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Solihull Housing Need Technical Note

Prepared on behalf of:

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1.0 INTRODUCTION

- 1.1 This Technical Note has been prepared by Barton Willmore's National Development Economics Team on behalf of Barratt David Wilson in response to Solihull Borough Council's (SBC) consultation on their supplementary update to the Draft Local Plan (the Draft Plan).
- 1.2 Specifically, this Technical Note focuses on the supply of housing proposed in the Draft Plan, and whether this aligns with the National Planning Policy Framework (NPPF, 2019), the Planning Practice Guidance (PPG, 2019), and the aims, objectives, and policies of the Draft Plan.
- 1.3 In undertaking this analysis, the Technical Note reviews recent housing and employment evidence base documents published by SBC, alongside other publicly available data.

2.0 NATIONAL PLANNING POLICY CONTEXT

i) Introduction

- 2.1 The National Planning Policy Framework (NPPF) was revised initially in July 2018 and again in February 2019. In respect of housing need, and how this is calculated for each local authority, the revised NPPF introduced the 'Standard Method' (SM) for calculating local housing need. This replaced the previous 'Objective Assessment of Overall Housing Need' (OAN) immediately in respect of planning applications and appeals.
- 2.2 However, in respect of the examination of Local Plans, a transition period applied for 6 months, during which time all Plans submitted to the Secretary of State for examination on or before 24 January 2019 were to be subject to the OAN method.
- 2.3 Notwithstanding the introduction of the SM however, there remains uncertainty over the method. This section of the Technical Note discusses this uncertainty and the revised Planning Practice Guidance (PPG) published to support the policies of the revised NPPF.

ii) National Planning Policy Framework (NPPF, 2019)

- 2.3 The revised NPPF replaces the 2012 NPPF and its requirement for an OAN, replacing it with the SM from the 24 July (with the exception of Local Plans submitted on or before 24 January 2019).
- 2.4 Paragraph 8 of the NPPF lists the three overarching objectives of the NPPF; **economic, social, and environmental**. The social objective states that planning will *"support strong, vibrant and healthy communities, by ensuring that a **sufficient number** and range of homes can be provided to meet the needs of present and future generations."*
- 2.5 Paragraph 11 moves on to state how *"Plans and decisions should apply a **presumption** in favour of sustainable development"* and how in respect of Plan-making this means that *"plans should **positively seek** opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change" and "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."*

- 2.6 Under section 3. 'Plan-making', the revised NPPF states that local authorities *"are under a duty to cooperate with each other, and with other prescribed bodies, on strategic matters that cross administrative boundaries"* (paragraph 24) and in doing so *"should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these"* (paragraph 27).
- 2.7 When examining Plans and determining whether they are 'sound', the Planning Inspectorate will test whether the Plan is *"**positively prepared** – providing a strategy which, as a **minimum**, seeks to meet the area's objectively assessed needs; 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"* (paragraph 35a).
- 2.8 The NPPF moves on to discuss 'Delivering a sufficient supply of homes' in section 5 and states how the delivery should *"support the Government's objective of **significantly boosting the supply of homes.**"* Paragraph 60 moves on to state how *"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.* This identifies how the SM should be used to establish the **minimum** number of homes to be planned for.
- 2.9 Section 6 of the revised NPPF refers to 'Building a strong, competitive economy' and Paragraph 80 states how *"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."* As part of this the NPPF (paragraph 81c) states how planning policies should *"seek to address potential **barriers** to investment, such as inadequate infrastructure, services or **housing**, or a poor environment."*
- 2.10 In this context, although the NPPF confirms that the SM should be used when calculating housing need, it also confirms how the SM represents **minimum** housing need. The NPPF is also clear that inadequate housing should not create a barrier to investment and that significant weight should be placed on the need to support economic growth.

iii) **Planning Practice Guidance – Housing and Economic Needs Assessment (PPG, 2019)**

- 2.11 The 'Housing and Economic Development Needs Assessment' (HEDNA) section of the PPG which supported the 2012 NPPF was initially replaced by the 'Housing Needs Assessment' (HNA) PPG on 13 September 2018, and updated on 20 February 2019. The HNA PPG provides more detailed guidance on the SM introduced in the revised NPPF.
- 2.12 At the outset, it is important to emphasise how the standard method calculation represents **minimum** housing need for an area. The revised HNA PPG is very clear in this respect, paragraph ID2a-002 stating that *"The standard method set out below identifies a **minimum** annual housing need figure. It **does not** produce a housing requirement."*
- 2.13 In this context paragraph ID2a-010 states *"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."*
- 2.14 Paragraph ID2a-010 moves on to consider the circumstances where housing *need* in excess of the minimum standard method *need* might be appropriate. Paragraph ID2a-010 states that *"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.

- 2.15 In summary, in the context of paragraphs ID2a-002 and ID2a-010, it is imperative to understand that the standard method calculation is simply a **minimum starting point** in determining the number of homes needed actual need has the potential to be higher in order to support the policies of the NPPF and the clear objectives of Government to 'significantly boost' housing supply and 'support economic growth'.

iv) Status of the Standard Method

- 2.16 The standard method for calculating local housing need was formally introduced by Government in the revised National Planning Policy Framework (NPPF, 24 July 2018). Although the NPPF confirmed that the standard method applied from the 24 July 2018 for the purposes of planning applications, the NPPF and the accompanying 'Housing Needs Assessment' section of the revised Planning Practice Guidance (PPG, 13 September 2018), included an important caveat as follows:

"The government is aware that lower than previously forecast population projections have an impact on the outputs associated with the method. Specifically it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a significant reduction, once the relevant household projection figures are released in September 2018.

In the housing white paper the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time.

It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning for the right homes in the right places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s."

- 2.17 The new household projections referred to in the above text were subsequently published on 20 September 2018 and resulted in standard method need of 212,000 dwellings per annum (dpa) nationally, compared with the previous household projections which generated 265,000 dpa when the standard method was first consulted on in September 2017. This significant drop in need

contradicted the Government's aspiration to build 300,000 dpa nationally by the mid-2020s, as set out in the 2017 Autumn Budget.

- 2.18 Government therefore confirmed that revisions to the standard method would be consulted on before the end of 2018.
- 2.19 These proposed changes were confirmed by the Minister of State for Housing, Kit Malthouse MP. In commenting on the recent 2016-based ONS SNPP and household projections he said *"There have been some really anomalous results from it - some very strong growth areas which have come out with a zero-housing need. That's just crazy."* This has led to Government considering a number of options for amending the standard method. In this context Kit Malthouse commented, *"We recognise that the whole sector, councils included, need clarity pretty quickly. We will come out as soon as we can with some sort of consultation. It would be great to get it sorted out this side of Christmas and certainly before January 24."*¹
- 2.20 These proposed changes were subsequently commented on by Steve Quartermain, Chief Planner at the Ministry of Housing, Communities and Local Government (MHCLG) who stated that *"We have a commitment to consult on revision of the calculations on local housing need. The secretary of state has been clear that something will be seen on that before Christmas."* Quartermain said his officials were *"looking at various options"* and the department would *"consult as soon as we can"* on revisions to the methodology. Quartermain also made clear that the revised method would still aim to meet the overall target of delivering 300,000 homes per annum by the mid-2020s laid down in the revised NPPF. *"The policy direction is clearly to maintain a higher figure than the current projections suggest and the methodology will be trying to do that."*²
- 2.21 In this context, MHCLG announced planned revisions to the SM in their ***'Technical consultation on updates to national planning policy and guidance'*** published on 26 October 2018. This consultation paper sought views on the changes proposed in respect of the method by which the SM figure is calculated, with the consultation period running until 07 December 2018.
- 2.22 In short, the consultation paper acknowledged the inadequacy of using the 2016-based household projections for the baseline level of housing need in the SM calculation. MHCLG consider the 2016 projections inadequate for a number of reasons detailed in the paper.

