

15 March 2019
Delivered by email

Policy and Spatial Planning
Solihull Metropolitan Borough Council
Council House
Manor Square
Solihull
B91 3QB

Dear Sirs,

REPRESENTATIONS TO SOLIHULL LOCAL PLAN REVIEW SUPPLEMENTARY CONSULTATION

IM PROPERTIES

We write on behalf of our client, IM Properties Limited (hereafter referred to as 'IM'), in response to the Solihull Local Plan Review (SLPR) Draft Local Plan (DLP) Supplementary Consultation, which was published for consultation in January 2019.

IM Properties own and are actively promoting several sites and assets within the Borough, including Mell Square, Blythe Valley Park and Fore Business Park. IM Land, the strategic land division of IM, also has existing and emerging land interests within the Borough; separate representations have been submitted in relation to IM Land's interests.

Each of IM's assets, both individually and collectively has the potential to assist the Council in delivering its vision for the Borough through the creation of new jobs, an enhanced town centre offer, investment into employment development, and new residential development; making a significant contribution towards meeting the development needs of Solihull over the plan period and beyond.

IM has a clear track record of delivering high quality development within the Borough. This includes the successful transformation of Blythe Valley Park into a new mixed-use community, attracting new businesses and economic activity into the area and the delivery of new homes. IM has also recently demonstrated further commitment to investing in the Borough through the relocation of their headquarters to Fore Business Park. Their new purpose built campus is due for completion in June 2019.

IM has responded to each stage of consultation on the SLPR including Regulation 18 in January 2016 and Regulation 19 in February 2017. As the current round of consultation is a 'non-statutory' supplementary consultation exercise, these representations seek to supplement, and should be read alongside the previous representations submitted by IM in relation to the DLP. The previous representations are enclosed in **Appendix 1**.

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These representations set out IM's general views in terms of the Council's approach to this consultation and provide answers to the relevant questions set out within the consultation document.

Approach to Consultation

IM notes that the purpose of this consultation is to invite comments specifically in relation to the following matters:

- Local Housing Needs and the use of the Standard Methodology.
- Assessment of additional sites and the selection methodology for preferred sites.
- Concept masterplans for the principal allocations.
- A different approach to calculation of affordable housing provision.
- The role of main settlements and infrastructure requirements for each.

The consultation document confirms that at this stage the Council is not seeking to revise the overall spatial strategy set in the DLP, revise the contribution the Council is making towards the Greater Birmingham Housing Market Area (HMA) shortfall, or to revisit the non-housing related parts of the DLP.

Whilst IM welcomes the opportunity to comment on the progress of the DLP, it is their firm view that separating out these various elements of the plan is a flawed approach. The future development needs of the Borough, in terms of both housing and employment, are fundamentally linked, as are the needs and growth ambitions of the wider area. As such, these matters cannot be considered in isolation and this would bring into question the 'soundness' of any future plan which has been prepared in a piecemeal manner.

IM would like to better understand whether the Council has any intention to further review the employment related parts of the DLP during the next stage of consultation, in particular in response to comments and concerns raised by IM during the last round of consultation (please refer to **Appendix 1**).

Housing Requirement and Current Land Supply

Question 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?

Since the publication of the SLPR Supplementary Consultation, the Ministry of Housing, Communities and Local Government published a new National Planning Policy Framework (NPPF) (February 2019) and updates to the Planning Practice Guidance (PPG).

The new NPPF was published alongside the Government's response to the consultation on the standard method for calculating housing need. This response confirmed that the "*standard method does not represent a mandatory target for local authorities to plan for, but the starting point for the planning process*" and that "*local planning authorities may decide that exceptional circumstances justify the use of an alternative method*", as permitted under paragraph 60 of the NPPF and the newly updated definition of 'Local Housing Need' in Annex 2.

The PPG (Paragraph: 010 Reference ID: 2a-010-20190220) confirms circumstances within which it might be appropriate to plan for a higher housing need figure than the standard method indicates, including:

- growth strategies for the area that are likely to be deliverable;

- 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.

IM agrees that the use of the standard methodology represents a good 'starting point' in determining the local housing need. However, it is clear that several of the circumstances identified within the PPG as being appropriate circumstances within which to plan for a higher number of homes than the standard method indicates are quite clearly applicable to Solihull. Most notably in relation to the potential for 'supergrowth' associated with High Speed 2 (HS2), the planned investment in strategic infrastructure improvements at UK Central and elsewhere in the Borough to facilitate growth, and the explicit acceptance that Solihull should accommodate some of the unmet need from the Birmingham HMA.

Whilst IM acknowledge the Council's intent to further consider the unmet needs of the wider HMA in the Submission version of the SLPR, it is important that the Council seriously consider whether the growth associated with the new HS2 interchange, and the wider plans for major economic development and associated residential development at UK Central needs to be further analysed and better understood before the Local Housing Need figure is fixed based on the standard methodology.

Previous representations submitted by Turley on behalf of IM (**Appendix 1**), raised concerns that the Housing Need identified in the DLP did not make adequate provisions for supergrowth, and indeed did not reflect the Council's own ambitions (as set out within the plan) for economic growth within the Borough. These concerns still stand, and without understanding at this stage whether the Council's position on employment and the potential for 'supergrowth' has changed, it is difficult to confirm whether 'exceptional circumstances' may exist to justify the use of an alternative approach to the determination of local housing need.

Blythe

Question 11 – Do you agree with the infrastructure requirements identified for Blythe, if not why not; or do you believe there are any other matters that should be included?

Blythe Valley Park (BVP), located in Blythe, was purchased by IM in December 2014. BVP is a key economic asset of the Borough in terms of its contribution towards employment and housing. IM has played a major role in ensuring the ongoing success of the park and the delivery of growth in this location.

In March 2017, IM secured hybrid planning permission for up to 750 residential dwellings (use class C3), up to 250 'housing with care' units (use class C2/C3), up to 98,850 sq m of employment floorspace and up to 2,500 sq m of ancillary A1-A5 floorspace at Blythe Valley Park. This permission is referred to within the consultation document which confirms that planning permission has been granted for 1,000 homes (750 dwellings and a housing with care development of 250 units).

IM is committed to delivering residential development at Blythe Valley Park with the first homes currently under construction and ready for occupation later this year. However, in developing the detailed designs for the residential plots, it is now anticipated that a smaller C2 provision will likely be pursued, meaning there is a potential opportunity for a greater level of C3 residential development at BVP. Whilst this is not yet confirmed, IM would like to ensure that any reference to the allocation of 1,000 dwellings at BVP does not prejudice the opportunity for more than 750 of the 1,000 units allocated to be C3.

IM agrees with the infrastructure requirements as set out within the consultation document and IM is currently working with SMBC and other stakeholders to deliver improvements to infrastructure within Blythe and the wider Borough. IM would be keen to further understand what specific improvements the Council intend to make to local schools and medical facilities in order to facilitate development within the ward.

Solihull Town Centre and Mature Suburbs

Question 25 – Do you agree with the infrastructure requirements identified for Solihull and the Mature Suburbs, if not why not; or do you believe there are any other matters that should be included?

IM owns and manages Mell Square shopping centre, which occupies a 5.3 hectare site in Solihull Town Centre. Changes in the retail market means there is a major potential opportunity to redevelop Mell Square as part of a comprehensive masterplan for the revitalisation of the Town Centre to protect its prosperity moving forward.

IM is pleased that the Council has recognised there is opportunity to ‘restructure’ Solihull Town Centre through the preparation of a refreshed masterplan which will highlight opportunities for alternative uses and to provide positive opportunity for reinvention. However, IM would like to see greater recognition within the Local Plan of the importance of the opportunity for redevelopment in the Town Centre, and the role that redevelopment can play in meeting the needs of the Borough, including the ‘supergrowth’ associated with HS2.

Through improved connectivity between Solihull Town Centre and the UK Central ‘Hub’, the Town Centre can continue to thrive and could provide an important contribution towards meeting the ambitions for growth within the Borough as a whole. This will require a more ambitious approach to the redevelopment of the Town Centre, including a detailed review of car parking requirements within the centre and consideration of the opportunity for intensification through higher density development in accordance with paragraph 123(a) of the NPPF.

IM is keen to proactively engage and collaborate with the Council to discuss the role the Town Centre can play in the spatial strategy for the Borough, and in particular, the scale of opportunity available through the redevelopment of Mell Square. IM would be interested to understand the Council’s timescales for the preparation of a ‘refreshed’ Town Centre Masterplan and how this will feed in to the preparation of the Local Plan.

Overall IM is in agreement with the infrastructure requirements set out within the consultation document; however they would suggest that more detailed consideration needs to be given to improving connectivity to and from the Town Centre as part of a wider strategic plan for investment to support economic growth within the Borough. In particular, detailed consideration should be given to improving connections between the Town Centre and the UK Central ‘Hub’, and the opportunity to reduce reliance on travel by car should be explored further to enable the opportunity for the redevelopment of existing car parks.

Green Belt

IM has no comments in relation to the specific questions raised with regard to Green Belt considerations within the consultation document. However IM would urge that due consideration is given to the requests made in their previous representations (**Appendix 1**) to alter the existing allocation / green belt boundaries at Blythe Valley Park and Fore Business Park.

Affordable Housing Policy and Open Market Housing Mix

Question 40 - Would the above approach of requiring affordable housing contributions of 40% of total square meterage or habitable rooms / floorspace incentivise developers to build more smaller market housing?

IM considers the Council's proposed approach to dealing with affordable housing and market mix to be confused. It is standard practice for affordable housing contributions to be calculated as a percentage of the overall number of dwellings and there is no evidence to suggest that this alternative approach would encourage the delivery of a higher proportion of smaller market dwellings.

The Local Plan should deal with the matters of affordable housing requirements and market mix separately. This will ensure a clear position for both the Council and developers reducing the likelihood of overly complex negotiations during the determination of applications.

Any changes in the approach to calculating affordable housing would need to be supported by evidence (including updated viability evidence) justifying the need for and suitability of this change.

Any Other Matters

Question 44 – are there any other comments you wish to make on the Draft Local Plan Supplementary Consultation?

As set out earlier in these representations, it is IM's firm view that the Council's approach to this consultation, in terms of considering the various elements of the spatial strategy separately, is flawed. The future development needs of the Borough, in terms of both housing and employment, are fundamentally linked, as are the needs and growth ambitions of the wider area.

By separating out non housing related matters, and by delaying any further consideration of Solihull's contribution towards the Birmingham HMA housing shortfall, it is difficult to determine whether the Council's proposed approach to housing more generally is appropriate. This also throws into question whether any future iteration of the plan can be considered 'sound' if these fundamental elements have not been considered holistically.

It is not clear from this consultation whether the Council is intending to revisit their evidence base in relation to employment matters at the Submission stage of the plan preparation. IM previously raised concerns in relation to the suitability of the employment evidence base, and these concerns should be addressed. In particular, further consideration of the potential implications of 'supergrowth' should play a key role in determining the appropriate levels of both housing and employment land requirements within the Borough.

With regard to Solihull's contribution towards the wider HMA shortfall, IM confirmed their view in previous representations that a contribution of 2,000 dwellings is not sufficient. Particularly when considering Solihull's strong geographical and migratory relationship with Birmingham. The Council will need to quickly confirm what level of contribution they are intending to make towards the Birmingham HMA shortfall in order to inform whether additional sites over and above those already identified are required.

Summary and Conclusions

Overall IM is pleased that Solihull Council is progressing the SLPR and inviting comments on their proposed approach. However, IM is keen to see a more holistic approach to and consideration of the key factors to be addressed within the DLP, including a comprehensive approach to housing needs (local and HMA), employment needs, the potential implications of HS2 on these needs, and the importance of the future role of the Town Centre.

IM would be pleased to discuss the content of these representations in further detail with the Council and would welcome the opportunity to arrange a meeting with officers in the short-term to answer some of the queries raised within this response.

Please do not hesitate to contact me should you wish to discuss these matters further.

Yours sincerely,



Rosie Cotterill
Associate Director



Appendix 1: Previous Representations (February 2017)

Draft Solihull Local Plan Review

Representations on behalf of IM Properties

February 2017

Turley

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17 Feb 2017

1. Introduction

- 1.1 These representations have been prepared by Turley on behalf of IM Properties Limited and IM Land Limited (hereafter referred to as 'IM') in response to the Draft Solihull Local Plan Review (DSLPR) which was published for consultation in November 2016.
- 1.2 IM has a number of important assets within the Solihull area, including Blythe Valley Park, Mell Square, and Fore Business Park. IM Land also has existing and emerging land interests within the Borough.
- 1.3 Each of IM's assets has the opportunity to assist the Council in delivering its vision for the Borough through the creation of new jobs, an enhanced town centre offer, investment opportunities, and new residential development to meet the identified need for housing.
- 1.4 IM are committed to delivering development and recently secured resolution to grant planning permission for major mixed-use development at Blythe Valley Park including up to 98,850 sq m of employment floorspace (B1, B2 and B8), up to 750 dwellings, up to 250 Housing with Care units, as well as other ancillary uses.
- 1.5 These representations set out IM's general thoughts in terms of the Council's approach to strategic matters in the DSLPR, drawing on the supporting evidence where necessary; provide specific commentary on policies and evidence pertinent to IM's key assets; and provide a formal response to each of the relevant consultation 'questions' set out in Appendix B of the consultation document.
- 1.6 The report is structured as follows:
 - **Section 2: Approach to Strategic Matters** – this section identifies the key strategic areas with which IM are primarily concerned.
 - **Section 3: Challenge B – Meeting Housing Needs** - Provides a critique of the Council's approach to 'Meeting Housing Needs' within the Borough through the DSLPR.
 - **Section 4: Challenge G – Securing Sustainable Economic Growth** – Provides a critique of the Solihull Employment Land Review (ELR) and the disconnect between evidence and the proposed policies.
 - **Section 5: IM's Existing Assets** – Analyses the policies and evidence base documents of particular relevance to IM's key assets within the Borough and provides recommendation for further assessment which may be required in this regard.
 - **Section 6: Summary and Conclusions**

2. Approach to Strategic Matters

- 2.1 IM are supportive of Solihull Council's decision to review the Local Plan, particularly in the context of the Council not having an adopted Housing Policy and the wider issue of a housing numbers shortfall across the Greater Birmingham Housing Market Area (GBHMA). However there are shortfalls in the Evidence Base which has been published as well as inconsistencies and inaccuracies within the DSLPR which require attention.
- 2.2 The National Planning Policy Framework (NPPF) states that Local Planning Authorities (LPA) should ensure that their Local Plan is based on "*adequate, up-to-date and relevant evidence about the social, economic and environmental characteristics and prospects of the area*" (para 158). Solihull MBC therefore need to demonstrate a clear understanding of the housing, business, infrastructure and environmental needs of the area and the draft policies should be based on this evidenced understanding of need.
- 2.3 The Local Plan Review sets out a number of 'challenges' and these representations are largely provided in response to two of the key challenges. In response to Question 1 however, '**Do you agree that we've identified the right challenges facing the Borough? If not why not? Are there any additional challenges that should be addressed?**' IM are of the view that an additional challenge should be considered. This additional challenge is to deliver the appropriate logistics infrastructure to support the movement of goods (for industry and consumers) and ensure effective, efficient and environmentally sound economic growth. Further evidence in this regard is provided in Section 4 of these representations.
- 2.4 The following two sections of this report address the two key 'challenges' identified in the DSLPR which IM would suggest require significant attention in terms of the supporting evidence base and the proposed policies. These challenges are as follows:
- **Challenge B** – Meeting housing needs across the Borough, including the Borough's own needs and, where possible, assisting with accommodating the HMA wide shortfall. This is addressed in detail Section 3 of this report.
 - **Challenge G** – Securing Sustainable Economic Growth. This is addressed in detail in Section 4 of this report.
- 2.5 In addition to the key challenges, Section 5 of this report considers IM's assets and assesses the influence that the Council's approach to Challenges B and G has had on their assets within the DSLPR.

