs of older persons across the plan period up to 2035. The PPG highlights that standard method does not break down the overall figure into different types of housing, such as older persons housing, and such needs should be considered separately (PPG ID: 2a-017).

5.5 In terms of the most up-to-date evidence on different types of housing need, it is noted that the DLP was underpinned by an SHMA which identifies the overall OAN, and a further Part 2 SHMA which identifies the need for affordable housing and the needs associated with specific groups, including older persons. However, it is acknowledged that the Council has recently consulted on the Solihull ‘Extra Care Strategy’ (“the Strategy”).<sup>10</sup> The Strategy sets out the overarching vision for extra care housing for older people in Solihull for the next 5-10 years and was underpinned by the conclusions set out in the report ‘SHOP Report Solihull, July 2018’ (“the July 2018 Report”). Notwithstanding, we do not consider this to be an appropriate basis on which to plan for meeting the needs of older persons for the following reasons:

- 1 The Strategy only sets out to address Extra Care needs, and omits reference to the need and/or supply of other types of specialist housing and accommodation which are pertinent to ensuring that the wide range of needs arising from an ageing population are met;
- 2 The evidence underpinning the Strategy (i.e. the July 2018 Report) states that it utilises the same underlying data as the Part 2 SHMA (e.g. The Housing Learning and Improvement Network’ Strategic Housing for Older People tool, 2015), and yet finds a significantly lower

<sup>9</sup> A similar approach is proposed at Blythe, Hampton-in-Arden, Hockley Heath, Knowle, Dorridge, Bentley Heath and Solihull Town Centre.

<sup>10</sup> The Strategy underwent a consultation period which ended on 23<sup>rd</sup> January 2019.



need for the different types of specialist accommodation, and provides no justification/explanation for this; and

- 3 The July 2018 Report divides Solihull into a number of localities across which it determines whether there is a surplus or shortfall of specific types of housing and accommodation. The basis for this appears to be the existing Solihull localities for domiciliary care. However, there is simply no evidence that the housing market or the market for elderly accommodation operates within such small market areas within Solihull and that provision would thus relate to need in this way.

5.6 Subsequently, the Council's Cabinet Committee<sup>11</sup> deferred the adoption of the Strategy to allow Officers to provide further clarification on the legal points that were raised by objectors (see for example Para 5.12) to the draft Strategy. Therefore, it is considered that the most reasonable and up-to-date evidence on the housing needs for older persons is set out in the Council's Part 2 SHMA. The Part 2 SHMA considers both the needs of elderly households living in housing where care is provided (i.e. Use class C3 (b); use as a dwelling house by not more than six residents living together as a single household where care is provided for residents), as well as those in specialist institutional accommodation (i.e. Use class C2, care homes). In summary, the Part 2 SHMA identifies the following needs:

- 1 **C3(b) accommodation** – For specialist and extra care C3(b) housing, the Part 2 SHMA identifies a current supply of 1,674 units (Part 2 SHMA Table 6.2), and a future need for an additional 1,225-3,800 units, depending on how many units of supply there are per 1,000 people age 75. Solihull currently has a ratio of 82 units of specialist housing per 1,000 people age 75+, and if provision is continued at this rate there would be a need for 1,225 units. This is lower than the recommended level of 170 per 1,000 people based on the Strategic Housing for Older People tool (Para 6.10, Part 2 SHMA) – were Solihull to increase provision to this level, there would be a need for 3,800 units.
- 2 **C2 accommodation** – The need for C2 accommodation was not included within the SHMA's objectively assessed need (OAN) for housing. This is because the OAN was based on household projections published by DCLG, and the 'not in household' population (i.e. those in residential accommodation, including care) is removed from the projection before it is translated into a household and housing need number. The Part 2 SHMA states that the Strategic Housing for Older People tool shows there are currently 1,292 spaces in nursing and residential care homes in Solihull (Para 6.14, Part 2 SHMA). Applying the current occupation rate over the Plan period, this suggests the requirement in 2033 would be 2,029, giving a net need for an additional 737 bedspaces. Such need would be considered over and above the need for just 'housing' (e.g. C3 accommodation).

## Addressing these needs

5.7 Overall, the Part 2 SHMA suggests that there is a significant need for specialist housing and care home bedspaces in Solihull to 2033. It indicates for housing this could be up to 3,800 units if the level of provision is brought up to the recommended standard, whilst for bedspaces in care homes in the region of around 740 units are required and provision of specialist housing in Solihull is currently also well below the national average.

5.8 Notably, despite acknowledging the challenges the provision of housing suitable for older person presents over the plan period, neither the DLP or DLPSC provide specific policies which, quantify the need for or make provision for such housing. Indeed, generally, there are

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<sup>11</sup> 7th February 2019

inconsistencies in the Council's approach to delivering the housing needs of older persons within both the DLP and subsequent DLPSC.