¹ Interview: Kit Malthouse, housing and planning minister, Planning Resource, 04 October 2018, <https://www.planningresource.co.uk/article/1495046/interview-kit-malthouse-housing-planning-minister>

² More on revised standard housing need method by Christmas, says chief planner, 09 October 2018, <https://www.planningresource.co.uk/article/1495543/revised-standard-housing-need-method-christmas-says-chief-planner>

- 2.23 The consultation paper therefore proposed to replace the use of the latest 2016-based Office for National Statistics (ONS) in step 1 of the standard method and replace them with the previous 2014-based MHCLG household projections. However the paper also stated how this change will be made in the *“short term”* and that *“In the longer term, to **review the formula** with a view to establishing a **new method** that meets the principles in paragraph 18 above by the time the next projections are issued.”*³
- 2.24 It is also notable how the consultation paper emphasised again how the SM is the **minimum** level of housing need that should be planned for; *“Local housing need does not represent a mandatory target – it is simply a **starting point** for planning, and local authorities may either choose to plan in excess of this or to conclude that they are not able to meet all housing need within their boundaries, for example due to constraints such as protected designations and Green Belt, or whether that need is better met elsewhere. This means there is flexibility for local authorities to manage movements in local housing need locally.”*⁴
- 2.25 The results of the above consultation have now been published (19 February 2019) and confirm that the recommendations put forward by Government will be taken forward. For the Standard Method this means that the 2016-based ONS household projections **must not be used** as the baseline for the Standard Method calculation.⁵
- 2.26 Furthermore Government confirm that the 2016-based household projections **will not** be considered to be an exceptional circumstance that justifies identifying minimum need levels lower than those identified by the standard method.⁶
- 2.27 However the Standard Method in its existing form is not expected to be adopted for longer than 18 months, with Government stating *“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.”*⁷

³ Paragraph 19(1), page 10, Technical consultation on updates to national planning policy and guidance, 26 October 2018

⁴ Paragraph 27(3), page 13, Technical consultation on updates to national planning policy and guidance, 26 October 2018

⁵ Government response, page 6-7, Government response to the technical consultation on updates to national planning policy and guidance, A summary of consultation responses and the Government’s view on the way forward, February 2019

⁶ Government response, page 7-8, Government response to the technical consultation on updates to national planning policy and guidance, A summary of consultation responses and the Government’s view on the way forward, February 2019

⁷ Government response, page 6-7, Government response to the technical consultation on updates to national planning policy and guidance, A summary of consultation responses and the Government’s view on the way forward, February 2019

2.28 These changes were subsequently formalised in the revised 'Housing and economic needs assessment' section of the revised PPG on 20 February 2019.

v) Summary

2.29 The current national policy and guidance with respect to housing need has been summarised in this section. The key points to note are as follows:

- the revised NPPF introduces the 'standard method' for calculating local housing need;
- the standard method replaced the OAN method immediately from 24 July 2018 for applications, and for all Local Plans submitted after 24 January 2019;
- Government have reiterated that the SM represents 'minimum' housing need, and it should represent the 'starting point' for planning;
- Revised PPG confirms that 'actual housing need may be higher' than the SM minimum;
- Revised NPPF states how inadequate housing should not form a barrier to investment;
- Recent technical consultation responses confirm Government's stance that 2014-based household projections are to be used for the SM and not the 2016-based projections;
- Revised PPG confirms that the 2016-based ONS household projections cannot be used as an 'exceptional circumstance' to justify a minimum housing need figure below SM;
- The Standard Method will be revised within the next 18 months.

3.0 LOCAL PLANNING POLICY

i) Introduction

3.1 Having identified the existing national policy and supporting guidance in which housing need should be calculated, in this section we consider policy and evidence at the local level in Solihull. This incorporates a summary and review of their *'Draft Local Plan Supplementary Consultation'* (Draft Plan), and their recent evidence base documents. This will enable the determination of a background from which to establish whether the standard method calculation – minimum housing need – will support policies in the Draft Plan, and whether the Council's own evidence points to 'actual' housing need being higher than the standard method.

ii) Adopted Solihull District Plan (03 December 2013)

3.2 Before we consider the Draft Plan consultation document, the key policies of the adopted Plan should be summarised.

3.3 Policy P5: 'Provision of Land for Housing' of the adopted Plan targeted the provision of 11,000 dwellings between 2006 and 2028 (500 dwellings per annum). This reflected the requirement recommended by the West Midlands Regional Spatial Strategy Phase II Revision Panel Report which objectively assessed housing need.⁸

3.4 However a successful High Court Challenge was subsequently made in 2014 against Policy P5 and the supporting text set out above in respect of housing numbers. The Judgment against the Council was subsequently upheld at appeal although it was confirmed that all other parts of the Plan remained adopted.

3.5 Notwithstanding the challenge in respect of housing need, the Local Plan is very clear in respect of its responsibilities in respect of economic growth. Challenge D of the Plan is entitled 'Securing Sustainable Economic Growth' and lists the following 'key economic assets' of the Borough:

- i. Maintaining Solihull's important **regional and sub-regional role**;
- ii. Meeting aspirations of key businesses to enable them to **maintain competitiveness** (Birmingham Airport, National Exhibition Centre, Birmingham

⁸ Paragraph 8.4.1, page 73, Solihull Local Plan – Shaping a Sustainable Future, December 2013

Business Park, Blythe Valley Park, Jaguar Land Rover) whilst contributing to sustainable development;

- iii. Retaining a **high skilled workforce**;
- iv. Impact of congestion on motorways, the strategic highway network and rail from additional growth/housing;
- v. Impact of pressure for development on the quality of the environment;
- vi. Need to provide opportunities around workplaces for healthy and active lifestyles;
- vii. Need for high speed digital connectivity to enhance competitiveness.⁹

3.6 The 'Vision' for the Borough also states the following:

"It will be a Borough that continues to be economically successful and a driver for sustainable growth within the West Midlands; where the potential for managed growth within the M42 Economic Gateway is unlocked and the ambitions for the economic assets contained within it are fully realised."¹⁰

3.7 The Plan also identifies its place within the Greater Birmingham and Solihull Enterprise Partnership (LEP) stating how *"the Borough is the principal gateway to the Greater Birmingham and Solihull Local Enterprise Partnership area and the wider West Midlands Region"*¹¹ and how the M42 Economic Gateway sits within the LEP area.