3. Challenge B – Meeting Housing Needs

3.1 Under 'Challenge B' a number of 'objectives' have been set and it is considered by IM that the following objectives are particularly important to ensure that the Local Plan Review is sound:

- To ensure that the full objectively assessed housing need (OAHN) for the Borough is met for the plan period consistent with the achievement of sustainable development and the other objectives of the plan.
- To ensure that provision is made for an appropriate proportion of the HMA shortfall in new housing land consistent with the achievement of Sustainable Development and the other objectives of the plan.
- Maximise the provision of affordable housing; ensuring the provision of an appropriate mix, type and tenure of housing on sites in a range of locations which meet the needs of Solihull residents, particularly needs for affordable housing, including Starter Homes, and supported housing on a Borough wide basis.

3.2 These key objectives are considered below under the relevant policies and consultation questions set out in the Local Plan.

Draft Policy P5 'Provision of Land for Housing'

Question 14 - 'Do you agree that we are planning to build the right number of new homes? If not why not, and how many do you think we should be planning to build?'

3.3 Policy P5 'Provision of Land for Housing' confirms that the Council will allocate sufficient land for at least 6,522 additional homes, to ensure sufficient housing land to deliver a total of 15,029 additional homes over the plan period (2014-2033). It is IM's view that policy P5 does not provide for sufficient housing to meet the Objectively Assessed Housing Need (OAHN) for Solihull, nor does it provide for an appropriate proportion of the housing shortfall from the GBHMA.

3.4 IM recognise that the Council has updated its evidence of housing need through the publication of the '*Solihull Strategic Housing Market Assessment – Final Report*' (November 2016).

3.5 The Council has set out its justification for the housing requirement proposed within the Draft Plan within its 'Topic Papers'¹. In essence the Council's requirement is based upon:

- The SHMA's concluded OAN of 13,093 dwellings (689 dpa) for 2014 to 2033. This is based upon the application of a vacancy rate and a 10% market signals adjustment to the projected growth in households based on the 2014 Sub National Household Projections Dataset;

¹ 'Draft Local Plan: Topic Papers', SMBC, December 2016

- The addition of the backlog generated over the earlier years of the Plan period (2011 – 2014). This is calculated against the earlier assessment of need concluded within the Greater Birmingham Strategic Housing Needs Study (SHNS) which assumed a need to provide 608 homes per annum in Solihull with a further 10% market signals. This adds an additional 1,184 homes resulting in a need for 14,277 homes over the Plan period 2014 – 2033 or 751 dwellings per annum; and
- The residual gap between the housing requirement and this assessment of need is stated as represented as addressing the shortfall for needs in Birmingham. This represents an additional 752 units or 40 unit per annum which results in the requirement for 15,029 dwellings or 791 dwellings per annum. The Council's Topic Paper suggests that this provides for an additional 2,000 dwellings to meet Birmingham's shortfall, however, the 752 net additional incorporates the 10% market signals uplift concluded within the SHMA as required to address evidence of the imbalance between supply and demand in Solihull.

3.6 In this context it is important to assess the robustness and justification of the proposed housing requirement in two separate stages:

- The extent to which it addresses evidenced Local Needs i.e. the OAN for Solihull and in this context the extent to which the requirement set out in Policy P5 provides adequate flexibility to support the 'supergrowth' associated with the realisation of the borough's strategic assets and indeed the wider ambitions of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and the West Midlands Combined Authority (WMCA); and
- The adequacy of the allowance made to provide for the accepted shortfall of housing need resulting from the adoption of the Birmingham Plan and the emerging planning picture across the other authorities within the Greater Birmingham Housing Market Area (HMA).

3.7 These two aspects are considered separately. It is apparent in both regards that the Draft Local Plan does not present a justified NPPF / PPG compliant evidenced position. On this basis the housing requirement is considered to be unsound as it is currently drafted and justified. SMBC will need to revisit the quantum of housing to be provided for through the Draft Plan.

The OAN for Solihull

3.8 The SHMA concludes with an OAN for Solihull of 13,093 dwellings over the period 2014 – 2033 as referenced above. This is indicated as complying with the PPG methodology and on this basis using the methodological steps is based on the following conclusions:

- The 'Starting Point' is correctly identified as the 2014 SNHP which identify a projected growth of 11,607 households. This is converted into a need for new homes through the application of a vacant / second homes rate of 2.49%. A need for 11,903 dwellings is therefore calculated on the basis of the 2014 SNHP;
- No further demographic adjustments are considered as appropriate in the context of consideration of the factors which have shaped migration or household formation rates. The conclusion being that there is no evidence of suppression of

households (primarily likely to be younger households) as a result of worsening affordability or the under-supply of housing;

- No adjustment is considered necessary to support forecast employment growth including new jobs created through the realisation of the UKC Hub with the size of labour-force growth implied by the demographic projection considered sufficient to accommodate this growth; and
- A 10% upward adjustment to the demographic projection is considered appropriate in response to evidence of worsening market signals, the application of this adjustment to the demographic projection of need forms the basis for the concluded OAN of 13,093 over the period 2014 to 2033.

3.9 IM are a member of a consortium of landowners, house builders and developers who have instructed Barton Willmore to prepare a detailed critique of the methodology applied in the derivation of this OAN within the SHMA. This submission is provided separately to this representation and recommends that the Local Plan housing target should be increased to a minimum of 890 to 987 homes per annum, which they consider to comply with the PPG and NPPF. This level of need is considered by Barton Willmore as being required to support the baseline economic growth scenario presented within the SHMA with the range representative of different approaches to addressing suppressed household formation for people aged 25 – 44 years.

3.10 In arriving at this recommendation the study prepared by Barton Willmore highlights a concern that evidence of the sustained projection of household suppression in younger households is not addressed through a positive adjustment. The PPG expressly indicates that the trend-based nature of demographic projections means that such an adjustment is permitted. The SHMA confirms that housing has become absolutely less affordable over the longer-term when compared with other comparator areas and the national picture². The SHMA is not therefore considered to adequately address this specific aspect of the PPG methodology, the outcome being that it is likely to underestimate the demographic projection of need.

3.11 The OAN presented by Barton Willmore (BW) identifies that one of the important constituent factors in indicating a higher level of housing need is the relationship between job growth and population growth. It is recognised that the SHMA seeks to consider the relationship between these two important drivers in detail. However, as set out within BW's critique the SHMA's conclusion that no additional population / household growth is anticipated to support baseline job growth is considered to represent a significant risk that forecast job growth will not be adequately supported.

3.12 The points of critique identify a specific concern relating to the flexing of assumed labour-force behaviour changes within the Experian forecasts which underpin the justification for applying no upward adjustment to support job growth. In this context it is noted that the analysis of the Experian forecasts and an alternative baseline forecast provided by Oxford Economics within the ELR provides an important validation as to this concern, which, despite the issue being raised is unconvincingly dismissed as justifying further consideration. The ELR notes when comparing the preferred Experian baseline

² 'Solihull Strategic Housing Market Assessment: Final Report', PBA, November 2016, Paragraph 4.48

forecast (September 2015) and a baseline forecast provided by Oxford Economics that the two forecasting housing models for Solihull show a very different picture as to the relationship between jobs and population growth, namely:

- The Experian forecast implies job growth of 13,300 supported by population growth aligned with the DCLG / ONS population and household projections;
- The Oxford Economics forecasts indicates a lower level of job growth of 8,900 albeit being supported by a higher level of population growth than that projected in the latest ONS / DCLG projections; and
- The SHMA itself appears to recognise the implications of these uncertainties and the application of assumptions used in the methodology noting that this needs to *'be kept under review'*³, acknowledging that job growth may be higher and that the labour market in the Functional Economic Market Area (FEMA) may tighten. The Draft Local Plan does not adequately reflect this uncertainty in proposing a more flexible response to providing for housing.

3.13 This strongly suggests notably differing labour-force behaviour assumptions being applied within each of the two forecasts. This suggests a degree of uncertainty which supports the need to consider more comprehensively the implications of different assumptions on the balance between jobs and homes rather than limiting the conclusions to the views of one of the forecasting houses (Experian).

3.14 As well as recognising the implications of different labour-force behaviour assumptions the scale of forecast job growth over the plan period also represents a critical determinant as to the appropriateness and robustness of the evidence base and its interpretation into sound policy in the Draft Plan. It is important to recognise in this regard that in supporting the growth objectives of the WMCA Solihull is advocating to the Government the capacity to support the delivery of a higher level of job growth on the basis of investment support and the wider success of the sub-region in attracting greater levels of economic growth. This is considered separately below.

Supporting Solihull to 'be economically successful'

3.15 The Draft Local Plan establishes a positive economic context and ambition for Solihull. IM support the pro-active visioning within the Draft Local Plan, however, as set out above there is a concern that this ambition is not matched through other draft policies, including the scale of housing to be provided for under Policy P5.

3.16 The Draft Local Plan correctly identifies the significant economic assets which are captured within 'UK Central' (UKC). The UKC Hub, which included the NEC, the airport, Birmingham Business Park, Jaguar Land Rover and the HS2 Interchange site, in particular is recognised as representing a significant driver of future growth.

3.17 It is acknowledged within the Draft Local Plan that the Government's commitment to HS2 means that the economic potential of investment should be fully considered. Indeed it states:

³ 'Solihull Strategic Housing Market Assessment: Final Report', PBA, November 2016, Paragraph 7.26

“The arrival of the high speed link will have a profound effect on the Borough and this local plan review must address how its benefits can be maximised. This is in the context of the unique opportunity that is available to do so; with the interchange being located at the heart of the Boroughs key economic assets and transport infrastructure.”⁴

3.18 The Draft Local Plan establishes that:

“The potential of UK Central, to generate further economic and employment growth for the region as a whole is on a nationally significant scale – over 100,000 jobs and £15bn GDP in the West Midlands by 2040 – jobs and growth that are critical to Solihull, its neighbours and to the rebalancing of the national economy.”⁵

3.19 The potential for investment to generate job growth is recognised within the ELR, which confirms:

“We have looked specifically at the HS2 Interchange site as key site which, to date, has not been [in] employment or substantial employment use; this is expected to change of [over] the plan period and could accommodate significant additional jobs, as well as focussing further critical employment mass in the wider UKC area, including the airport, JLR and BBP.”⁶

3.20 The ELR does not specifically set out any ‘land requirements’ associated with supporting growth, but does acknowledge that job growth will be additional to the baseline forecasts ‘because it was considered as something that was not anticipated by the forecast i.e. supergrowth’⁷. This is considered further within section 4 of this report.

3.21 The SHMA includes a scenario which considers the impact of this ‘supergrowth’ associated with UKC Hub. It is noted that this is based on job forecasts sourced from the ‘UK Central HS2 Interchange Station Growth Strategy Strategic Outline Case’ (May 2015) (‘the SOC’). This is identifying as estimating associated job growth of 16,500 gross additional jobs between 2026 and 2045 with this suggested as resulting in a net growth of 9,286 jobs. The application of displacement / multiplier assumptions results in the SHMA assuming a total net growth of 11,900 jobs within Solihull with 5,336 of these jobs forecast to be created within the Plan period (by 2033).

3.22 The SHMA concludes that on the basis of this scale of job growth being assumed and in the context of the adjustments made to respond to demographic and market signals aspects that there is no ‘justification for a separate economic uplift to address the UKC Hub, not least because it will only start to come forward at the very end of the period and the uncertainties surrounding long-term economic impact forecasting of this nature.’⁸

3.23 IM have a number of specific concerns as to the justification behind this conclusion:

⁴ ‘Reviewing the Plan for Solihull’s Future: Draft Local Plan’, Paragraph 90

⁵ ‘Reviewing the Plan for Solihull’s Future: Draft Local Plan’, Paragraph 37

⁶ Employment Land Review, Final Repot’, PBA, January 2017, Paragraph 8.38

⁷ Employment Land Review, Final Repot’, PBA, January 2017, Paragraph 5.21

⁸ ‘Solihull Strategic Housing Market Assessment: Final Report’, PBA, November 2016, Paragraph 5.39

- The assumption that only 5,336 net additional jobs in Solihull are attributable to UKC Hub appears to contrast significantly with the amount of floorspace proposed and the justifying text within the Draft Local Plan as to the scale of ambition for the area and the potential impact of a significant amount of spending on infrastructure;
 - The modelling approach taken by Experian applies a number of labour-force behaviour changes which are not adequately justified. For example, changes to economic activity rates and unemployment assumptions beyond the baseline do not appear to have been considered in the context of an acknowledgment in the ELR that the supergrowth in jobs will be concentrated in professional and other private services. The extent to which the skills of the labour-force will match this growth forms an important consideration; and
 - In particular it is noted that the Experian modelling assumes a significant increase in net in-commuting into Solihull to satisfy job growth. The modelling assumes that the majority of this additional labour is the result of an increase in people commuting out of Birmingham into Solihull. It is not clear as to the extent to which the implications of this changing labour-force relationship has been considered on Birmingham in the context of its own plans for economic growth.
- 3.24 Collectively this presents a significant concern that the evidence presented within the SHMA does not align with the wider strategy and policy based approach advanced by the Council within the Draft Local Plan and other strategy documents. It is considered that the input assumptions regarding job growth potential and labour-force behaviour need to be re-considered in the context of the latest information and with consideration of the impacts on the plan-making activities of other authorities in the HMA.
- 3.25 The Barton Willmore report referenced earlier has, as part of the critique of the OAN in Solihull, modelled the potential level of housing need implied as being required to support the UKC Hub scenario. This confirms a level of need which is notably higher than that associated with supporting the baseline forecast, with a need in excess of 1,000 homes per annum identified as being required by Barton Willmore to support economic growth associated with the committed UKC Hub.
- 3.26 Whilst the above ‘supergrowth’ associated with the UKC Hub is driven by potential generators of significant employment growth in Solihull it is also important to recognise that these form part of a wider strategy of ‘supergrowth’ at a larger geographic level.
- 3.27 The WMCA recently published a Strategic Economic Plan (SEP) based on an ‘Economy Plus’ scenario that aims to create 500,000 additional jobs and secure GVA 5% higher than the national average by 2030. Importantly the WMCA SEP calls for a level of housebuilding significantly greater than currently provided in development plans or being delivered across the West Midlands HMAs.
- 3.28 The Council’s evidence base for the Draft Plan confirms the appraisal of economic growth and by implication the impact on housing needs *‘does not consider the SEP scenarios in detail’*⁹. No justification is provided as to why this is the case given the

⁹ Employment Land Review, Final Report, PBA, January 2017, Paragraph 5.16

important commitments being made by the WMCA and therefore Solihull Council to the Government through the Devolution Deal. The failure to take into account the implications of stated growth objectives in the new long-term Plan for the Borough represents a significant challenge to its relevance and robustness.