- 5.9 The NPPF (2019) is clear that to support the Government's objective of significantly boosting the supply of homes it is important that the needs of groups with specific housing requirements are addressed (Para 59). Within this context, the NPPF (2019) also states that the size, type and tenure of housing needed for different groups in the community, including older persons housing, should be assessed and reflected in planning policies (Para 61). The PPG goes on to note that policies will need to consider how the needs of individual groups can be addressed within the overall need established (PPG ID: 02-17); albeit, whilst C3(b) accommodation would fall within the overall LHN, as noted above, need for non-housing accommodation, such as C2 care homes, is not necessarily reflected in that need figure.
- 5.10 Whilst the DLP highlights the Borough's projected growth in persons aged over 75, and, at a high level, the Part 2 SHMA's findings on the existing supply, it does not set out the overall need for specialist accommodation, or provide specific types and tenures required to be addressed.
- 5.11 Given that the existing level of specialist housing in Solihull falls well below the recommended level, it would be prudent for the DLP to plan for a figure at the higher end of the SHMA's identified range to increase the choice and overall supply of specialist housing for older people. This could also encourage older households (who typically under-occupy large housing) to downsize, which could free up existing housing stock for occupation by other households, such as families. Importantly, these needs should form a key consideration for the Council as Solihull (and the country more generally) faces the pressures of ageing; however, the DLP does not provide sufficient certainty that these needs will be addressed through the DLP, as such matters appear to be deferred to SPD's or site-specific development briefs.
- 5.12 Such an approach, in any case, would be incorrect when having regard to the High Court judgment in *William Davis Ltd & Ors v Charnwood Borough Council* [2017] EWHC 3006, which establishes that evidence bases that have not undergone independent examination cannot be elevated to the status of planning policy, whilst SPD and development briefs are non-statutory and also cannot set or alter planning policy contained within the development plan. As noted above, the NPPF (2019) requires that local planning authorities assess the needs associated with different groups, including older people, and then these needs are reflected in planning policies (Para 61), rather than evidence base or supplementary guidance documents. This ensures that the Council's evidence for assessing the needs of types of housing has passed through an independent examination process and that the Council has policies in its Plan for addressing such needs. In this regard, there is a clear need for the Council to address the housing needs of older persons within the DLP, and set out within policy the approach to addressing such needs, potentially including a target for Care Home bedspace provision, as an addition to any housing requirement figure.

## Summary

- 5.13 In summary:
- 1 The Council's own evidence (the Part 2 SHMA) has concluded that there is a significant need for specialist housing and care home bedspaces in Solihull to 2033, with the current provision within Solihull being well below the national average. Indeed, the Council acknowledges that the need for older persons housing will be a challenge within the DLP plan period, however, appears to defer addressing these needs to either SPDs or site-specific development briefs;
  - 2 The DLP's proposed approach to addressing the housing needs of older persons is incongruous with the NPPF and recent High Court Judgments, which requires that local

planning authorities assess the needs associated with different groups, and that these needs are reflected in planning policies. This ensures that the evidence underpinning these requirements has passed through an independent examination process and that the Council has policies in its Plan for addressing such needs. Therefore, the Council need to set out policies within the DLP that address these needs; and

- 3 Notwithstanding this, whilst certain elements of specialist accommodation [such as C3(b)] should form part of the overall LHN for Solihull and can be addressed through housing mix policies, C2 accommodation does not. Therefore, there is a need for the Council to specifically address this element of need – as identified in the Part 2 SHMA.

## 6.0 Conclusion

- 6.1 This report has considered whether the Council's proposed approach to determining its housing requirement is appropriate, whether the deferral of addressing the wider GBBCHMA unmet housing needs until Regulation 19 is justified, and whether the housing needs of older persons are adequately addressed in the Plan. The key points are summarised below:

### Local housing need

- 6.2 The Council's proposed LHN figure (767 dpa), set out in the DLPSC, is in accordance with the NPPF (2019) and PPG. As stated by the Council, it is considered that there are no exceptional circumstances that would justify a departure from the LHN figure generated by the standard method, and that the Council should, as a minimum, meet their LHN figure. However, the PPG is clear that the standard method does not attempt to predict the impact that future government policies or changing economic circumstances, and that higher figures may be appropriate on the basis of employment or infrastructure.
- 6.3 The DLP and DLPSC set out the Council's framework for economic growth within the Borough; principally at the UK Central Hub. The NPPF is clear that housing should not be a barrier to economic growth. Currently, the Council has not produced any evidence demonstrating that the LHN figure would provide a sufficient supply of housing in order to accommodate an increase in the workforce. Therefore, there is a cogent need for the Council to demonstrate whether an uplift to the LHN starting point is required to align the envisaged employment growth with housing growth.

### Unmet housing need

- 6.4 A significant evidence base has been produced demonstrating the level of unmet needs (c.48,000 dwellings) arising across the GBBCHMA up to 2036. The Council, alongside the other 13 GBBCHMA authorities, have committed to addressing these needs, although no apportionment has been agreed. The changes to LHN figures across the GBBCHMA are not likely to reduce this need, as the application of caps (as per the standard method) does not '*reduce housing need itself*'. Moreover, the BDP evidence base has undergone examination, and produces a higher OAN than the capped LHN figure, and is therefore an appropriate basis for plan-making in Solihull.
- 6.5 The DLP commits to making provision for 2,000 dwellings of the unmet need, however, defers further consideration to the Regulation 19 stage of plan-making. This is not consistent with the NPPF, which states that such strategic matters should be '*dealt with rather than deferred*'. Therefore, there is a need for the Council to consider how they will further address this shortfall through the DLP now. Furthermore, given the strong economic and demographic links between Solihull and Birmingham, to a far greater extent than other neighbouring authorities, there is a need to robustly demonstrate consideration has been given to making provision for a higher quantum of housing than currently proposed.

### Older persons housing need

- 6.6 The Council's own evidence (the Part 2 SHMA) has concluded that there is a significant need for specialist housing and care home bedspaces in Solihull to 2033, with the current provision within Solihull being well below the national average. However, neither the DLP or DLPSC directly address such needs; rather they appear to defer addressing these needs to either SPDs or site-specific development briefs. The NPPF is clear that the needs of groups with specific housing requirements are addressed and that the size, type and tenure of housing needed for

different groups in the community is assessed and reflected in planning policies. Therefore, there is a need to set out how these needs will be addressed within policies in the DLP.





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