3.8 The Plan goes on to identify how the Borough is home to several economic assets within the M42 Gateway including Birmingham Airport, the National Exhibition Centre, Birmingham and Blythe Valley Business Parks, Jaguar Land Rover and Solihull Town Centre and how *"It is estimated that realising the full potential of the Gateway could create over 36,000 additional jobs by 2026 and add £5.9bn to the West Midlands economy."*¹²

iii) Solihull Local Plan Review: Draft Local Plan Supplementary Consultation (Supplementary Consultation, January 2019)

3.9 The Supplementary Consultation identifies how there are three main reasons for an early review of the Adopted Plan identified above. These are as follows:

⁹ Key Challenge D – Securing Sustainable Economic Growth, page 20, Solihull Local Plan – Shaping a Sustainable Future, December 2013

¹⁰ Paragraph , page 20, Solihull Local Plan – Shaping a Sustainable Future, December 2013

¹¹ Paragraph 2.2.1, page 9, Solihull Local Plan – Shaping a Sustainable Future, December 2013

¹² Paragraph 2.7.1, page 14, Solihull Local Plan – Shaping a Sustainable Future, December 2013

“The first is to deal with the legal challenge to the 2013 plan; secondly to accommodate Solihull’s own housing needs, as well as helping to address the housing shortfall occurring in the wider Housing Market Area (HMA); and finally to provide a proper planning framework that recognises the arrival of HS2 in the Borough – in particular the first station outside of London which is to be constructed on land opposite the NEC.”¹³

- 3.10 Under the ‘Purpose of Consultation’ section the Supplementary Consultation states the consultation seeks to *“Provide an update on local housing need now that national planning policy has changed through the introduction of a standard methodology.”*¹⁴ However it states how the consultation is not seeking to *“Revise the contribution that the Council is making towards the HMA shortfall. This will be considered through the draft submission version of the plan.”*¹⁵
- 3.11 Notwithstanding the reference to the HMA shortfall, the ‘Duty to Cooperate’ section of the Supplementary Consultation identifies Solihull’s role in accommodating unmet need from the wider HMA. It notes how other local authorities and other interested parties identified how *“(a) there is no clear justification why 2,000 was chosen as the figure Solihull would make towards the HMA shortfall and (b) there is opportunity to make a greater contribution.”*¹⁶ It goes on to state how the potential for a revision to the 2,000 figure remains as part of the Submission Draft Plan in summer 2019.¹⁷

Housing Need

- 3.12 The Supplementary Consultation identifies how the first stage in the Draft Plan review (November 2016) concluded on there being an Objectively Assessed Need (OAN) for 13,091 dwellings, 2014-2033, in Solihull Borough. This figure equated to 689 dwellings per annum. Added to this was 1,938 dwellings to deal with the HMA shortfall, resulting in a housing requirement of 15,029 dwellings, 2014-2033.
- 3.13 Paragraphs 41 to 48 of the Supplementary Consultation discuss housing need for Solihull Borough. The consultation correctly identifies the Standard Method approach to calculating local housing need, and identifies a need of **767 dwellings per annum**. The Supplementary Consultation identifies however that this is the **minimum** local housing need figure for Solihull.

¹³ Paragraph 2, page 4, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

¹⁴ Paragraph 4, page 4, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

¹⁵ Paragraph 5, page 5, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

¹⁶ Paragraph 27, page 8, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

¹⁷ Paragraph 29, page 8, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

3.14 The Supplementary Consultation then identifies how applying the same 2,000 dwelling uplift applied in the 2016 Draft Plan would increase housing requirement to **15,039 dwellings, 2018-2035**, an annual average of **885 dwellings**.¹⁸

Economic Growth

3.15 The Supplementary Consultation builds on the potential for economic growth outlined in the Adopted Plan and the 2016 Draft Plan by outlining plans for the 'UK Central Hub', an area focussed on the main economic assets located around junction 6 of the M42. The principal elements of the Hub are listed in the consultation as follows:

- Arden Cross Land including the HS2 interchange;
- Birmingham Airport;
- The NEC;
- Jaguar Land Rover; and
- Birmingham Business Park¹⁹

3.16 In this respect the Supplementary Consultation states the following:

"It is anticipated that the UK Central Hub site will make a significant contribution towards the delivery of homes and economic development in the Borough during the plan period and beyond. The extension of High Speed rail to the West Midlands will be significant, reducing journey times to London to 38 minutes and enhancing existing connectivity provided via Birmingham airport and via the region's extensive road and motorway network. As the site of the first railway interchange station outside London The Hub is uniquely placed to capture these benefits."

"The Hub is therefore a unique site with the potential to deliver major growth on a nationally significant scale both to meet the economic growth aims of the Borough as well as the wider growth aspirations of the Greater Birmingham and Solihull LEP and the West Midlands Combined Authority."²⁰ (Our emphasis)

3.17 The Supplementary Consultation moves on to conclude the following in this context:

¹⁸ Paragraph 48, page 12, Reviewing the Plan for Solihull's Future: Draft Local Plan Supplementary Consultation, January 2019

¹⁹ Paragraph 323, page 58, Reviewing the Plan for Solihull's Future: Draft Local Plan Supplementary Consultation, January 2019

²⁰ Paragraph 323, page 58, Reviewing the Plan for Solihull's Future: Draft Local Plan Supplementary Consultation, January 2019

“It is clear that co-ordinating the development ambitions of all stakeholders and delivering a range of growth opportunities will provide multiple benefits for the Borough and wider area including:

- **The delivery of a significant amount of jobs;**
- **A greater range and choice of new homes for The Hub, Solihull and the wider Housing Market Area;**
- **New and unique forms of high quality development;**
- **The creation of healthy neighbourhoods;**
- **Joined up green infrastructure;**
- **The delivery of strategic infrastructure.”** ²¹ (Our emphasis)

3.18 It is therefore clear that housing delivery in Solihull must be of a quantum which contributes to supporting the ‘significant amount of jobs’ created by the Hub and other employment development in the Borough.

Summary

3.19 In summary, the following key points can be drawn from the Adopted Plan and the Supplementary Consultation document:

- A clear commitment to provide some of the wider HMA’s unmet need;
- Housing delivery for Solihull Borough based on the Government’s Standard Method;
- Acknowledgement that Solihull is in a unique geographical location which can support significant levels of new employment.

3.20 Having established the policy context for Solihull, the following section considers recent evidence in respect of housing need and employment growth.

²¹ Paragraph 333, page 59, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

4.0 EVIDENCE BASE REVIEW

i) Introduction

4.1 This section of our Technical Note builds on the policy context summarised in section 3, by considering the most recent evidence published by the Council in respect of housing need and employment growth. We also consider the *'Strategic Growth Study into the Greater Birmingham and Black Country Housing Market Area'* (SGS, February 2018) commissioned by the 14 local authorities of the Housing Market Area (HMA). However we acknowledge that the SGS is not a policy statement.

ii) Evidence of employment growth

4.2 As we have identified in the previous section of this report, Solihull Borough Council's (SBC) Supplementary Consultation identifies how significant levels of job growth will be created in the Borough over the Plan period. However no job figures are referenced. We have therefore reviewed a number of documents which provide more detail in this respect.