- 3.29 The Government's recently published Modern Industrial Strategy confirms the national commitment to supporting the re-balancing of economic growth across the country with this requiring the objectives of the WMCA to be realised:

*"More balanced growth across the country can enable higher growth for the United Kingdom overall. The revival of underperforming areas can spur productivity in areas with lower costs, cheaper land, less congested infrastructure, and other underused assets."*¹⁰

- 3.30 Indeed the Strategy confirms the importance of both the Northern Powerhouse and Midlands Engine initiatives in delivering 'balanced growth' confirming that the Government will *'be setting out a Midlands Engine Strategy soon'* following the recently published Northern Powerhouse strategy whilst also confirming support for the *'the development of proposals for the Midlands Rail Hub'*.

- 3.31 The Housing White Paper (HWP) confirms in its commitment to adopting a more standardised approach to calculating housing need the importance of ensuring that it is consistent with the Modern Industrial Strategy. This will therefore form an important context for the development of subsequent iterations of the Core Strategy¹¹.

Responding Positively to the Shortfall of Housing Need from Birmingham

- 3.32 The Draft Local Plan acknowledges that alongside needs generated within Solihull there remains a significant shortfall in the provision of housing need across the Greater Birmingham HMA.

- 3.33 Following the adoption of the Birmingham Local Plan there is an acknowledged shortfall of housing of 37,900 homes across the HMA, the majority of which is a direct consequence of Birmingham's failure to accommodate its own need in full. This is higher than the minimum 37,500 shortfall dwellings identified within the 2015 Stage 3 Strategic Housing Needs Study (SHNS)¹² which was calculated over the period 2011 – 2031.

- 3.34 It is recognised that according to the Stage 3 SHNS that approximately 2,600 of this shortfall was derived from an estimated lack of supply provided for within Solihull. The Draft Plan now implies that the identified supply will meet local needs thereby theoretically offsetting this element of the shortfall. However, it evidently still results in a shortfall across the HMA of in excess of 35,000 dwellings to which Solihull would need to consider its role in accommodating.

- 3.35 In addition to the Stage 3 report, the West Midlands Land Commission (WMLC) was set up in 2016 in order to help the West Midlands Combined Authority (WMCA) unlock land

¹⁰ 'Building our Industrial Strategy', January 2017

¹¹ 'Housing White Paper – Fixing our broken housing market', DCLG, February 2017, Paragraph 1.12

¹² 'Greater Birmingham and Solihull LEP Black Country Local Authorities: Strategic Housing Needs Study Stage 3 Report', PBA, August 2015

for development. The WMLC published a report¹³ to the WMCA Board in February 2017 which sets out a number of mechanisms to improve the developable supply of land in the West Midlands.

- 3.36 Whilst we acknowledge this report does not represent policy or should necessarily inform policy, it does identify the scale of some of the challenges the region faces and SMBC therefore need to understand the consequences it may have on the Local Plan Review.
- 3.37 The findings of the report suggest that, in relation to housing, in order to accommodate the growing population in the West Midlands, 50,000 more homes over and above what is currently allowed for in all the West Midlands Local Plans taken together is required.
- 3.38 The DSLPR only provides for 2,000 extra homes to address this shortfall. Even where a shortfall of 35,000 is assumed this equates to less than 6% of the shortfall being accommodated in Solihull. There is no evidenced base justification for this selected scale of shortfall to be accommodated. Even at face value this scale of provision does not appear proportionate given the spatial and strategic relationship between the two authorities.
- 3.39 The following table, which reviews the latest available plan positions and MoUs aimed at addressing the shortfall highlights the collective failure to address this issue across the constituent authorities. It also highlights that a number of other authorities namely, North Warwickshire and Stratford-on-Avon are exploring the potential to accommodate a greater level of shortfall than that proposed in Solihull.

Table 3.1: Existing MoU position to address Birmingham’s Shortfall of Housing Need

Members of MoU	Reference to Birmingham’s shortfall
Birmingham and North Warwickshire	MoU signed (September 2016) and published as part of the evidence base to the North Warwickshire Local Plan Review. This confirms that NWBC will aspire to deliver an additional 3,790 dwellings through the new Local Plan to contribute to the wider HMA shortfall. It is noted that this is dependent on the provision of and timely delivery of infrastructure and represents a maximum level of uplift that could be accommodated in North Warwickshire.
Birmingham and Stratford on Avon	The Memorandum of Understanding signed in December 2015 indicates that Stratford-on-Avon will look to contribute 3,300 dwellings towards meeting Birmingham’s shortfall.
Coventry and Warwickshire authorities	The MoU deals with Coventry’s housing shortfall and how it is to be distributed between the Warwickshire authorities (N.B. Nuneaton and Bedworth have not

¹³ ‘Final Report to the West Midlands Combined Authority Board’, West Midlands Land Commissions, February 2017

signed up to the MoU). The distribution of housing needs and the housing requirement to be taken forward includes reference to North Warwickshire and Stratford-upon-Avon's contributions to meeting need from Birmingham.

Redditch and Bromsgrove	The MoU deals with the provision of employment land only.
Lichfield and East Staffordshire	The MoU refers to the Brookhay Villages and Twin Rivers proposals which cross both authorities' boundary. No reference is made to Birmingham's shortfall however the MoU does include a commitment to engaging with the GBSLEP to contribute to the housing evidence base which "seeks to distribute growth to the GBSLEP local authorities".
Tamworth, Lichfield and North Warwickshire	The MoU refers to Tamworth's shortfall being accommodated in both Lichfield and North Warwickshire. No reference is made to Birmingham's shortfall.

Source: Turley, Various, 2016

- 3.40 The progress made to date with regards to commitments either through signed MoU's or published Local Plan's in addressing the shortfall in Birmingham is evidently limited. Most recently the Draft North Warwickshire Plan makes an allowance to test for the provision of 10% of the shortfall, some 3,790 dwellings, which it references as being calculated on the basis of migration and commuting patterns.
- 3.41 As North Warwickshire identify within recent published papers¹⁴ Solihull has the strongest commuting and migratory relationship with Birmingham of the other authorities in which the Birmingham Plan confirms the shortfall should be sought to be met¹⁵. The ELR analyses travel to work (2011 Census) relationships between Birmingham and Solihull confirming that Solihull provides the largest single inflow of people commuting into Birmingham with the flow of people out from Birmingham into Solihull also significant (the net impact being some 3,000 workers from Solihull to Birmingham). The strength of the relationship is many times more significant than that with North Warwickshire and so the application of a comparable methodology for distributing shortfall would suggest that Solihull should take a much greater share. This is evidently not explored within the underpinning evidence or the Draft Local Plan.
- 3.42 It is of concern that North Warwickshire has already started to identify specific concerns in this regard as to the adequate application of the Duty-to-Cooperate with the papers referenced above confirming that this *'is considered a potentially serious failing in the Plan in terms of adequately addressing the 'Duty to Co-operate', given the clear shortfall*

¹⁴ 'Report of the Assistant Chief Executive and Solicitor to the Council' to the Planning and Development Board 16 January 2017, Paragraph 5.1

¹⁵ Alongside Solihull this includes The Black Country, Bromsgrove, Redditch, North Warwickshire, Tamworth, Lichfield, Cannock Chase, South Staffordshire and parts of Stratford-on-Avon.

in need identifi[ed] in the Birmingham City Local Plan, noted in the proposed Modifications to the Plan, and the comments from the earlier Solihull Local Plan Inspector’.

- 3.43 It is of note that the Draft North Warwickshire Local Plan confirms that work has been progressed between the partners across the Greater Birmingham & Black Country HMA to agree a redistribution of the identified shortfall. The result being a draft Memorandum of Understanding (MoU) to agree the distribution of housing amongst the local planning authorities from both in and outside of the HMA. Whilst North Warwickshire has published a MoU to date no wider MoU has been made available which establishes the share of distribution to Solihull.
- 3.44 The Draft Local Plan recognises that the authority *‘plays a vital role in the regional economy and labour market’*¹⁶. Evidently where a more positive approach was adopted within the Draft Local Plan to support the full potential economic growth associated with its strategic economic assets, including the UKC Hub, this would also mean that the authority accommodated a more reasonable and justifiable level of the overall shortfall of housing need across the HMA. It is considered that this would have significant benefits in ensuring the sustainable distribution of housing and employment growth within the HMA.

Implications for the Local Plan

- 3.45 IM considers that the DSLPR does not provide for a sufficient level of new housing under policy P5.
- 3.46 The HWP establishes the Government’s commitment to *‘get more homes built right now’* and ensure that *‘the right homes in the right places’* are being planned for¹⁷. This presents an important context for the subsequent development of the Draft Plan.
- 3.47 Whilst the stated aim of meeting local needs within Solihull is supported it is considered that the full scale of this need is under-estimated within the evidence base upon which the Draft Plan is based.
- 3.48 Evidence prepared by Barton Willmore on behalf of a consortium including IM Properties and IM Land highlights a number of specific methodological and technical points of challenge to the SHMA and its conclusion on the OAN for housing in Solihull. The BW analysis recommends that the Local Plan housing target should be increased to a minimum of between 890 and 987 homes per annum to respond to the OAN for housing. This is a minimum of some 12.5% higher than that currently provided for within the Draft Plan.
- 3.49 Specific concerns have been highlighted which suggest that the Plan fails to adequately align its economic and housing policies, a key requirement of the NPPF (Paragraph 158) with insufficient flexibility in its planned level of housing growth to support its economic potential. The authority’s commitment to, and ambition for, supporting economic growth are strongly supported. Solihull plays an important role in realising the growth objectives of the WMCA with the planned infrastructure investment through HS2

¹⁶ ‘Reviewing the Plan for Solihull’s Future: Draft Local Plan’, Paragraph 30

¹⁷ ‘Housing White Paper – Fixing our broken housing market’, DCLG, February 2017, Pages 7 and 14.

in particular representing a fundamentally different context for attracting investment and business expansion.

- 3.50 The Draft Local Plan as currently drafted, however, fails to adequately consider the wider infrastructure implications of the full potential of investment being realised. There is a need for the Plan to adopt a more pro-active response to planning for growth to ensure it remains fit for purpose over the longer-term and provides a strong foundation both within and beyond the plan period.
- 3.51 In this context it is critical that the Plan recognises Solihull's responsibility to support needs across the wider HMA. The failure to provide any evidenced based justification to support the approach proposed to accommodate less than 6% of the identified shortfall across the GBLEP area undermines the soundness of the Plan. This approach stands in direct contrast, for example, with North Warwickshire where a MoU has been signed with Birmingham Council and provision is being explored through the Draft Plan to accommodate approximately 10% of the shortfall. Solihull's location and housing market and economic linkages with Birmingham are far stronger than comparable linkages with North Warwickshire and the difference in the scale of shortfall to be accommodated cannot therefore be viewed as proportionate or reasonable.
- 3.52 IM recommend that Solihull progress a MoU with Birmingham City Council which recognises an evidenced justification as to the scale of shortfall to be accommodated based upon the socio-economic links between the two authorities.

Policy P4 – 'Meeting Housing Needs'

- 3.53 IM is in broad agreement with the principles of policy P4 and supports certain aspects, yet firmly believes elements of the policy are un-evidenced and ambiguous. These shortcomings in the drafting of the policy, and its underpinning evidence base, pose a risk to development viability and will harm the deliverability of the Local Plan.
- 3.54 This section addresses each of the consultation questions in relation to draft Policy P4.

Question 11: Do you agree with Policy P4? If not why not and what alternative would you suggest?

Policy Overview

- 3.55 IM recognises the need for both affordable and market housing across the borough as identified by the 2016 Strategic Housing Market Assessment (SHMA) and outlined within the draft policy commentary and justification.
- 3.56 The policy begins by recognising the social and economic importance of housing to the borough which is supported by IM.
- 3.57 IM also welcomes the inclusion of Vacant Building Credit (VBC) within draft Policy P4. It forms a valuable incentive for the redevelopment of brownfield sites.
- 3.58 IM's overriding concern is that proposed Policy P4 will threaten the viability and deliverability of residential development. The implication for the Local Plan is a

significantly heightened risk posed to successfully achieving the identified overall housing requirement.

- 3.59 A summary of IM's comments and recommendations to each aspect of proposed Policy P4 follow in answer to the above question. More detailed commentary is provided in response to Questions 12 and 13.

Part A: Affordable Housing

- 3.60 Whilst IM is in agreement with the minimum scale of developments required to provide affordable housing, IM has significant concerns regarding the following aspects of draft Policy P4:

- The un-tested and un-evidenced increase in the affordable housing requirement from 40% to 50% on sites of 11+ units or exceeding 1,000m² (GIA);
- The absence of an upper limit to the proposed affordable housing requirement;
- The ambiguity within the current wording of draft Policy P4, which makes interpretation unclear and introduces uncertainty for application;
- The untested proposed tenure split within the affordable housing requirement;

- 3.61 Each of the stated concerns will be further detailed in response to Question 12 along with recommended actions.

Part B: Rural Exceptions

- 3.62 IM does not wish to comment on this part of draft Policy P4.

Part C: Market Housing

- 3.63 IM has significant concerns regarding the proposals within draft Policy P4 for SMBC to seek to dictate or negotiate the types and sizes of open market housing to be delivered on allocated and unallocated sites across the borough.

- 3.64 IM considers that this points towards a continuation of the policy approach set out within the current SMBC 'Meeting Housing Needs' Supplementary Planning Document (SPD), which stipulates minimum thresholds for the provision of 1-bed and 2-bed dwellings across the borough. This policy approach is considered to be highly onerous and based upon a weak evidence base.

- 3.65 In addition, having reviewed the SHMA (2016), IM is of the view that this will not provide the necessary evidence for SMBC to understand the existing mix of market housing and housing demand locally to a site, in order to seek to 'rebalance' any deficiencies in existing supply.

- 3.66 IM has replicated Figure 6.1 of the SHMA (2016) within Table 3.2 overleaf. This presents the borough's housing requirement by dwelling size and tenure over the 2014-2033 period – as identified by the SHMA (2016). This demonstrates that borough-wide there is an overall requirement for 62% of open homes to have 3+ bedrooms, with the residual 38% of market homes required to have 2 bedrooms or fewer.

- 3.67 The SHMA (2016) does not appear to disaggregate this analysis to a lower geographical scale within any published evidence. The SHMA (2016) evidence published to date is limited in its ability to accurately stipulate requirements to 'balance' demand and supply for market homes locally, and forms a 'point in time' analysis that will quickly become outdated.
- 3.68 It is IM's express view that whilst SMBC should seek to encourage appropriate delivery of dwelling types and mixes across market housing in response to local needs via the pre-application process, a policy approach that seeks to dictate fixed percentages of market housing size/type provision is flawed and inappropriate to respond to fluctuations in market conditions.
- 3.69 Moreover, SMBC has not published appropriate evidence on viability to test the impact of this aspect of draft Policy P4 on the deliverability of sites. It must be demonstrated that the combined costs of planning policy do not undermine the deliverability of sites and pose a risk to the Local Plan.
- 3.70 In summary, it is IM's request that SMBC removes any reference within the draft Policy P4 of the Draft Local Plan to assessing or negotiating the market mix of housing proposed on allocated or unidentified sites.