4.3 The 'Midlands HS2 Growth Strategy' has been produced by the Greater Birmingham & Solihull Local Enterprise Partnership (GB&SLEP) and *"outlines how we [the LEP] are seeking to fully maximise the benefits of the largest infrastructure project in Europe."*²² The HS2 development is described by the LEP as a *"once-in-a-generation opportunity to drive economic growth and prosperity across the Midlands"*²³ and one of HS2 stations – the Interchange – is to be located in Solihull Borough between junctions 6 and 7 of the M42.

4.4 As part of the overarching strategy, the HS2 Growth Strategy reports how the two HS2 stations (Curzon in Birmingham and the Interchange in Solihull) alone will create **52,000 jobs** and £1.25 billion in GVA per year²⁴. Within this figure the Interchange at Solihull is expected to create **16,500 new jobs** and 1,900 new homes.²⁵

4.5 The Council's 'Employment Land Review' is also of relevance. This was prepared by Peter Brett Associates (PBA) in January 2017 and provides three scenarios for job growth in the Borough as follows:

²² Foreword, The Midlands HS2 Growth Strategy Accelerating the UK's engine of growth, July 2015

²³ Foreword, The Midlands HS2 Growth Strategy Accelerating the UK's engine of growth, July 2015

²⁴ Foreword, The Midlands HS2 Growth Strategy Accelerating the UK's engine of growth, July 2015

²⁵ Page 21, The Midlands HS2 Growth Strategy Accelerating the UK's engine of growth, July 2015

- **Brexit scenario** – this is based on the most recent Experian forecast, published in September 2016 and therefore after the EU membership referendum;
- **Oxford Economics (OE) scenario** – this is the baseline model prepared by OE for the UK, split out by LPA. This provides an alternative view to the Experian modelling.
- **UKC Hub scenario** - a scenario was commissioned for the SHMA which sought to take account of the UKC Hub development which is treated as a transformational investment which would be outside the baseline Experian model.²⁶

4.6 These scenarios result in forecast growth of 13,300 jobs (Brexit scenario) and 15,250 jobs (Baseline scenario) between 2014 and 2033, alongside a baseline Oxford Economics scenario (8,900 jobs 2014-2030). The impact of the HS2 interchange is also considered by PBA, and this shows how the Interchange alone would create 5,400 new jobs over the Plan period, leading to a total of 20,600 jobs.²⁷

4.7 Notwithstanding this range of growth, PBA conclude that the Brexit and Oxford Economics scenarios should be discounted²⁸, leaving the Experian baseline (15,250 jobs) and UKC Hub scenario (20,600 jobs) 2014-2033. This equates to growth of **between 800 and 1,080 jobs per annum**.

iii) **Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP)**

4.8 Employment growth should also be considered in the context of the **Greater Birmingham & Solihull Local Enterprise Partnership (GBSLEP)** and the aspirations for economic growth set out therein for the nine local authorities it covers (Birmingham, Bromsgrove, Cannock Chase, East Staffordshire, Lichfield, Redditch, Solihull, Tamworth, and Wyre Forest).

4.9 The GBSLEP's most recent Strategic Economic Plan 2016-2030 (SEP) identifies how **250,000 new private sector jobs** are aspired to be created across the nine authorities in 20 years. This equates to 12,500 jobs per annum.

4.10 The SEP reports that 42% of this target has been delivered in the first six years of the SEP plan period (104,000 jobs). This leaves 146,000 jobs to be created over the remaining 14 years (10,430 jobs per annum) in the nine constituent authorities.²⁹

²⁶ Paragraph 5.4, page 46, Solihull Employment Land Review, January 2017

²⁷ Paragraphs 5.8-5.28, pages 48-55, Solihull Employment Land Review, January 2017

²⁸ Paragraph 5.29, page 55, Solihull Employment Land Review, January 2017

²⁹ Page 19, GBSLEP Strategic Economic Plan 2016–2030

- 4.11 This will need to be considered in the context of Barton Willmore's demographic forecasting scenarios in the following section of this report, in which we will determine what proportion of the remaining forecast job growth for the GBSLEP area is created in Solihull by the Standard Method.
- 4.12 As one of nine authorities in the LEP area, the level of housing in Solihull will need to be of a level to adequately contribute to meeting the target for the LEP area. As we have already identified, the Supplementary Consultation identifies the importance of Solihull's place within the GBSLEP, identifying how the Hub is *"a unique site with the potential to deliver major growth on a nationally significant scale both to meet the economic growth aims of the Borough as well as the wider growth aspirations of the Greater Birmingham and Solihull LEP and the West Midlands Combined Authority."*³⁰

iv) Summary

- 4.13 In summary, the Council's evidence base provides us with a relatively recent (January 2017) assessment of baseline job growth prospects for Solihull, post-Brexit referendum, alongside a scenario which takes into account the potential job growth created by the HS2 Hub Interchange. It shows annual job growth of between 800 and 1,080 jobs per annum. It is therefore imperative that the housing requirement for Solihull supports at least 800 jobs per annum, and more realistically the upper end of this range.

³⁰ Paragraph 332, page 59, Reviewing the Plan for Solihull's Future: Draft Local Plan Supplementary Consultation, January 2019

5.0 DEMOGRAPHIC FORECASTING AND ECONOMIC GROWTH

v) Introduction

- 5.1 This section of our Technical Note follows the context set out in previous sections and provides a demographic forecasting scenario which establishes the level of job growth that would be supported by step 1 of the standard method. This is intended to provide some context for how the standard method may contribute to the economic growth aspirations set out in the Adopted Local Plan and the Supplementary Consultation.
- 5.2 We determine this through the population and housing growth determined by step 1 of the standard method calculation, i.e. the 2014-based MHCLG household projection, as recently adopted in Planning Practice Guidance (20 February 2019) in place of the more recent 2016-based ONS household projections.
- 5.3 Barton Willmore's view is that the assessment **should not** be made against the final standard method figure, because it is step 1 which provides the baseline level of population and households, to which a market signals uplift is then applied at Step 2. In other words, the market signals uplift is not applied for additional population growth but to help alleviate the build up of concealed households and the affordability issues in the Borough.
- 5.4 It is the baseline level of population growth, and the amount of jobs this supports that we are interested in determining. This baseline population may need to increase to accommodate workers, and it would be to this amended figure that the Standard Method's market signals uplift would then need to be applied.
- 5.5 However as a sensitivity we also provide a dwelling-constrained scenario based on the final Standard Method figure for the Borough.

vi) Demographic forecasting scenario and results

Baseline population growth and economic growth

- 5.6 For Solihull, the 2014-based household projection provides for growth of 629 households per annum over the 10-year period between 2019 and 2029 (the latest 10-year period is used by the standard method). We have therefore used the population growth underpinning this (the 2014-

based population projections) as a constraint to the model and determined how many jobs will be supported by this population growth.

5.7 To undertake the demographic modelling we have used the PopGroup model, managed by Edge Analytics, and widely used for forecasting of this nature by a variety of groups and organisations, including local authorities and planning consultancies.

5.8 The model requires a number of different demographic and economic assumptions, and these are listed below:

- 2014-based ONS Sub National Population Projections;
- 2016-based ONS Mortality and Fertility Rates;
- 2014-based Ministry for Housing, Communities and Local Government (MHCLG) household formation rates;
- 2014-based MHCLG institutional population;
- Office for Budget Responsibility (OBR) July 2018 economic activity projections;
- 2011 Census commuting ratio;
- Unemployment recorded by the Annual Population Survey (APS).

5.9 The results of this sensitivity testing are summarised in Table 5.1. We have presented the results for the 10-year period applicable to the standard method (2019 – 2029), and the 20-year period (2016 – 2036) consulted on for the Draft Plan period.

Table 5.1: 2014-based ONS SNPP forecast

	2018	2019	2029	2035	2019-2029 (per annum)	2018-2035 (per annum)
Population	214,046	215,262	228,071	235,040	12,810 (1,281)	20,995 (1,235)
Households	89,750	90,335	96,618	100,444	6,282 (628)	10,694 (629)
Economically Active Population	109,268	109,776	114,303	117,082	4,527 (453)	7,814 (460)
Jobs Supported	106,791	107,287	111,712	114,428	4,425 (443)	7,637 (449)

Source: Barton Willmore modelling

5.10 Table 5.1 shows how the 2014-based ONS SNPP would support around **450 jobs per annum** over the two periods we have assessed. This is significantly below the figures

referred to in PBA's 2017 Employment Lane Review conclusions (of between 800 and 1,080 jobs per annum).

- 5.11 We can therefore conclude that the Standard Method would fail to support job growth identified in the Council's own evidence base.
- 5.12 Notwithstanding this view we have also tested a dwelling-constrained scenario which determines how many jobs will be supported by the final Standard Method need figure for Solihull (777 dpa).

Standard Method Minimum Housing Need (777 dpa)

- 5.13 Below we set out the results of our scenario which constrains growth to the final Standard Method figure for Solihull, i.e. **777 dwellings per annum**. As PPG identifies this should be seen as the **minimum** level of housing need required. PPG also recognises how 'actual' housing need may need to be higher than the Standard Method minimum in order to meet other growth aspirations.
- 5.14 For this scenario we have applied two approaches to the household formation rates (HFRs) assumed by the demographic model. The HFRs are the rates at which each age group is expected to form an independent household headed by either a male or a female. The HFRs are published by the Ministry for Housing, Communities and Local Government (MHCLG) with official household projections and our first scenario uses these HFRs as published by MHCLG.
- 5.15 However it is widely recognised how the HFRs are based on past trends, and how recent trends have been influenced by a period of worsening affordability. This has led to a downward trajectory of household formation in younger age groups (primarily the 25-44 age group) who are unable to purchase their own property and form an independent household. These people therefore become 'concealed' households, living with family and friends. This is a trend which has been identified by Government in the Housing White Paper, in which MHCLG comment as follows:

"As recently as the 1990s, a first-time buyer couple on a low-to-middle income saving five per cent of their wages each month would have enough for an average-sized deposit after just three years. Today it would take them 24 years. It's no surprise that home ownership among 25- to 34-year-olds has fallen from 59 per cent just over a decade ago to just 37 per cent today. Without help from the 'Bank of Mum and Dad', many young people will struggle to get on the housing ladder." ³¹

³¹ page 10, Fixing our broken housing market, MHCLG

5.16 To address this trend our second HFR scenario therefore assumes a return to the HFRs in the year 2001 for the 25-44 age group. However this is only applied where the Government's 2014-based HFR assumption in the year 2035 (the final year of the Plan period) is projected to be lower than the recorded rate in 2001. We use the year 2001 as this was the start of the period in which affordability began to worsen, and most younger people who wanted to form their own household found they were able to. In Solihull this factor only affects HFRs in the male population. Table 5.2 summarises the results of the two household formation rate sensitivity scenarios.

Table 5.2: Standard Method dwelling-led scenario (777 dpa)

	2018	2019	2029	2035	2019-2029 (per annum)	2018-2035 (per annum)
Population	214,046	215,706	232,044	240,793	16,338 (1,634)	26,748 (1,573)
Economically Active Population ¹	109,268	110,120	117,593	121,957	7,473 (747)	12,689 (746)
Economically Active Population ²	109,268	109,854	115,842	119,596	5,988 (599)	10,328 (608)
Jobs Supported ¹	106,791	107,623	114,927	119,192	7,303 (730)	12,401 (729)
Jobs Supported ²	106,791	107,363	113,215	116,884	5,852 (585)	10,093 (594)

Source: Barton Willmore modelling

¹2014-based MHCLG household formation rates

²2014-based MHCLG household formation rates (sensitivity)

5.17 This forecast establishes how growth of 777 dwellings per annum would still **fail** to support the lower end of the range established in PBA's employment land review (800 jobs per annum). The scenario would only result in supporting between **594 and 729 jobs per annum** over the Plan period, depending on which household formation sensitivity scenario is applied.

Economic Growth

5.18 We have also tested the range of job growth identified in the PBA employment land review, which we have outlined in the previous section of this report. Barton Willmore's view is that the housing growth resulting from this scenario provides the baseline growth required by Step 1 of the Standard Method. To this figure, the affordability uplift required by Step 2 of the Standard Method would need to be applied.

- 5.19 The results of the baseline growth required to support the range of jobs (800 to 1,080 jobs per annum) is summarised in Table 5.3.

Table 5.3: Housing Need required to support 800 – 1,080 jobs per annum, 2018-2035

	2018	2019	2029	2035	2019-2029 (per annum)	2018-2035 (per annum)
Growth of 800 jobs per annum 2018-2035						
Population	214,046	215,652	233,185	242,925	17,533 (1,753)	28,880 (1,699)
Homes required ¹	90,785	91,543	99,759	104,813	8,216 (822)	14,028 (825)
Homes required ²	91,408	92,318	101,598	107,155	9,280 (928)	15,747 (926)
Growth of 1,080 jobs per annum 2018-2035						
Population	214,046	216,111	238,588	251,476	22,477 (2,248)	37,431 (2,202)
Homes required ¹	90,785	91,704	101,800	108,108	10,096 (1,010)	17,323 (1,019)
Homes required ²	91,408	92,482	103,709	110,572	11,227 (1,123)	19,164 (1,127)