Table 3.2: Replication of Figure 6.1 from the Solihull SHMA (2016) in Table Format – Housing Requirement (2014-2033)

Unit Size/Type	Units by Tenure			% by Tenure			Total Units	Total %
	Market	SO	AR/SR	Market	SO	AR/SR		
1 bed flat	434	134	679	4%	14%	24%	1,247	9%
1 bed bungalow	287	48	208	3%	5%	7%	543	4%
2 bed flat	1,343	276	130	13%	28%	5%	1,749	12%
2 bed bungalow	400	38	259	4%	4%	9%	697	5%
2 bed house	873	162	168	8%	16%	6%	1,203	8%
3 bed house	3,473	196	833	33%	20%	29%	4,502	32%
4+ bed house	3,627	129	571	35%	13%	20%	4,327	30%
Total	10,437	983	2,848	100%	100%	100%	14,268	100%

Source: Solihull SHMA (2016)

Part D: Self and Custom-build Housing

- 3.71 IM supports the inclusion of these development types within draft Policy P4.
- 3.72 IM notes that draft Policy P4 contains two proposed 'options' – numbered 1 and 2 – upon which SMBC is inviting comment. It is IM's view that a variant of Option 2 would be preferable.
- 3.73 The variation recommended by IM would be for developers of allocated sites to make a 5% contribution to Self and Custom Build Housing on larger residential sites of 500+ units or via voluntary agreement between the developer and SMBC on sites falling below this threshold.
- 3.74 The rationale for this recommendation is provided by way of further commentary in response to Question 13.
- 3.75 IM would also suggest that SMBC consider the opportunity for Private Rented Sector (PRS) development to come forward in the Borough, and this should be acknowledged in Policy. As Birmingham City Council has done, SMBC should also acknowledge the differences in terms of viability in PRS schemes when compared to open market housing. This is addressed further below.

Question 12: Do you agree with the level of affordable housing being sought in Policy P4? If not why not and what would you suggest?

Affordable Housing Requirement Threshold

- 3.76 IM is in agreement with the extent of the affordable housing provision threshold proposed by the council.
- 3.77 Draft Policy P4 proposes that affordable housing provision will not be sought from developments delivering fewer than 11 residential units or 1,000 square meters (GIA).
- 3.78 IM supports this component of draft Policy P4 as it is in line with both national Planning Practice Guidance (PPG) and the Written Ministerial Statement (WMS) of 28th November 2014¹⁸ implemented to alleviate constraints to local housing supply and support small scale development.

Proposed Increase to 50% Affordable Housing Requirement

- 3.79 IM is highly concerned with the proposed increase in the affordable housing requirement to 50% within draft Policy P4.
- 3.80 It is understood that this proposed increase by 10%, from 40% in the adopted Local Plan, is in response to the level of affordable housing need identified within the SHMA (2016).
- 3.81 The SHMA (2016) identifies a total borough-wide need for affordable housing of 210 dwellings per annum over the Local Plan period (18 years) within Table 5.10 on p.52.

¹⁸ The Minister of State for Housing and Planning (2014) "House of Commons: Written Statement HCWS50" Department for communities and Local Government,"

- 3.82 The SHMA (2016) recommends that the full OAN for Solihull is either 13,094 or 14,278 dwellings (689 or 751 dpa) over the period 2014 to 2033 (18 years). It concludes that no adjustment to the OAN is required to accommodate affordable housing needs.
- 3.83 Consequently, the annual affordable housing requirement of 210 dwellings per annum equates to either 31% or 28% of the full annualised OAN – depending on whether the lower or upper OAN figure from the SHMA (2016) is utilised.
- 3.84 On this basis, IM does not consider that the link between the identified level of affordable housing need within the SHMA, and the necessity to increase the affordable housing requirement to 50% within draft Policy P4 to meet identified needs, has been clearly evidenced or justified within the SHMA (2016) or the Local Plan Review document.
- 3.85 Policy P4 of the adopted Local Plan is underpinned by the Affordable Housing Viability Study (2012) (AHVS), which was prepared by CBRE.
- 3.86 The AHVS (2012) is now considerably out of date – it is no longer reflective of current development costs, sales values, landowner expectations, and planning policy costs. In addition, it does not provide SMBC with any evidence of the financial viability of residential development sites when subject to an affordable housing requirement of 50% of the total units.
- 3.87 The AHVS concludes within paragraphs 7.18-19 that a 40% affordable housing requirement should be the maximum set within Policy P4 of the adopted Local Plan:
- “In summary, the analysis that we have undertaken demonstrates that the delivery of a 40% affordable housing contribution in the south of the Borough is generally achievable taking into account the types and size of sites coming forward for development. We consider that fixing the rate above 40% or stating a requirement of at least 40% would be a deterrent to development and result in protracted negotiations with developers and landowners.*
- We consider therefore that the Council should consider fixing the affordable housing percentage rate at 40%”.*
- 3.88 There is hence no evidence base prepared to demonstrate that the provision of 50% affordable housing is viable and deliverable across the majority of sites necessary to achieve the objectives of the Local Plan Review. Presently, this component of draft Policy P4 poses a major risk to the Local Plan.
- 3.89 In order to accord with both paragraph 173 of the NPPF and PPG it will be necessary for SMBC to prepare appropriate evidence on viability to test the impact of the draft policies within the Local Plan Review (including affordable housing), on the deliverability of sites. It must be demonstrated that the combined costs of planning policy do not undermine the deliverability of sites and pose a risk to the Local Plan.
- 3.90 This viability evidence should also consider the possibility for PRS schemes to come forward in the Borough. PRS schemes differ from traditional housing schemes as the returns are long term rather than short term; this therefore impacts on the viability of

schemes. Policy P4 should therefore specifically refer to taking account of the specific characteristics of developments which look to longer term returns rather than short term 'market' gains when assessing viability and considered provision of affordable housing.

3.91 The evidence base should be published by SMBC as part of a future round of consultation on the Local Plan Review, for scrutiny and formal comment from stakeholders.

3.92 It is IM's view that if this appropriate evidence not be produced by SMBC, then there is no justification to increase the affordable housing requirement from 40% as presently set within Policy P4 of the adopted Local Plan.

Upper Limit to Affordable Housing Requirement

3.93 Draft Policy P4 does not presently place a clear upper limit on the affordable housing requirement sought by SMBC. To give certainty to the development industry, the policy wording should be altered to the following:

*"Contributions will be expected to be made in the form of **up to** 50% affordable dwelling units on each development site, but will take into account."*

3.94 It should be made clear within the draft policy wording that the affordable housing requirement sought by SMBC will not exceed the rate set within the Local Plan policy.

Lack of Clarity in Policy Wording

3.95 IM considers that draft Policy P4 of the Draft Local Plan currently contains several statements that are relatively unclear and ambiguous in their interpretation.

3.96 The draft policy states that SMBC will "take into account" the various following factors when considering the application of the 50% affordable housing requirement on specific sites:

- **'Site size'**: It is unclear how this will be factored into SMBC's considerations in applying policy. Will smaller sites be permitted with a reduced affordable housing provision, or will larger sites? What, specifically, is the flexibility being proposed within the draft Policy?
- **'Accessibility to local services and facilities and access to public transport'**: Is SMBC suggesting that sites with limited accessibility will be permitted to provide off-site contributions towards affordable housing, rather than on-site provision? If this is the case, or indeed if there is an alternative rationale, this should be clarified.
- **'The economics of provision, including particular costs that may threaten the viability of the site'**: IM welcomes the inclusion of this statement, but would encourage SMBC to alter the wording to replace the term 'economics' with the term 'financial viability'.
- **'The need to secure a range of house types and sizes in the locality in helping to achieve socially balanced and mixed communities'**: It is unclear as to how SMBC will apply this part of the draft Policy. Will affordable housing

requirements be reduced in regeneration areas of the borough or settlements with a high proportion of smaller, or affordable, housing stock? If this is the case, or indeed if there is an alternative rationale, this should be clarified.

- 3.97 Understanding the implications of these aspects is critical for the development industry and greater clarity is sought and should be provided by SMBC.
- 3.98 This clarity should either be provided directly within draft Policy P4 or it should be stated within the policy that the full details will be set out within supplementary guidance – such as an updated ‘Meeting Housing Needs’ Supplementary Planning Document (SPD). The updated SPD should also be consulted upon alongside the Draft Local Plan.

Financial Contributions in Lieu

- 3.99 IM is supportive of the inclusion within draft Policy P4 of a mechanism for meeting affordable housing requirements via financial contributions, in lieu of on-site provision, where on-site provision is not feasible or viable.
- 3.100 IM would recommend that greater clarity should be provided by SMBC within draft Policy P4 to confirm that the scale of financial contributions towards the affordable housing requirement will be subject to, and dependent upon, site specific assessment of financial viability.
- 3.101 It would also be beneficial for the development industry to understand SMBC’s approach to expenditure of financial contributions collected. Specifically, how such contributions will be spent and whether expenditure will be tied to locations in proximity to the contributing development site or focused in specific geographic locations across the borough. Clarification should be provided directly within supplementary guidance – such as an updated ‘Meeting Housing Needs’ Supplementary Planning Document (SPD). The updated SPD should also be consulted upon alongside the Draft Local Plan.

Affordable Mix

- 3.102 The policy justification for draft Policy P4 within the Draft Local Plan states that the 50% requirement for affordable housing should equate to a 20% requirement towards Starter Homes, 22% towards rented and 8% shared ownership in response to evidence presented within the SHMA (2016).
- 3.103 The tenure mix is not set out within draft Policy P4 itself. If the intention of SMBC is to allow flexibility via its exclusion, it should be stated within the policy that the affordable tenure mix will be set out within supplementary guidance – such as an updated ‘Meeting Housing Needs’ Supplementary Planning Document (SPD). The updated SPD should also be consulted upon alongside the Draft Local Plan.
- 3.104 IM considers that it is unclear how SMBC has utilised the SHMA (2016) to arrive at a division of 22% rented and 8% shared ownership. This is neither stated within the SHMA (2016) or the policy justification within the Draft Local Plan. SMBC should provide greater clarity within an explanatory note, or expansion of the policy justification for draft Policy P4 within the Draft Local Plan.
- 3.105 The policy justification for draft Policy P4 within the Draft Local Plan does not make it clear to the development industry whether ‘rented’ affordable housing sought by SMBC

will represent social rent or affordable rent, or an element of both. Greater clarity should be provided to the industry via expansion of the policy justification for draft Policy P4 within the Draft Local Plan. It would be IM's recommendation for 'rented' to incorporate affordable rent (up to 80% open market rents), both to improve the deliverability of sites and stimulate greater housing choice within the borough's affordable stock.

- 3.106 The policy justification for draft Policy P4 within the Draft Local Plan confirms that the proposed affordable housing requirement (50%) and tenure mix has not been subject to an assessment of viability. It is stated instead by SMBC at paragraph 193 that: *"...further evidence will be pursued to justify this"*.
- 3.107 PPG is clear that viability assessment is necessary to ensure that Local Plan policies are realistic and provide high level assurance that plan policies are viable. Evidence must be prepared to assess the likely ability of the market to deliver the plan's policies – whilst at draft stage. It is critical that SMBC prepares and publishes for consultation the viability evidence to underpin the proposed Draft Local Plan policies.
- 3.108 IM would also comment that, whilst it is positive that SMBC has sought to be proactive by incorporating Starter Homes within draft Policy P4 of the Draft Local Plan, the use of Starter Homes as part of the justification for increasing the affordable housing requirement to 50% is clearly both un-evidenced and is also premature.
- 3.109 To date, Starter Homes do not have the necessary secondary legislation in place to permit legal delivery (with the exception being limited to Starter Homes 'exception sites').
- 3.110 Furthermore, the Housing White Paper published in February 2017 confirms that the Government will not introduce a statutory requirement for starter homes at the present time. Instead local authorities will deliver starter homes as part of a mixed package of affordable housing of all tenures that can respond to local needs and local markets.
- 3.111 Notwithstanding, as the NPPF is yet to be amended, Starter Homes currently remain outside of the definition of affordable housing and the need for the secondary legislation to be consulted upon and be considered within both the House of Lords and House of Commons before enactment, would mean that it could be a substantial period before Starter Homes can be legally permitted and delivered.
- 3.112 It is IM's recommendation that SMBC awaits details of Starter Homes to be provided by government, and then prepares viability evidence to determine the potential scope for introducing Starter Homes into the affordable housing mix, and the implications for deliverability and the overall affordable housing requirement.

Question 13: Which option for delivering self and custom house building do you favour and why? If neither do you have any other suggestions?

- 3.113 IM recognises the potential role and contribution towards new housing supply provided by the delivery of self-build and custom homes. This development type is supported by paragraphs 50 and 159 of the National Planning Policy Framework (NPPF), the

government's Written Ministerial Statement of 28th November 2014¹⁹ and the Housing and Planning Act 2016²⁰.

3.114 Draft Policy P4 contains two proposed 'options' – numbered 1 and 2 – upon which SMBC is inviting comment. It is IM's view that a variant of Option 2 would be preferable.

3.115 The variation recommended by IM would be for developers of allocated sites to make a 5% contribution to Self and Custom Build Housing on larger residential sites of 500+ units or via voluntary agreement between the developer and SMBC on sites falling below this threshold.

3.116 The rationale for this recommendation is as follows:

- The commentary within paragraph 210 of the Draft Local Plan confirms that there were 91 people registered on SMBC's Self and Custom Housebuilding Register at the 30 September 2016, which was established in Solihull in March 2016. This represents a weak and potentially inflationary indicator of demand, with any party able to register interest – rather than demonstrable need. There is no firmer evidence provided within the SHMA (2016).
- Should the larger residential allocations of 500+ units (as identified within the 'Summary Table of Allocated Sites' within the Draft Local Plan) be required to provide a 5% contribution to Self and Custom Build Housing, this would yield circa 109 plots, which would exceed SMBC's registered demand by 20% - a comfortable buffer.
- It will be more practical to deliver serviced plots on larger sites. Plots can be identified within a distinct phase, or sub-phases, which would both make servicing more straightforward as well as allow for alignment with practical considerations of the CIL Regulations (i.e. not triggering CIL liability upon commencement of the wider site). Where impractical for delivery, the draft Policy P4 should be revised to allow for an off-site provision/commuted sum as an alternative.
- The lack of demonstrable firm demand, and track record of delivery within the borough, will increase the risk to viability of sites providing serviced plots – as the appetite for sales is presently highly uncertain. SMBC has not prepared any evidence to demonstrate that this policy requirement will not pose a risk to the deliverability of sites required to meet the objectives of the Local Plan. This evidence of financial viability should be prepared and formally consulted upon.
- It is noted, and welcomed, that plots will be required to be marketed for 12 months. However, it should be made clear within draft Policy P4 that, following the 12 month marketing period, plots could be built out by the developer and sold on the open market as traditional volume housing.

¹⁹ The Minister of State for Housing and Planning (2014) "House of Commons: Written Statement HCWS50" Department for communities and Local Government

²⁰ The UK Government (2016) "The Housing and Planning Act 2016."