Source: Barton Willmore modelling

¹2014-based MHCLG household formation rates

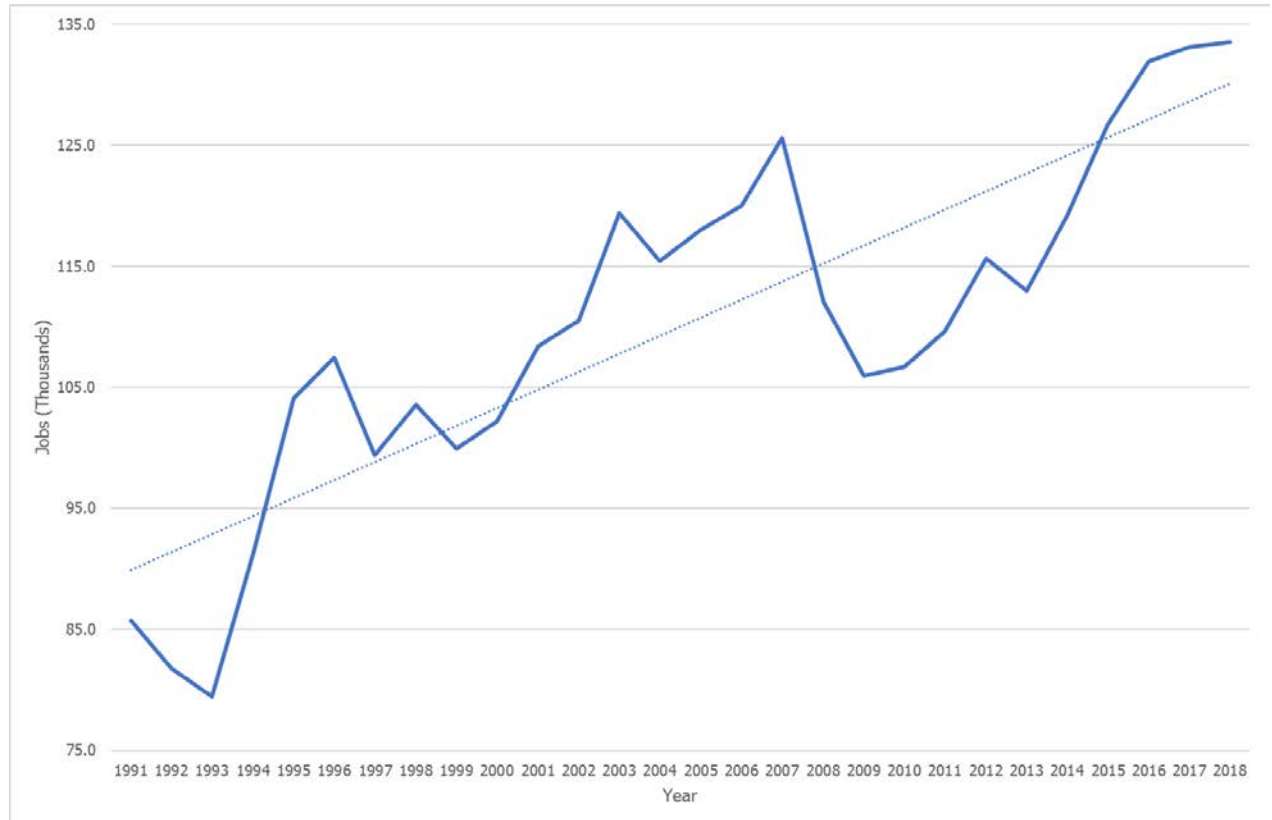
²2014-based MHCLG household formation rates (sensitivity)

- 5.20 The above tables show how need in Solihull would range between **825 and 926 dwellings per annum** over the Plan period, just to meet the *baseline* level of job growth set out in the Council's Employment Land Review.
- 5.21 In order to support the job growth created by the UK Hub, this would increase to **between 1,019 and 1,127 dwellings per annum**.
- 5.22 The affordability uplift for Solihull would also need to be added to these figures. In March 2019, this uplift equates to 24%. This would increase the lower end of the range to **between 1,023 and 1,148 dwellings per annum**, and the upper end of the range to **between 1,264 and 1,397 dwellings per annum**.

Historic job growth and housing need

5.23 Alongside the forecast of job growth we have tested above, consideration of historic levels of job growth should also be considered. We are able to obtain this evidence from the Oxford Economics dating back to 1991, and have therefore set out historic levels of job growth for Solihull in Figure 5.1 below:

Figure 5.1: Historic levels of employment in Solihull, 1991-2018



Source: Oxford Economics, January 2019

5.24 Figure 5.1 illustrates how the historic levels of job growth have fluctuated significantly in Solihull. In deciding on a reasonable calculation of past job growth to use for modelling purposes, an arbitrary period cannot be used. For example, using the most recent 10 years (2008-2018) shows that there was growth of 21,400 jobs (2,140 jobs per annum). Similarly, using the inter-censal period between 2001 and 2011 would show a much less pronounced increase (1,200 jobs). Both of these figures illustrate the need to analyse historic levels of job growth more closely.

5.25 Barton Willmore's approach is therefore to identify 'peaks' and 'troughs' in the number of jobs, which provides a more realistic calculation of average job growth in the past. For Solihull there

are clear peaks above the trend line (dotted line in Figure 5.1) in 1996 and 2016. Over this 20-year period there was growth of 24,500 jobs (**1,225 jobs per annum**). In contrast there are clear troughs below the trend line in 1993 and 2009; this results in growth of 26,400 jobs (**1,650 jobs per annum**).

5.26 In this context Barton Willmore consider the dwelling growth required by the scenario assuming growth of 1,080 jobs per annum 2018-2035 should be considered appropriate for future growth in Solihull.

5.27 As we have identified above this would require housing growth of **between 1,264 and 1,397 dwellings per annum** once the Standard Method's affordability uplift is applied.

vii) Summary

5.28 In summary, the key points from this section area as follows:

- The baseline level of population and household growth used by the standard method (the 2014-based ONS SNPP and MHCLG household projection) would support **449 jobs per annum** based on recent demographic and economic assumptions;
- This level of job creation is significantly lower than the baseline job growth (**800 jobs per annum**) and the level of job growth (**1,080 jobs per annum**) needed to support the UK Hub;
- Barton Willmore have tested the level of housing required to support the range of job growth published by PBA. This shows need of between **825 and 926 dwellings per annum** over the Plan period, just to meet the *baseline* level of job growth set out in the Council's Employment Land Review.
- To achieve the UK Hub scenario, **between 1,019 and 1,127 dwellings per annum** would be required;
- The UK Hub scenario is considered to be a conservative projection in the context of historic job growth, which our analysis suggests has average **at least 1,225 jobs per annum** since 1991.

6.0 GREATER BIRMINGHAM AND BLACK COUNTRY UNMET HOUSING NEED

i) Introduction

- 6.1 Solihull Borough Council is located within the Greater Birmingham and Black Country Housing Market Area (GBBCHMA) and is therefore responsible for delivering any unmet need from authorities within the HMA, alongside the other 13 local authorities within the HMA. This has been identified by the Council throughout the Draft Plan and a number of options for housing growth have been put forward which would contribute to the unmet need.
- 6.2 The Supplementary Consultation does not address unmet need, stating how it does not seek to *“Revise the contribution that the Council is making towards the HMA shortfall. This will be considered through the draft submission version of the plan.”*³² However it states how there is potential for a revision to the 2,000 figure currently proposed through the Submission Draft Plan in summer 2019.³³

ii) Evidence of Unmet Need

- 6.3 The most recent study in respect of unmet housing need in the HMA is presented by the *Strategic Growth Study into the Greater Birmingham and Black Country Housing Market Area, February 2018* (SGS). This report was commissioned by the 14 local authorities comprising the HMA, and Solihull identify their responsibility to deliver some of the unmet need in the Supplementary Consultation.
- 6.4 Barton Willmore’s analysis does not provide an alternative assessment of unmet need, or a specific methodology for distributing need, however it is clear that Solihull accept responsibility to deliver some of the HMA’s unmet need and the SGS provides an evidence-based approach to determining the magnitude of this need.
- 6.5 Ultimately any unmet need in the HMA will lead to a housing requirement for Solihull which is higher than the minimum derived through the standard method and also an alternative higher housing figure required to support economic growth.

³² Paragraph 5, page 5, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

³³ Paragraph 29, page 8, Reviewing the Plan for Solihull’s Future: Draft Local Plan Supplementary Consultation, January 2019

OAN and Unmet Need

- 6.6 The most recent SGS *'Housing Need and Housing Land Supply Position Statement' (September 2018)* is the second position statement to address the issue of unmet need and is based on the Objective Assessment of Housing Need (OAN) rather than the Standard Method (SM). This stance was due in part to the examination of the revised North Warwickshire Plan which will be assessed against the OAN. However the statement confirms that the SM will be used for the next statement.
- 6.7 However in respect of the OAN, as the SGS and the position statement rightly point out, *"Comparing OANs on a like for like basis is very difficult as the methods by which they were prepared and assumptions made vary significantly. Furthermore, as they were prepared at different times the demographic and employment data used may not be comparable."*³⁴ These inconsistencies are evident in the Plan periods set out in Table 6.1 (below).
- 6.8 In this context the SGS sought to establish a consistent demographic-led OAN for the HMA over the same period (2011-2031). The SGS figure exceeds the total housing requirement for all the Plans, as set out in Table 6.1 (9,451 dpa), resulting in higher minimum need of 205,099 over 20 years (10,255 dpa).³⁵ The SGS report identifies a supply baseline of 179,829 dwellings, 2011-2031, identifying an unmet need within the HMA. However, the SGS also incorporates two economic-led scenarios as follows:
- **Economic Baseline** – this is based on a continuation of past trends but takes into account how different economic sectors are expected to perform in the future (relative to the past). It should be regarded as 'policy neutral' (recognising that historical policy and investment decisions may have influenced economic performance);
 - **Economy Plus Scenario** – a scenario modelled in the SEP for further and faster growth than predicted in the three LEP Strategic Economic Plans, which would see the West Midlands perform relatively better and make a stronger contribution to the national economy. This is an aspirational 'policy on' scenario based on a policy aspiration to improve economic performance.³⁶
- 6.9 The 'Economy Plus' scenario would require significantly higher housing need than demographic need, at 246,000 dwellings, 2011-2031. This would equate to **12,300 dpa** and, compared with

³⁴ Paragraph 2.2, page 2-3, Greater Birmingham and Black Country Housing Market Area (GBBCHMA) Housing Need and Housing Land Supply Position Statement, September 2018

³⁵ Table 29, page 90, Greater Birmingham HMA Strategic Growth Study, February 2018

³⁶ Paragraph 3.30, page 53, Greater Birmingham HMA Strategic Growth Study, February 2018

the Plan requirements set out in Table 6.1, would result in **unmet need of 56,980 dwellings over 20 years (2,849 dpa)**.

Table 6.1: GBBCHMA Unmet Needs

Local Authority	Current / Emerging Plan	Plan Period	OAN	Standard method (capped/ Uncapped*)	Plan Req.	Unmet Need (OAN)	Unmet Need (SM)	Provision for GBBCHMA Unmet Need
Birmingham	Adopted Jan 2017	2011-31	4,450	3,577 (4,976)	2,550	-38,000	-20,540 (-48,520)	
Bromsgrove	Adopted Jan 2017	2011-30	350	378	368	0	-180	
Cannock Chase	Adopted 2014	2006-28	264	276	241	-500	-770	
Solihull	Preferred Options 2019	2008-29	430	325	333	0	0	3,000-4,500
Redditch	Adopted Jan 2017	2011-30	337	172	337	0	0	
Solihull	Draft Plan Nov 16	2014-33	751	777	791	0	0	2,000
Tamworth	Adopted Feb 2016	2006-31	250	144	177	-1,825	0	
North Warwickshire	Draft Plan 2017	2011-31	175	172	454	0	0	4,410
Stratford-on-Avon	Adopted July 2016	2011-31	730	562	730	0	0	2,720
Black Country	Adopted Feb 2011	2009-26	3,554	3,720	3,150	0	0	
South Staffordshire	Adopted Dec 2012	2006-28	270	258	175	0	0	
HMA Total			11,513	10,361 (11,724)	9,451	-40,325	-21,470 (-48,730)	12,130 - 13,630

*Uncapped stated if different to capped SM

Source: Greater Birmingham HMA Strategic Growth Study/Standard Method for calculating local housing need

Proposed Standard Method

- 6.10 To provide an indication of how the SM may affect unmet need, Barton Willmore have compared the OAN in the latest position statement, and the SM (capped and uncapped). The SM figures are based on the changes confirmed by Government (20 February 2019) in revised PPG (see Table 6.1).
- 6.11 Table 6.1 shows how the minimum standard method for housing need (as currently being consulted on) would be 1,000 dpa less across the HMA than the OAN figures established individually by the local authorities. Notwithstanding this lower figure suggested by the SM, unmet need over 20 years would remain significant (over 21,000 dwellings).

- 6.12 However it is important to note how the SM figure for Birmingham City is a capped figure. This has a significant impact on need in Birmingham and the wider HMA, as the *uncapped* SM figure for the City would be 4,940 dpa, over 1,300 dpa higher than the capped figure.
- 6.13 The cap applied by the SM would result in the SM figure (3,577 dpa) being significantly lower than the baseline household projection published by MHCLG (4,494 dpa). This baseline growth is broadly comparable with the OAN established through the Birmingham City Local Plan examination (4,450 dpa).
- 6.14 Similarly, the household projection is only step 1 of the SM calculation. A further uplift is required for affordability, which results in a SM uncapped figure of 4,940 dpa. This can be considered as the 'actual' housing need, as referred to by the revised PPG (ID2a-010).
- 6.15 Taking this into context and what it would mean for unmet need across the HMA, adopting the household projection as the figure for Birmingham would lead to unmet need in comparison with unmet need against OAN (**40,325 dwellings**). However, based on the uncapped standard method figure, unmet need would be **48,730 dpa**.
- 6.16 Table 6.1 summarises the figures of the latest position statement, alongside additional SM figures referred to above.