Summary

- 3.117 IM considers that the Draft Local Plan does not provide for a sufficient level of new housing under policy P5.
- 3.118 The evidence prepared by Barton Willmore highlights a number of specific methodological and technical points of challenge to the SHMA and its conclusion on the OAN for housing in Solihull. The BW analysis recommends that the Local Plan housing target should be increased to a minimum of 890 to 987 homes per annum to respond to the OAN for housing. This is a minimum of some 12.5% higher than that currently provided for within the Draft Plan.
- 3.119 The Draft Local Plan as currently drafted fails to adequately consider the wider infrastructure implications of the full potential of economic investment being realised. There is a need for the Plan to adopt a more pro-active response to planning for growth to ensure it remains fit for purpose over the longer-term and provides a strong foundation both within and beyond the plan period. In this context it is critical that the Plan recognises Solihull's responsibility to support needs across the wider HMA.
- 3.120 In terms of affordable housing, Draft Policy P4 suggests an increase from 40% provision to 50% provision. There is no evidence to suggest that this increase is required, nor has any evidence been provided which demonstrates that this increase could be viably accommodated and would not jeopardise the delivery of housing more generally in the Borough.

4. Challenge G – Securing Sustainable Economic Growth

- 4.1 Under 'Challenge G' a number of 'objectives' have been set, however unlike the housing need objectives set out in Section 3 of this report, the Economic objectives do not specifically seek to address the 'need' for employment land, a fundamental component of economic growth. This is considered in further detail below.

Policy P3 – 'Provision of Land for General Business Purposes'

Question 9 – 'Do you agree with Policy P3? If not why not, and what alternative would you suggest?'

Question 10 – 'Do you believe the right scale and location of development has been identified? If not why not?'

- 4.2 Draft Policy P3 of the Draft Local Plan deals with the provision of land for general business and premises.
- 4.3 IM note that as currently drafted the Policy does not establish an employment land requirement for the Borough over the plan period to 2033. The policy instead confirms that:

"to encourage sustainable economic growth and provide a broad range of employment opportunities the Council will plan for a continuing supply of employment land" .

- 4.4 This continuing supply is represented by a number of existing allocations being carried forward from the SLP and new allocations. This includes residual land at Blythe Valley Business Park in addition to a further five sites amounting to 35.5 hectares of employment land. These sites include TRW/The Green, Stratford Road, Shirley (18.5ha), Fore, Stratford Road, adjacent to M42 (2ha), Chep/Higginson, Bickenhill (4ha), Land North of Clock Interchange, Coventry (2ha); and Land Adjacent to Birmingham Business Park (9ha). A further 243 hectares is proposed through new allocations including Land at HS2 Interchange (c140ha) and Land at Damson Parkway (c94ha).
- 4.5 Although a further 243 hectares is proposed through new allocations including Land at HS2 Interchange (c140ha) and Land at Damson Parkway (c94ha), IM consider that in the context of an evidenced undersupply of large scale sites in the M42 Corridor²¹, Policy 3 makes inadequate provision for new logistics floorspace across the borough.
- 4.6 The Council has since updated its evidence of employment land needs through the publication of the ELR, the findings of which are considered below. Although this review was commissioned by SMBC in July 2016 to inform the review of the Local Plan, its publication in January 2017 – late in the consultation process - has resulted in the Draft Local Plan being silent on its assessment of quantitative and qualitative land needs.
- 4.7 It is apparent, equally, that whilst the ELR provides an assessment of local needs the study defers responsibility for assessing how unmet strategic needs could be

²¹ West Midlands Strategic Employment Sites Study, PBA & JLL, September 2015

accommodated in Solihull, concluding instead that this “will be a need that must be addressed across the region via the duty to co-operate”.

- 4.8 By implication, Policy P3 currently provides no certainty over the level of economic growth and employment land needed within the borough to accommodate either local needs or the unmet strategic needs clearly evidenced within the sub-regional evidence based represented by the West Midlands Strategic Employment Sites Study (WMSESS).
- 4.9 The technical methodology applied within the ELR and its interpretation into conclusions is considered in more detail below.

The Employment Land Review, 2017

- 4.10 The Solihull Employment Land Review (ELR)²², published in January 2017, represents the Council’s most up to date assessment of employment land needs in the borough.
- 4.11 The ELR’s key conclusions are referenced at Paragraph 5.40 which sets out that an additional 22.6 ha of employment land is needed to meet forecast job demand over the plan period to 2033. This is based on a requirement for 12ha of land for new office development and 10.6ha of land for industrial, including B8 logistics. Despite not providing a separate breakdown of B8 logistics need, Paragraph 7.7 goes on to indicate that there is sufficient land to respond to forecast demand with a ‘notional oversupply’ of land over the plan period concluded at Paragraph 8.32.
- 4.12 Although the recommended land requirement in the ELR has not yet been advanced within the Draft Local Plan, the 22.6ha is understood to represent SMBCs OAN for employment land.
- 4.13 In deriving this level of need it is notable that the ELR takes a comparatively narrow approach relying heavily on a baseline economic forecast to evidence need.
- 4.14 The potential for investment at UKC Hub / the HS2 Interchange site to generate job growth is recognised within the ELR, which confirms:

“We have looked specifically at the HS2 Interchange site as key site which, to date, has not been [in] employment or substantial employment use; this is expected to change of [over] the plan period and could accommodate significant additional jobs, as well as focussing further critical employment mass in the wider UKC area, including the airport, JLR and BBP²³.”

- 4.15 IM note, however, that the ELR does not specifically set out any ‘land requirements’ associated with supporting this growth, but does acknowledge that job growth will be additional to the baseline forecasts ‘because it was considered as something that was not anticipated by the forecast i.e. supergrowth’ .
- 4.16 Although the assessment of demand is contextualised in section 4 through a review of market signals and consideration of market intelligence, IM have concerns over the extent to which these factors are fully aligned in determining the OAN. For example,

²² Employment Land Review, Final Report, PBA, January 2017

²³ Ibid, Paragraph 8.38

whilst acknowledging that growth in the online retail sector has resulted in strong demand from retailers and third party logistic (3PLs) companies for large-scale distribution units, IM have concerns that these trends and the needs of the sector more generally have been overlooked.

- 4.17 The ELRs general failure to acknowledge the wider than local need for large scale strategic employment sites in Solihull is also of concern to IM, as set out above, and further challenges the robustness of the evidence being relied upon to formulate Policy P3 and the ELR's overall compliance with the NPPF and PPG.
- 4.18 Notwithstanding the findings of the ELR, the WMLC report also confirms that *"there is already a considerable shortage of readily developable employment sites of all types"* (para 3.10) in the West Midlands, and suggests that *"the evidence the commission has seen suggests that the shortfall of land for employment space is at least as pressing as the shortage of land for new homes, and possibly more so"* (para 5.20). On this basis, it is evident that the need for employment land in the West Midlands (and Solihull) may be greater than the evidence base is suggesting.
- 4.19 These issues are considered further within the technical critique below.

Critique of the ELR and Employment Land Requirement

Establishing the FEMA

- 4.20 In establishing the employment land requirement, it is notable that the ELR has treated Solihull as a standalone FEMA, with economic needs assessed for the authority area on its own. Solihull's complex economic geography is, however, recognised with consideration given to patterns of commuting and migration which split the Borough between two Travel to Work areas (TTWAs) – Birmingham and Coventry.
- 4.21 Solihull's role, alongside Birmingham, as the 'metropolitan core' of the GBSLEP area is also highlighted alongside the critical influence of the transport network, most notably the M42 corridor. In market terms the ELR notes the attractiveness of the M42 corridor as a business location means that Solihull has the potential to capture demand from far beyond the TTWA geography.
- 4.22 It is clear that there is a strong and reciprocal relationship with Birmingham in particular, so while for the purposes of the ELR Solihull can be 'initially' treated as a standalone FEMA it is considered that this should not be artificially divorced from the role that Solihull plays within the identified wider economic geographies (Birmingham, GBSLEP, M42 corridor and West Midlands) needs to be evident in the assessment.
- 4.23 Given this context, IM consider that the WMSESS provides a critical context for the assessment of employment land needs and the drafting of Policy P3 within the Local Plan. The recommendations of this study and the associated implications for Policy P3 are explored in more detail later within this representation.

Analysis of Market Signals

- 4.24 In line with PPG, the ELR presents an analysis of property market trends, which considers the demand for floorspace and land from business occupiers, the supply provided by landowners, and the balance between the two. In line with PPG the analysis

has also been informed by consultation with local agents, developers and landowners, including IM.

4.25 The ELR concludes that Solihull is characterised by a generally healthy office market with demand driven from a broad range of requirements from professional services, aviation, utilities, software and automotive firms. PBA report a good supply of larger floorplate and good quality Grade A refurbished space in out of town business parks. There has, however, been a lack of new build activity in recent years, resulting in a tightening of supply in the town centre.

4.26 In regards to industrial and distribution space, the ELR concludes that:

- Solihull is strategically placed to capture industrial and logistics demand with access to the national motorway networks of the M5, M6 and M42 generating strong demand.
- Growth in the online retail sector has resulted in strong demand from retailers and third party logistic (3PLs) companies for large-scale distribution units.
- Despite Solihull satisfying requirements to attract retailers and 3PLs for large distribution there has not been the sites/units available to capture demand. In this context it is noted that the ELR confirms that agents still see future growth in this sector, and they do not believe it is at saturation point yet.
- There is strong internal demand from JLR and its supply chain. Indeed, the automotive supply chain is seen as a key driver of demand for smaller and mid-sized units.
- The mid-sized market is more dominant in Solihull and there are opportunities for development of mid-size units (up to 9,290 sq m) at Blythe Valley Business Park and Birmingham Business Park.
- Solihull is a prime location to capture national and regional industrial and distribution demand but suffers from a lack of sites. PBA report that the market is undersupplied and if sites were available developers would speculatively build and occupiers would take the space.

4.27 Although the ELR states that *'this market balance drives the need for additional employment land'*²⁴ it is not apparent that the qualitative needs of the industrial sector are robustly addressed through the market balance (section 7) or conclusions and recommendation of the ELR (section 8), resulting in inadequate provision being made for industrial and distribution space in the study's recommendations.

4.28 Indeed whilst acknowledging short-term market demand for larger industrial and distribution floorspace is strong, and there remains an unmet need for larger strategic sites across the region, the ELR concludes, at Paragraph 8.10, that there is a lack of compelling evidence that these needs should be met in Solihull.

²⁴ Employment Land Review, Final Report, PBA, January 2017, Paragraph 4.1

- 4.29 IM strongly disagree with this statement and consider that there is an immediate need for additional large scale logistics sites in sustainable locations in Solihull which benefit from excellent connections to the strategic highway network and core population markets. This is substantiated by the evidence presented in the WMSESS. The study, which represents one of the most up to date studies of strategic employment land needs available, concludes a demonstrable need for additional strategic sites across the region, and in particular the M42 Corridor, in response to a clear shortage of sites to meet strategic needs in this area. Indeed, when considering past annual take up against immediately available floorspace the study confirms that along the M42 Corridor there is an acute undersupply of large sites, amounting to just 3.7 years supply²⁵.
- 4.30 By virtue of Solihull's location at the heart of the M42 Corridor and the conclusions reached in the WMSESS it is considered that the failure to address the implications of this strategic need within the Draft Plan represents a significant gap. It is apparent that the evidence implies that full consideration must be given as to the extent to which Solihull can contribute to meeting an element of these strategic needs.
- 4.31 Solihull should also not overlook the ELR's comments with regard to the durability and robustness of jobs in the sector. Indeed jobs in the industrial sector are noted as having appeared to 'weather the recession well'²⁶. The value of jobs in this sector should therefore be acknowledged.
- 4.32 Given this context IM consider the conclusion reached in the ELR in this regard to be misinformed and contradictory to the findings set out both within Section 4 of the ELR and within the WMSESS.

Approach to Assessing Quantitative Needs

- 4.33 In line with PPG, The ELR's approach to assessing economic needs considers a range of economic and property market baseline and forecast data. It is notable, however, that whilst employment based forecasts (Experian and Oxford Economics base) are used to assess long term labour demand, the study fails to consider alternative approaches including labour supply (resident workforce forecasts) and projections based on past take up of land which would typically be expected in an ELR.
- 4.34 This is of concern and considered to represent a significant shortcoming of the analysis, undermining the robustness of the ELR's conclusions.
- 4.35 It is recognised that the forecasts in the ELR have been drawn from the SHMA as set out in our response to the housing aspects of the Draft Plan in the preceding section which confirms the agreement as to the importance of ensuring that economic and housing policies are integrated as required through paragraph 158 of the NPPF.
- 4.36 Our response to the housing questions has identified that within the SHMA preference is given to the Experian baseline forecasts (produced in December 2015) in the analysis of needs. These forecasts anticipate the creation of 15,250 additional jobs between 2014 and 2033, of which just over a third – 5,638 - would be B-Class jobs, of which the majority are forecast within the office sector.

²⁵ West Midlands Strategy Employment Sites Study, PBA & JLL, September 2015, Paragraph 4.80

²⁶ Employment Land Review, PBA, January 2017, paragraph, page 48

4.37 In addition to the Experian baseline forecast, the ELR considers a number of other scenarios, including:

- The most recent Experian forecast, published in September 2016. Termed the 'Brexit scenario' this scenario forecasts 1,950 fewer jobs than the Baseline scenario. This is attributed to the forecast being produced after the EU membership referendum. The scenario is subsequently discounted due to the current uncertainty surrounding Brexit and lower job growth forecast.
- A baseline model prepared by Oxford Economics (OE) to provide an alternative view to the Experian forecast. The OE model forecasts 8,900 additional jobs in Solihull over the period from 2014 to 2030. This compares to the 13,300 additional jobs being forecast by Experian in their baseline scenario over the same period but is rejected from further consideration on the basis that the NPPF requires LPAs to plan positively for growth. It is notable that whilst OE have undertaken work on behalf of GBSLEP as part of the SEP the ELR only considers OE's Baseline forecasts.
- A UKC Hub Scenario which is again derived from the SHMA and was prepared to take account of the UKC Hub development. The ELR notes that this HS2 interchange scenario was modelled as an additional development because it was not something that would have been anticipated in the Experian baseline forecast and represented 'supergrowth'. This 'supergrowth' translates into job growth of 20,600 - equivalent to 5,400 jobs in excess of the Experian baseline – with the majority of these jobs concentrated within the office sector. PBA go on to assess the of the impact of creating 5,521 gross HS2 interchange jobs by 2033 (assumed to be B-Class, although this is not clear), concluding that if the interchange sites goes ahead, 138 fewer jobs will be located elsewhere in Solihull once allowances for displacement and a multiplier has been applied. By implication, the negative displacement effect results in less land being needed (outside of the HS2 interchange site) over the plan period to 2033. Whilst the input assumptions around displacement, multiplier effects and optimism bias reportedly reflect advice provided by Amion, the ELR provides no justification for the assumptions applied. IM also considers that the assumptions and methodology applied by PBA results in an overly pessimistic impact that fails to accurately reflect the stated ambition and employment growth potential of the HS2 Interchange and wider UKC Hub proposals.

4.38 In identifying a preferred scenario to establish employment land needs, the ELR adopts the baseline scenario presented within the SHMA, concluding that this ensures that housing and jobs are aligned. The resultant land requirement generated from this scenario is 22.6ha of which 10.6ha relates to office land, and the remaining 12ha industrial. Taking account of the identified demand and the existing supply of employment land, PBA conclude that there is an oversupply of employment over the plan period.