Black Country Urban Capacity Review (May 2018)

- 6.17 The Black Country authorities are a part of the wider HMA in which Solihull is located, and as Table 6.1 illustrates, unmet need from this area is yet to be established, which will be considered through the Core Strategy Review.
- 6.18 However the '*Black Country Urban Capacity Review*' (BCUCR) is a recent document (May 2018) and provides up-to date assessment of housing need, supply, and capacity across the four local authorities. This needs to be considered in addition to the unmet need set out in the SGS, as no figure of unmet need is published for the Black Country.
- 6.19 Table 4 of the BCUCR is of relevance, as it sets out housing need established by the OAN and the SM methods. Table 4 is reproduced in our Table 6.2:

Table 6.2: Current and Potential Black Country Housing Supply against Housing Need (March 2017)

Local Authority	Net Completions 2014-2017	Current Identified Housing Supply 2017-2036	Potential Additional Housing Supply 2017-2036	Total Supply 2014-2036	OAN 2014-2036 (2017 SHMA)	OAN minus supply	SM Need 2017-2036	SM Need minus Supply 2017-2036
Dudley	2007	13200	1612	16819	12160	+4659	11419	+3393
Sandwell	2420	14665	1481	18566	31898	-13332	27208	-11062
Walsall	2160	6751	2177	11088	18519	-7431	16739	-7811
Wolverhampton	1817	10949	1138	13904	15613	-1709	13870	-1783
Black Country	8404	45565	6408	60377	78190	-17813	69236	-17263

Source: Table 4, page 35, Black Country Urban Capacity Review, May 2018

6.20 As Table 6.2 shows, unmet need in the Black Country is currently calculated at over 17,000 dwellings, whether calculated against the OAN or the Standard Method.

6.21 The BCUCR states the following: *"In summary, the Black Country **does not have sufficient land within the urban area to meet its housing and employment growth needs. NPPF requires that local authorities meet such needs and therefore new sources of supply must be explored. The Black Country Local Authorities will continue to **engage positively with neighbouring authorities through on-going duty to co-operate work and are progressing further detailed evidence to inform the review and how these identified needs could best be met.**"***³⁷

6.22 The Black Country authorities are within the same HMA as Solihull. Solihull will therefore be required to engage with the Black Country authorities in respect of this unmet need.

iii) Summary

6.23 In summary, this section has identified the extent of unmet housing need within the Greater Birmingham and Black Country HMA based on the most recently published research. Solihull Borough Council have resolved to deliver unmet need arising from the HMA, and currently suggest this will be 2,000 dwellings. However they have advised this will be revised in summer 2019.

6.24 This section of the report does not provide Barton Willmore's view on how much unmet need there is within the HMA, or where the unmet need should be apportioned. Instead it identifies the level of unmet need set out in the most recent publicly available evidence documents. Solihull, and other authorities of the HMA, will need to work with each other in order to deliver this unmet need.

³⁷ Paragraph 4.9, page 39, Black Country Urban Capacity Review, May 2018

6.25 The most recent study to cover the 14 authorities of the HMA is the February 2018 Birmingham Strategic Growth Study. The key points to note from this study in respect of need figures are as follows:

- The individual OANs determined by the HMA authorities total 11,513 dpa; plan requirements total 9,451 dpa. On this basis, unmet need would be approximately 41,000 over 20 years;
- However the SGS position statement identifies a need for a consistent approach to need rather than the individual OANs;
- Under the SGS' consistent approach, minimum demographic led need in the HMA is 10,255 dpa, 2011-2031; taking unmet need from Coventry and Warwickshire (2,880 dwellings) results in minimum need of 10,360 dpa.
- Economic growth scenarios suggest a need of 12,300 dpa, 2011-2031; with unmet need from Coventry and Warwickshire (2,880 dwellings) this increases unmet need to 12,444 dpa;
- In the context of the supply baseline established by the SGS (8,991 dpa) there is therefore unmet need of a minimum for 2011-2031 of between 28,150 dwellings (1,400 per annum) and 69,000 dwellings (3,450 dpa).

6.26 Furthermore, in the interim period between the SGS and the preparation of this report, the Black Country Urban Capacity Review (May 2018) has established unmet need across Dudley, Sandwell, Walsall and Wolverhampton of 17,000-18,000 dwellings. This is in addition to the unmet need established in the SGS.

6.27 In conclusion based on these two reports it is considered that unmet need ranges from a **minimum of 28,000 up to 2031 (as reported by the SGS) and could be as high as 80,000 up 2036** (based on additional evidence published in the Black Country Urban Capacity Review).

7.0 SUMMARY AND CONCLUSIONS

7.1 This Technical Report responds to the consultation of the Draft Local Plan Supplementary document, and the questions contained therein. It specifically relates to housing need in Solihull Borough and the wider GBBCHMA. The key points to note from our analysis are as follows:

- The revised NPPF introduces the Standard Method (SM) for calculating housing need, the relevant Planning Practice Guidance (PPG) has been amended (February 2019) to state that the 2014-based MHCLG projections must be used for the calculation, and not the 2016-based ONS projections. The current SM calculated housing need figure for Solihull stands at 777 dwellings per annum (dpa) as of March 2019;
- Notwithstanding this, revised Planning Practice Guidance (PPG) states the SM figure represents the **minimum** housing need, and **actual** need may be higher;
- The Supplementary Consultation document identifies the clear economic growth aspirations for the Borough, including the significant development planned for High Speed 2 and the Interchange in the Borough. Housing delivery must be of a quantum to support these aspirations;
- Alongside this, the Council need to consider the aspirations of the GBSLEP in which they are located;
- The Council's evidence base provides a relatively recent (January 2017) assessment of baseline job growth prospects for Solihull, post-Brexit referendum, alongside a scenario which takes into account the potential job growth created by the HS2 Hub Interchange;
- These scenarios show annual job growth of between 800 and 1,080 jobs per annum. It is therefore imperative that the housing requirement for Solihull supports **at least 800 jobs per annum**, and more realistically the upper end of this range.;
- Our own sensitivity testing has established how the baseline population growth used to underpin the Standard Method would only support circa **450 jobs per annum**;
- Furthermore the final Standard Method housing figure (777 dpa) would only support between 594 and 729 jobs per annum;

- To support the range of job growth identified in PBA's 2017 report (baseline job growth of 800 per annum, and job growth to support the UK Hub of 1,080 jobs per annum), housing need for the Borough alone would need to be **between 825 and 1,127 dpa**;
- There is significant unmet need from the GBBCHMA. Solihull Borough Council acknowledge their role in helping to meet this unmet need;
- The most detailed and recent evidence in respect of unmet need comes from the Greater Birmingham HMA Strategic Growth Study (SGS). In addition the Black Country Urban Capacity Report (BCUCR) provides more recent analysis of capacity and need in that area;
- These reports suggest unmet need across the two areas ranging from a minimum of 28,000 dwellings up to 2031 (based on demographic need) and up to 80,000 dwellings (based economic need and unmet need from the Black Country identified by the BCUCR) up to 2036.

7.2 In summary, the analysis in this report results in two broad conclusions:

1. The SM's minimum need for Solihull (777 dpa) will need to be increased to account for economic growth aspirations and expected job growth set out in the Council's own evidence base. The analysis in this report suggests this would range from **between 825 dpa and 1,127 dpa**.
2. In addition this would need to be higher to meet GBSLEP aspirations;
3. Additionally, Solihull has a duty to deliver a share of the unmet need from the wider HMA, which ranges from 28,000 up to 2031 to 80,000 up to 2036 on the basis of recent evidence base documents in the public domain.