4.39 IM consider that this requirement falls considerably short of addressing the unmet needs of logistics occupiers and fails to reflect market signals and drivers, in particular the continued growth of internet retailing and associated demand for logistics floorspace

generated by e-commerce companies. CBRE report that over the past 12 months 32% of take up was attributable E-commerce (32%), with a further 44% attributable to 3PL (22%), Retail (22%)²⁷. The continuing growth of e-commerce is expected to remain a positive structural driver of demand²⁸, with the BPF reporting that the e-commerce sector is projected to grow by 10% per year by 2021, reaching a value of £48 billion.

- 4.40 Whilst it is recommended that Solihull plans positively for growth and does not reduce the quantum of allocated land IM have concerns that this 'notional oversupply' is misleading and fails to fully acknowledge market signals and potential demand generated from major projects both in Solihull and across the wider geography.

Approach to translating floorspace to land requirements

- 4.41 Consideration is given below to the ELR's methodology for assessing need and translating employment forecasts to floorspace and land. These serve to either suppress or mask the land requirements of some sectors, most notably B8 employment sectors.

- 4.42 IM consider that the omissions referenced above in the methodology applied in the ELR in relation to a PPG compliant process mean that the resulting approach to assessing market balance within section 7 of the ELR is not robust or appropriate. The following provides a summary of the methodological issues associated with the approach adopted in the ELR:

- The assessment of labour demand represents the only forecasting technique considered in the ELR. This narrow approach to assessing needs has the potential to mask revealed demand established through the take up of employment land (as opposed to floorspace) over a sustained period. Although past trends will not necessarily reflect future growth prospective, such an analysis often provides a useful benchmark for assessing the validity and robustness of the employment forecasts.
- The labour demand methodology adopted in the ELR, although conforming to current national guidance, has its origins in guidance produced by the Office of the Deputy Prime Minister (ODPM) in 2004. As a result the forecasts and associated analysis fails to capture the recent trends in the large scale industrial and logistics market and importantly the upside potential and demand generated from further substantial growth in e-commerce.
- It is notable that the ELR is not transparent in its approach to translating the total jobs into those likely to occupy B-Class employment floorspace. It is therefore not possible to comment on the accuracy of the assumptions applied. The conversion of the forecast decline in manufacturing employment to a positive growth of B-Class manufacturing employment, whilst welcome, is also curious and not fully justified in the evidence presented.
- The application of a blanket employment density for all industrial uses is incorrect. Employment in industrial sectors is translated into floorspace using an employment density of 44 sqm per employee. The results of this analysis are

²⁷ Logistics Market Snapshot, CBRE, January 2017

²⁸ The UK Big Box Industrial and Logistics Market, JLL, January 2017

subsequently used to determine potential increases in floorspace and land demand. This approach also the potential to under-estimate floorspace and land requirements arising from growth in B8 employment sectors (employment densities of 70-90 sqm per FTE employee are generally observed and set out clearly in national guidance²⁹). A more robust approach would be to consider an average density for each of these sub-sectors of the property market.

- A failure to provide a breakdown of industrial land requirements by floorspace typology is key concern. By implication the ELR draws no distinction between demand for different types of industrial and logistics operators and therefore contradicts the PPG which requires the needs of different market segments to be understood and planned for. This approach masks significantly the different locational, land and property requirements of B1c, B2 and B8 occupiers.
- Whilst allowances for losses, churn and a frictional margin are discussed, these assumptions are not then translated into a gross land requirement for the Borough for the purposes of assessing the supply demand balance. The ELR instead reverts to the employment forecast derived net floorspace requirement of 111,580 sq m between 2014-2033 comprising 47,910 sq m of 'industrial' and 63,670 sq m of office floorspace.
- IM also have concerns with the vacancy rate assumptions used in the market balance calculation. Typically the vacancy rate is used to assess the relative health of the property market and is a qualitative consideration in the assessment of need and demand for employment floorspace. In line with this, a 10% vacancy rate is typical in commercial market to allow for their healthy operation and churn amongst local businesses. It is therefore concerning that the inclusion vacant floorspace in excess of 5% is a somewhat arbitrary assumption, which by implication has the potential to overinflate the available supply. It is also assumed that the vacancy in excess of 5% referenced in the ELR relates to both new and existing stock - not just new employment floorspace. As a result it will include older stock that could be less attractive to the market and needs of different sectors in the future. The inclusion of vacancy, in lieu of a margin of choice, also serves to suppress the resultant requirement. Indeed, we would advocate that in order to provide a degree of flexibility in the supply of land and floorspace a 'margin of choice' needs to be taken into account in market balance calculation. Whilst maintaining a 5 year supply is advised in Section 5 this is not subsequently taken forward when balancing supply with assessed demand.

Additional demand from major projects

- 4.43 Although the PPG advises against the use of hypothetical scenarios, it is prudent to consider potential needs arising from major investment projects that are realistically expected to occur over the plan period.
- 4.44 Although a separate SHMA UKC Hub/HS2 interchange scenario is modelled to take into account potential 'supergrowth' that would not have been recognised in the baseline forecast, the assumption that only 5,336 net additional jobs in Solihull are attributable to UKC Hub appears to contrast significantly with the justifying text within the Draft Local

²⁹ HCA (2015) Employment Density Guidance, 3rd Edition

Plan as to the scale of ambition for the area and the potential impact of a significant amount of spending on infrastructure. It is also considered that this level of jobs does not reflect the level of floorspace which could be accommodated on the allocation.

- 4.45 The off-site HS2 interchange impacts associated with this are also assessed as having a negative displacement effect, resulting in less land being needed (outside of the HS2 interchange site) over the plan period to 2033. This appears to be an overly pessimistic stance and again fails to reflect the stated ambition and vision of the draft Local Plan.
- 4.46 Whilst the above 'supergrowth' is driven by potential generators of significant employment growth in Solihull it is also important to recognise that these form part of a wider strategy of 'supergrowth' at a larger geographic level. The WMCA recently published a Strategic Economic Plan (SEP) based on an 'Economy Plus' scenario that aims to create 500,000 additional jobs and secure GVA 5% higher than the national average by 2030.
- 4.47 The ELR's admission that the appraisal of economic growth, and by implication the impact on economic needs, '*does not consider the SEP scenarios in detail*³⁰', is considered to represent a gap in the evidence presented. Whilst it is acknowledged that these go beyond a potential 'baseline' assessment of need it is considered important that the evidence base provides an understanding as to their implication for the future need for employment land in Solihull. Recognising the overall ambition of the Draft Local Plan this will be of importance in justifying a responsive policy approach.
- 4.48 The failure to take into account the implications of the stated growth objectives of the GBSLEP and WMCA in both the ELR and in the Draft Local Plan is considered to represent a significant challenge to the relevance and robustness of the Draft Local Plan and its underpinning evidence base. No justification is provided as to why this is the case given the important commitments being made by the WMCA.

Audit of Employment Land Supply

- 4.49 Section 6 of the ELR reports on the qualitative audit of Solihull's existing and allocated employment sites. Reference is made to Paragraph 22 of the NPPF as representing the key test, with PBA's assessment focussing on the commercial attractiveness of employment sites, and within this context, the likelihood of the site being taken up for its intended employment use. Notwithstanding this, it is not apparent that commercial agent inputs to the site assessment have been sought, with PBA themselves drawing conclusions on the market potential of sites.
- 4.50 A number of IM's assets within Solihull are considered as part of the assessment, including Blythe Valley Business Park (BVBP) and Fore. Although the ELR acknowledges the expansion potential of BVBP, the conclusion regarding Fore is factually incorrect and does not accurately capture the current extant planning permission on the site.
- 4.51 The ELR concludes a total supply of 117,606 sq m of office floorspace and 165,509 sq m of industrial across 28 sites, comprising 22 existing employment sites and 6 currently

³⁰ Employment Land Review, Final Report, PBA, January 2017, Paragraph 5.16

undeveloped allocations from the SLP. This equates to a total supply of 283,115 sq m when losses from deliverable permissions have been taken into account.

- 4.52 Within the ELR it is recognised that the identified supply is not exhaustive, noting specifically proposals for the expansion of the JLR site to provide a 'logistics operations centre' which is intended to bring much of the supply chain industries from across the area into one site. It is notable that this proposal has not featured in demand or supply forecasting within the ELR. Again, the absence of project such as this fails to reflect the ambition and economic potential of Solihull, and in turn the requirements of the NPPF.
- 4.53 It is notable that in quantifying the supply pipeline the ELR reverts to floorspace estimates and again amalgamates B2 and B8 uses into a single 'industrial' market segment.
- 4.54 On this point the PPG is clear that:

"the available stock of land should be compared with the particular requirements of the area so that 'gaps' in local employment land provision can be identified".

- 4.55 We therefore consider this to be a fundamentally important step in identifying land to meet the identified OAN employment land figure, and in turn establishing an appropriate employment land requirement for the Borough. The ELR's approach, which relies solely on floorspace estimates, misses this important step and therefore the requirements of the PPG.
- 4.56 Critically, in failing to translate floorspace into a land requirement the ELR cannot be considered to be compliant with national guidance.

Market Balance and ELR Recommendations

- 4.57 Taking account of the identified demand and the existing supply of employment land, The ELR concludes that there is an oversupply of employment over the plan period. Whilst it is recommended that Solihull plans positively for growth and does not reduce the quantum of allocated land IM have concerns that this 'notional oversupply' is misleading and fails to fully acknowledge market signals, and in particular the evidenced needs of the logistics sector, as well as unquantified demand generated from major projects both in Solihull and across the wider geography.
- 4.58 The failure to robustly assess and plan for the needs of the logistics sector, and in turn, the needs of Solihull's manufacturing supply chain, is therefore considered to be a key oversight within both the ELR and draft Policy 3.
- 4.59 IM also have a particular concern regarding Paragraph 8.10 of the ELR which states:

"Whilst strategic warehousing might deliver job growth in the borough, this would need to be balanced against the potential loss of greenbelt and the erosion of Solihull's existing quality as an employment location".

- 4.60 This statement inadvertently suggests that logistics is less sustainable than other forms of employment development and has the potential to undermine the attractiveness of the borough to prospective occupiers and investors. To the contrary, IM would argue

that strategic warehousing is intrinsic to the attractiveness of Solihull as an investment location. Indeed, logistics forms a critical part of the areas infrastructure, supporting the areas manufacturing supply chains to function effectively through movement of goods and components.

- 4.61 This is corroborated by evidence published by British Property Federation (BPF), and researched by Turley in 2015³¹, which reported that the logistics industry, by its very nature, has strong supply chain links with a wide variety of sectors. The strongest connections exist with manufacturing, retailers including e-commerce, and consumers, as well as other transport and storage providers.
- 4.62 In this regard, logistics businesses support the continued operation and growth of these sectors and are a fundamental enabler of economic growth. The provision of suitably located logistics sites and infrastructure is therefore critical to the achievement of this growth and the effective, efficient, sustainable operation of the local economy.
- 4.63 The sector also provides a large numbers of high quality jobs to local people. Again, the BPF research highlights that logistics supports a wide range of occupations including positions in managerial, administrative and high tech occupations, including electrical and mechanical engineering and IT roles. Furthermore, companies in the logistics sector are recognised to invest substantially in their workforce, often training individuals for engineering roles and offering apprenticeships. This is supported by research by Skills for Logistics³² who found that of 300 logistics firms surveyed, 75% had funded off-the-job training or development and 78% offered information training over the previous 12 months. Training included job specific training, new technology and management, supervisory, and health and safety.
- 4.64 In regards to wider regional demand, Paragraph 8.37 also acknowledges that:
- “it is clear that the borough’s economy is already closely tied with that of neighbouring Birmingham and adjoining authorities along the M42 corridor. The preceding market balancing exercise is based on long-term demand within Solihull borough. At present, the borough has two sites which have been identified as having more than local significance: BVBP and BBP”.*
- 4.65 Given this context, both BVBP and BBP have the potential to play an important role in responding to sub-regional, or indeed, regional demand. It is therefore our view that there is scope for a considerable upward revision of the local requirement, and the allocation of additional land to respond more positively to the borough’s locally assessed employment land needs. Although this is not expressly stated, the ELR does highlight the limited pipeline of smaller local quality office and industrial sites advising that “SMBC should plan for new sites to come forward”. It is notable, however, that this recommendation is not adequately captured or recognised in Policy P3, potentially resulting in the needs of some sectors being unmet.

³¹ Delivering the Goods: The economic impact of the UK logistics sector, British Property Federation, 2015

³² Skills for Logistics (2014) Logistics Employer Skills Survey – Evidence Report

4.66 For the reasons outlined above (and the methodological issues highlighted at Paragraph 4.42) IM have a particular concern regarding the ELRs recommendations and Policy P3 as currently drafted.

Summary

4.67 In drawing together the conclusion with regards to the challenge to secure sustainable economic growth this section has addressed the questions posed within the related consultation question 9 and 10 set out within the Draft Local Plan, namely:

- Q9: Do you agree with Policy P3? If not why not, and what alternative would you suggest?
- Q10: Do you believe the right scale and location of development has been identified? If not why not?

4.68 It is of note that the key document in this regard, the 'Employment Land Review – Final Report' (ELR) was only published in January 2017. This post-dated the publication of the Draft Plan in November 2016 and was within the period of consultation.

4.69 This disjoint between the publication of the evidence base and the drafting of policy within the Draft Plan is apparent with a notable lack of detail with regards to the OAN for Employment Land within the justification text under Policy P3.

4.70 The Draft Plan does not specify an employment land requirement target against which its supply of identified employment land can be judged. This presents a basic challenge in assessing the extent to which it is of the right scale and/or it presents a sufficiently flexible portfolio of sites and land to accommodate the varied future demand resulting from economic growth and business investment and the continued strong projected growth in e-commerce.

4.71 It is acknowledged that the Draft Plan at a headline level plans for a positive scale of employment land based upon the sites listed within the table on page 61 of the Draft Plan. Whilst these are not totalled it is understood that these cumulatively represent almost 300 hectares of land. It is noted, however that over two thirds of this provision is accommodated within two sites LPR19 and LPR20, with the former specifically identified as fulfilling a more specific need and therefore falling outside of the general land supply.

4.72 Evidently it will be important for subsequent iterations of the Draft Plan to present a clearer justification as to the scale of employment land to be planned for and the extent to which the identified supply of sites will address this need in full, with sufficient flexibility in accordance with the requirements of the NPPF. The published ELR will evidently form an important evidence based context in this regard.

4.73 The critique of the evidence base has identified a number of specific points of concern relating to the approach adopted within the ELR, including:

- In concluding a need for 22.6ha of employment land the ELR relies solely upon a baseline Experian forecast. Whilst it is agreed that this approach of using an economic forecasting model to calculate need accords with guidance it is of

concern that further consideration is also not given to historic rates of take-up or market drivers in validating the likely future need.

- Against this level of need the ELR concludes that there exists a 'notional oversupply' of employment land. In the context of the narrow scope of the evidence underpinning the concluded level of need this position is over-stated and not adequately justified. There is therefore a concern that this 'notional oversupply' is misleading and fails to fully acknowledge market signals and potential demand generated from major projects both in Solihull and across the wider geography.
- The methodology applied in the ELR for translating employment forecasts to floorspace and land is not considered to be robust or appropriate. The methodology serves to either suppress or mask the land requirements of some sectors, most notably B8 employment sectors.
- The evidence presented fails to adequately reflect the local and sub-regional economic vision and ambition for growth. Whilst it is recognised that the baseline local level of need forms an important consideration for the Draft Local Plan it is also important that the evidence fully acknowledges Solihull's role within the wider functional economic market area and identified plans for investment and job growth. PPG states that Local authorities should develop an idea of future needs based on a range of data which is current and robust. It is therefore considered that the ELR, in its failure to acknowledge any land requirements associated with supporting growth beyond the baseline position, falls considerably short in this regard. By implication, the ELR is failing to take full cognisance of the positive employment impacts associated with other anticipated job growth arising the strategic aspiration of the GBSLEP and WMCA and potentially the needs of different industrial sectors.
- Whilst it is agreed that the HS2 interchange business land should be treated as separate from the local supply of employment land the conclusion that there will not be any positive uplift with regards to employment growth and subsequently additional demand for land is not considered to be robust. The arrival of HS2 will represent a once in a generation scale of infrastructure investment. It is to be expected that this in turn will represent a significant 'boost' to the commercial market in the area beyond the HS2 land itself.
- It has been noted that the preferred baseline scenario is unlikely to take into account the potential growth in online retailing and e-commerce as a driver of logistics demand, nor does it robustly assess the impact of demand from major projects and investment across the wider sub-region. As a result, IM consider that the forecast levels of demand informing the market balance calculations are likely to significantly underestimate actual levels of demand likely to emanate across Solihull over the plan period.

4.74 In view of the above, IM consider it to be inappropriate to conclude on the market balance for industrial and logistics land until such time that market drivers, the employment yielding potential of major projects, the needs of the supply chain and the wider than local need for sites in Solihull, are more accurately addressed in the

informing evidence and land requirements calculations being relied upon to draft Policy P3.

- 4.75 In order for the next iteration of the Draft Plan to be sound it is considered of critical importance that the underpinning evidence base is updated and revised to take these points into consideration.
- 4.76 A review of the available evidence strongly indicates that there should be recognition of the potential need for additional flexibility in responding to the full need for employment land uses and in particular adequate long-term provision for B8 uses recognising the significant identified market demand in the area for logistics uses alongside other uses.
- 4.77 On the basis of all the available evidence, it is considered that it would be prudent to add more flexibility to Policy P3. The policy should confirm the employment land requirement but should also include flexibility to allow for development to come forward on non-allocated sites where there is a proven need for a specific type of business development to meet a strategic need, for example Industrial (including logistics).
- 4.78 This type of need is not captured through the evidence base, but there is a clear indication of a likelihood that this type of need will arise, particularly as Solihull is an attractive location with well-established existing infrastructure. Indeed, the WMLC report suggests that a credible pipeline of strategic employment sites (site in excess of 25 ha) is a prerequisite for the future growth of the West Midlands, and two respondents to the 'call for evidence' provided evidence which confirmed that the lack of available sites precludes them from operating in the West Midlands. SMBC should ensure that they do not restrict opportunities for this type of investment / development.

5. IM's Existing Assets

5.1 As set out in Section 1 of this report, IM have a number of important assets in Solihull Borough and this section focusses on the Local Plan's consideration of three of these assets as follows:

- Blythe Valley Park
- Fore
- Mell Square

5.2 Each of these assets is considered below and comments are provided in respect of the relevant policies, evidence base documents and consultation questions.

5.3 As a general point, Blythe Valley Park and Fore are tightly constrained by Green Belt. The WMLC have suggested that a strategic Green Belt review for the West Midlands is undertaken. It is IM's view that, generally, site allocations should be based on locating development sustainably, rather than purely allocating land that contributes least towards the purpose of the Green Belt (albeit this is clearly an important factor). By virtue of their existing allocations, it is clear that SMBC consider Blythe Valley Park and Fore to be sustainable locations, they are therefore obvious locations for further growth.

Blythe Valley Park

5.4 IM acquired Blythe Valley Park in January 2015 and have recently secured resolution to grant planning permission for mixed-use development comprising employment, residential and ancillary uses, in line with the site's current allocation under existing Policy P1 'Support Economic Success' of the adopted Solihull Local Plan.

Proposed Policies

5.5 IM note that amendments have been made to Policy P1 of the Local Plan and that this policy is now entitled 'UK Central Hub Area'. Blythe Valley Park no longer forms a part of the main Policy P1 and now has its own sub-policy Policy P1A 'Blythe Valley Business Park'.

5.6 IM has no in principle objection to Blythe Valley Park being separated from the main employment policy, however the importance of the park and the role it plays within the Borough and the wider region should not be overlooked.

5.7 IM are supportive of the wording changes to Policy P1A which recognise the shift from Blythe Valley Park being a pure employment location to it becoming a mixed-use 'community'; without diluting its importance as a primary economic asset.

5.8 Draft Policy P5 'Provision of Land for Housing' is also of relevance to Blythe Valley Park insofar as the table at paragraph 230 of the DSLPR sets out the 'Indicative Capacity' for the number of dwellings to be provided at Blythe Valley Park. IM note that there are inconsistencies between the figure provided in the table (950 dwellings) and footnote 34

which confirms that the current planning application proposes up to 1,000 units (including 250 extra care units).

- 5.9 In line with the current planning permission, we would suggest that Policy P5 should confirm that Blythe Valley Park can accommodate up to 1,000 dwellings (assuming that the Council are including both C2 and C3 units within their housing requirement figures and allocations).
- 5.10 IM note that no further land at Blythe Valley Park within IM's ownership is identified for removal from the Green Belt through the Local Plan Review. IM has significant land holdings at Blythe Valley Park (including land to the east of the M42) which could make a valuable contribution towards the Council's land supply, however no further land has been allocated.
- 5.11 IM have two primary concerns in this regard, the first relates to the Council's assessment of Blythe Valley Park through the evidence base and is detailed in the 'Evidence Base' section below, the second concern is a technical point relating to the existing allocation boundary as discussed in the following paragraph.
- 5.12 As was confirmed through the Blythe Valley Park planning application, there is an area of land to the west of BVP which is currently 'white land'. This is because the BVP site boundary in the adopted Local Plan (**Appendix 1**) is unintentionally smaller than it was in the previous Unitary Development Plan (**Appendix 2**). IM have previously discussed this with SMBC during the preparation of the BVP planning application and it was confirmed (through legal advice to both parties) that this was an error. IM would request that this 'anomaly' is addressed through the DSLPR and the area of white land which has been identified becomes part of the formal allocation.

Evidence Base

- 5.13 IM has reviewed the evidence base in relation to Blythe Valley Park and is concerned that their land holdings at BVP were not fully assessed and considered as part of the Evidence Base supporting the DSLPR.
- 5.14 The Strategic Housing and Economic Land Availability Assessment (SHELAA) assesses 'Blythe Valley Park' (SHELAA site reference 146), however the area of land assessed appears to be limited to the existing allocation boundary and does not include any of the additional land which IM submitted to the 'Call for Sites' undertaken in January 2016. In addition, the land at BVP is only considered in terms of its suitability for housing, whereas IM requested it be considered for both housing and employment uses. IM would request that their full land holdings at BVP are reassessed for the purpose of determining their suitability for allocation for development as part of the SLPR. Their ownership boundary (blue line) which they would like to be considered is re-provided at **Appendix 3** of these representations.
- 5.15 The Employment Land Review prepared by PBA (January 2017) confirms that the M42 corridor has an important economic function and notes the attractiveness of the M42 corridor as a business location; meaning that Solihull has the potential to capture demand from far beyond the TTWA geography.

- 5.16 In terms of the ELR's site specific assessment work, it categorises each site into three generic categories: sites for improvement / intensification; sites for expansion; and sites which should be removed from employment safeguarding.
- 5.17 Blythe Valley Park is identified as a 'site for expansion' and the supporting text confirms that *"there is a significant area of land surrounding this site which would accommodate increased employment land"*. However, this conclusion has not been reflected in the DSLPR which does not seek to allocation any additional land for development at Blythe Valley Park. As per the comments above, IM request that SMBC revisit their SHELAA and ensure that IM's land holdings are assessed.

Fore

Proposed Policies

- 5.18 IM own Fore Business Park which is currently allocated for employment uses under Policy P3 'Provision of Land for General Business and Premises' of the adopted Solihull Local Plan and benefits from an extant planning permission for 16,500 sq m of office development. The adopted policy suggests that there are 2 hectares of readily available allocated land at Fore, for which the preferred Use Class is B1.
- 5.19 IM note that there are no revisions to Policy P3 through the DSLPR insofar as it relates to Fore Business Park. However, as set out in Section 4 of this report, the Employment Land Review evidence is lacking and there is a clear disjoint between the ELR and the DSLPR policies which needs to be rectified.
- 5.20 Notwithstanding whether additional employment land is required in Solihull over the plan period, IM are of the firm view that additional land should be removed from the Green Belt at Fore in order to ensure that the existing allocation can be successfully delivered.

Evidence Base

- 5.21 The ELR states of Fore:

"While the site is well-located with motorway access and near to BVBP, a large proportion has yet to be built out. The extant outline permission on the site is from 2003 and while two of the four office buildings were built (completed in 2009), there is no evidence that reserved matters applications will be submitted on the residual land to bring forward the rest of the approved floorspace..."

- 5.22 This statement is factually incorrect. It does not accurately capture the current extant planning permission on site, which in fact comprises the approved Reserved Matters (ref: PL/2002/02799/RMM) pursuant to the outline planning permission (ref: PL/1990/00280/OL). As the outline planning permission has now lapsed, no further reserved matters applications can be submitted pursuant to the outline permission.
- 5.23 The only way for development to be implemented on the site is therefore twofold:
- IM build out the buildings approved under reserved matters application ref PL/2002/02799/RMM, however these buildings are not of a design / floor plate which is suitable for today's market; or

- IM submit a fresh planning application on the site for new employment building, however this is made difficult by the shape and extent of the current allocation boundary. This is explored in further detail below.
- 5.24 The current allocation at Fore is tightly drawn around the existing buildings and then follows a linear line northwards from the existing buildings up to an arbitrary 'end point'. The current car parking at the site is in the Green Belt and the extant permission on the site allows for further car parking in the Green Belt.
- 5.25 Due to the historic development patterns on the site it would now be difficult to build new buildings within the allocation line without expecting the established parking patterns to continue. Therefore in order to deliver development on the site (and deliver high quality jobs) it is necessary for parking to be built in areas currently designated as Green Belt. IM would therefore request, in order to ensure the deliverability of the existing allocation, that the allocation be widened to include additional areas for car parking. Without increasing the allocation, the deliverability of a meaningful amount of floorspace in this highly sought after location will be highly constrained.
- 5.26 We note that the ELR also recommends that the type of 'preferred' uses at Fore should be expanded to include B2 and B8 uses as well as B1. This is not reflected in the DSLPR Policy P3 text. IM would suggest that these recommendations from the ELR are incorporated into the policy in order to allow for flexibility on the site.
- 5.27 Similarly to Blythe Valley Park, the SHELAA appears to incorrectly assess the land at Fore and does not reflect the information submitted by IM to the 'call for sites'. The land ownership boundary provided by IM (**Appendix 4**) does not match that shown in the SHELAA assessment form, the assessment also incorrectly assumes that half the assessment site is available for employment use while half is assessed for retail and leisure uses.
- 5.28 Because of this incorrect assessment of land uses, the SHELAA concludes that in terms of 'attractiveness': *"The business park has excellent road communications and is therefore likely to attract operators of distribution activity. However the very modest scale of the available land, after land for retail and leisure has been considered means the 1.8Ha is likely to be insufficient scale"*.
- 5.29 IM would suggest that the SHELAA is revisited in this regard and the full site assessed for suitability for employment uses. It is currently not considered that the SHELAA provides a sufficiently robust basis in respect of BVP and Fore on which to progress the plan.

Mell Square

- 5.30 IM own Mell Square in Solihull Centre and have recently secured planning permission (November 2016) for redevelopment of part of Mell Square, including change of use to restaurant and office uses. IM are committed to continuing to improve and reinvigorate Mell Square and contribute towards wider improvements to Solihull Town Centre.
- 5.31 Policy P2 'Maintain Strong, Competitive Town Centres' confirms the Council's intention to 'diversify' Solihull Town Centre through the introduction of new uses such as

residential and commercial uses. IM are supportive of the Council's intention to allow Solihull Town centre to diversify and for flexibility in terms of the uses which will be considered suitable. This will encourage investment allowing for wider improvements in the Town Centre as a whole.

- 5.32 The Mell Square / Mell Square East 'Preferred Uses' which are established within the Local Plan should allow for greater flexibility. Mell Square and Mell Square East could successfully accommodate retail, leisure, residential (including PRS) and commercial uses and this should be reflected in the Policy P2 and the supporting text.

Summary of Site Specific Matters

- 5.33 Overall IM is supportive of the policies in the DSLPR insofar as they relate to the existing allocations which cover IM's key assets. However, IM have significant concerns with regard to the assessment of IM's additional land interests, particularly at Blythe Valley Park and Fore, as these have not been given due consideration through the SHELAA. IM would suggest that SMBC revisit the SHELAA and reassess IM's additional land holdings correctly, ensuring that the correct land is being assessed for the correct uses.
- 5.34 In addition, IM note that the findings of the ELR have not been incorporated into Policy P1 and P3 insofar as PBA's recommendation to extend Blythe Valley Park and extend the 'preferred' uses at Fore have been overlooked.

6. Summary and Conclusions

- 6.1 These representations are submitted on behalf of IM in response to the Draft Solihull Local Plan Review. The representations provide an analytical response to strategic matters such as housing and employment, as well as commentary in relation to IM's existing assets in Solihull and the relevant policies (and supporting evidence) within DSLPR.
- 6.2 IM have reviewed SMBC's housing evidence base and are of the view that Policy P5 of the DSLPR does not set an appropriate housing delivery target for the Borough over the plan period.
- 6.3 IM are aware that the evidence prepared by Barton Willmore highlights a number of specific methodological and technical points of challenge to the SHMA and its conclusion on the OAN for housing in Solihull. The BW analysis recommends that the Local Plan housing target should be increased to a minimum of 890 homes per annum to respond to the OAN for housing. This is some 12.5% higher than that currently provided for within the Draft Plan.
- 6.4 In addition, the Draft Plan only provides for 2,000 extra homes to address the housing shortfall across the GBHMA. Even where a shortfall of 35,000 is assumed this equates to less than 6% of the shortfall being accommodated in Solihull. There is no evidenced base justification for this selected scale of shortfall to be accommodated. Even at face value this scale of provision does not appear proportionate given the spatial and strategic relationship between the two authorities.
- 6.5 In terms of affordable housing, Draft Policy P4 suggests an increase from 40% provision to 50% provision. There is no evidence to suggest that this increase is required, nor has any evidence been provided which demonstrates that this increase could be viably accommodated and would not jeopardise the delivery of housing more generally in the Borough.
- 6.6 These representations provide a critical analysis of the Solihull ELR, which forms a key component of the Council's evidence base. Notwithstanding its importance, this document was only published in January 2017; two months after the draft plan itself was published. This suggests that the DSLPR has not been informed by the findings of the ELR.
- 6.7 In particular the Draft Plan does not specify an employment land requirement target against which its supply of identified employment land can be judged. This presents a basic challenge in assessing the extent to which it is of the right scale and/or it presents a sufficiently flexible portfolio of sites and land to accommodate the varied future demand resulting from economic growth and business investment and expansion for commercial development.
- 6.8 These representations identify a number of shortcomings in the ELR. In order for the next iteration of the Draft Plan to be sound it is considered of critical importance that the underpinning evidence base is updated and revised to take these points into consideration.

- 6.9 A review of the available evidence strongly indicates that there should be recognition of the potential need for additional flexibility in responding to the full need for employment land uses and in particular adequate long-term provision for B8 uses recognising the significant identified market demand in the area for logistics uses alongside other uses.
- 6.10 Overall IM is supportive of the policies in the DSLPR insofar as they relate to the existing allocations which cover IM's key assets. However, IM have significant concerns with regard to the assessment of IM's additional land interests, particularly at Blythe Valley Park and Fore, as these have not been given due consideration through the SHELAA. IM would suggest that SMBC revisit the SHELAA and reassess IM's additional land holdings correctly, ensuring that the correct land is being assessed for the correct uses.
- 6.11 In addition, IM note that the findings of the ELR have not been incorporated into Policy P1 and P3 insofar as PBA's recommendation to extend Blythe Valley Park and extend the 'preferred' uses at Fore have been overlooked.
- 6.12 Overall, IM are supportive of the Council's intention to Review the Solihull Local Plan, however there are clear and significant shortcomings in the evidence base which must be reconciled in order to ensure that the DSLPR is robust. In line with the comments provided within these representations, the Council should revisit their evidence base and ensure that their housing and employment allocations are reflective of the economic / social context and align with Solihull's overarching vision for growth.

Appendix 1: BVP Solihull Local Plan Allocation Boundary



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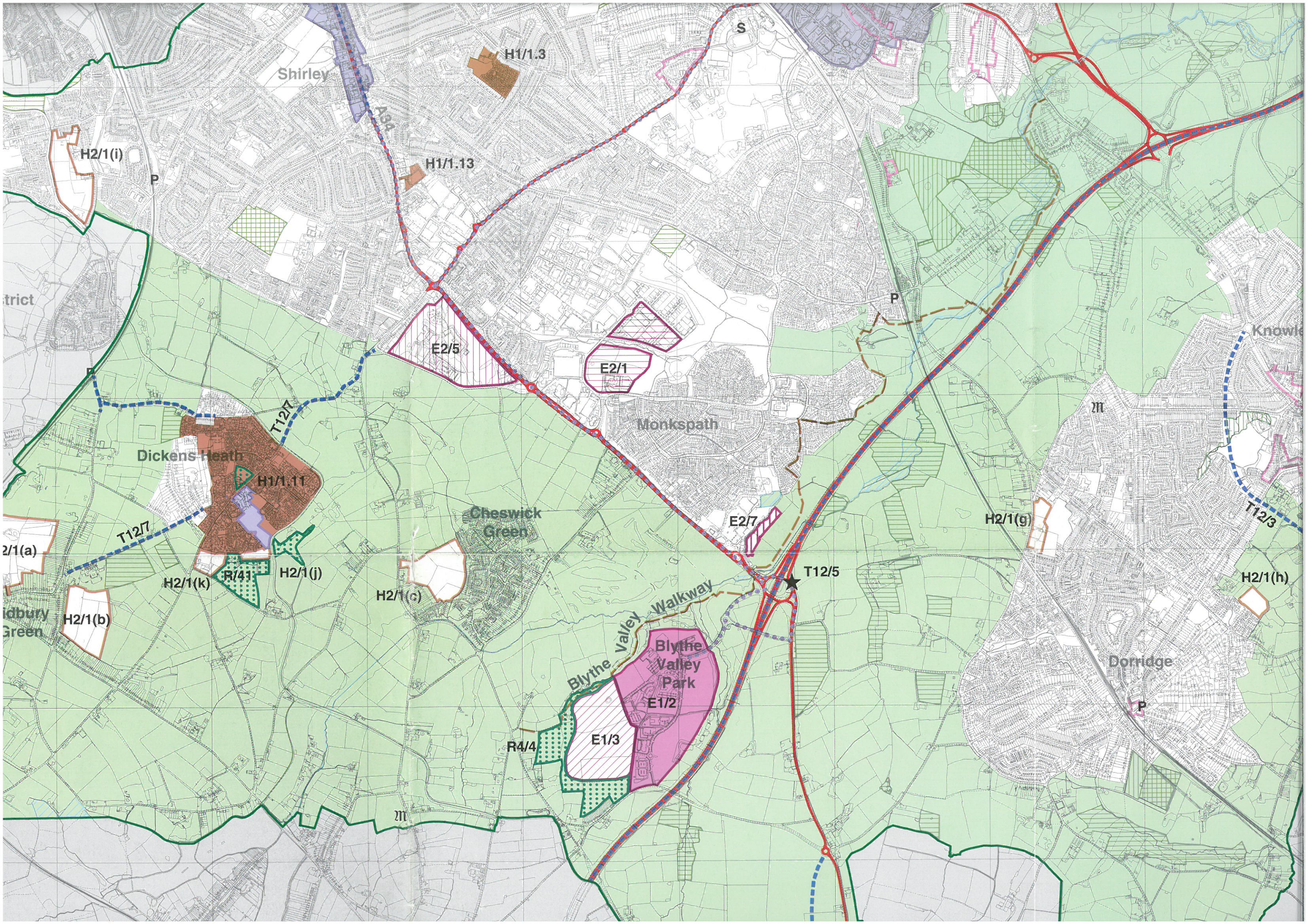


1:6,000

-  Proposed Mixed Use Site
-  Solihull Borough Boundary

Proposed Mixed Use Site 10:
Blythe Valley Park, Stratford Road, Shirley
Rural Areas

Appendix 2: BVP Solihull UDP Allocation Boundary



Shirley

H1/1.3

H2/1(i)

H1/1.13

E2/5

E2/1

Dickens Heath

H1/1.11

Monkspath

Cheswick Green

E2/7

H2/1(g)

T12/7

H2/1(j)

H2/1(k)

R4/4

H2/1(c)

T12/5

Blythe Valley Walkway

Blythe Valley Park

E1/2

E1/3

R4/4

Dorridge

H2/1(h)

H2/1(b)

idbury Green

2/1(a)

trict

Knowle

S

P

P

M

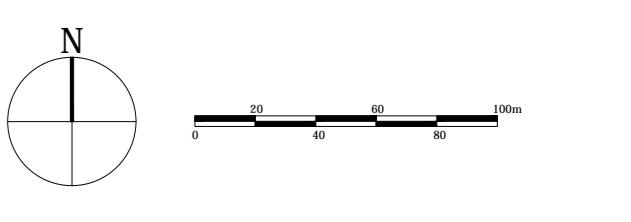
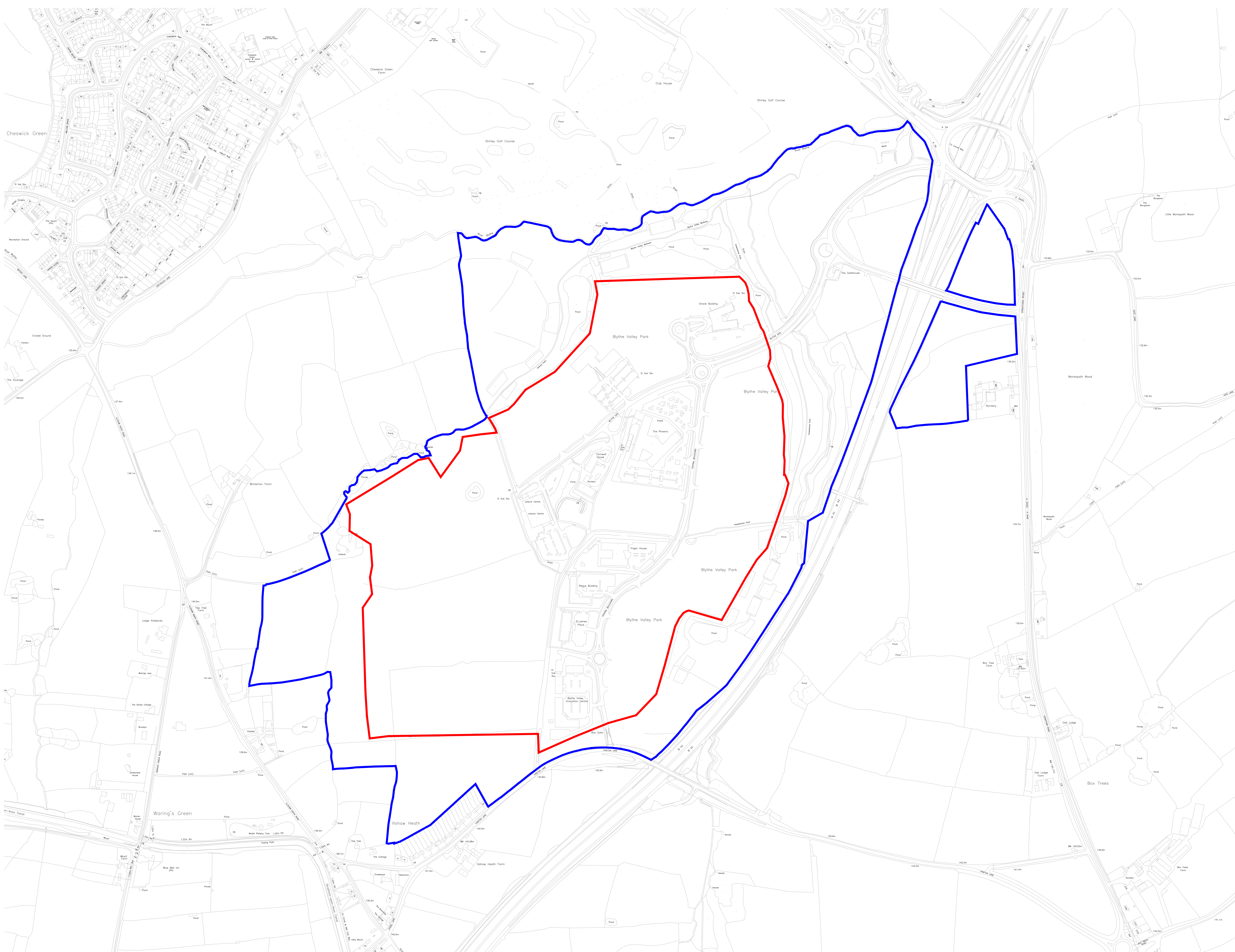
T12/3

M

P

Appendix 3: IM Land Ownership at BVP

Legend:
Land Ownership Boundary (Blue line)
Local Plan Allocation Boundary (Red line)



Project: Blythe Valley Park
Drawing Title: Site Location Plan
Date: 22.01.16
Scale: 1:2500@A0
Project No: 25365
Drawing No: 9001

Drawn by: CJB
Check by: CJB
Revision: A

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Appendix 4: IM Land Ownership at Fore

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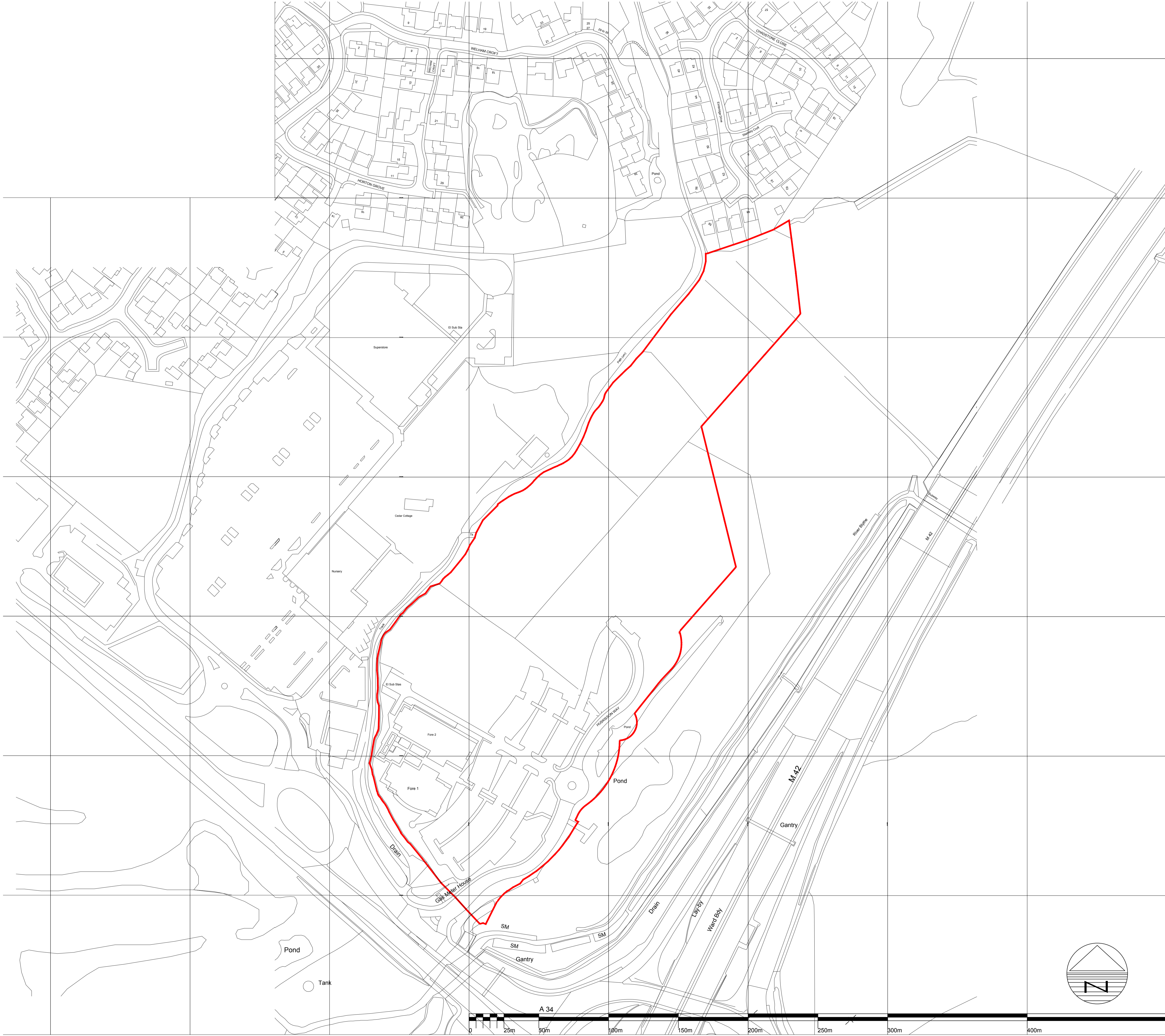
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IM Properties PLC

Project:

Fore Solihull

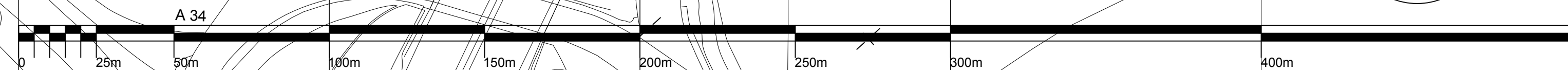
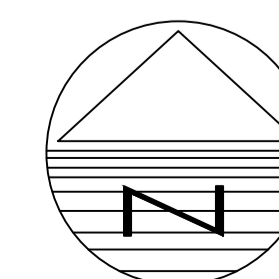
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