

**Meeting date:** 25<sup>th</sup> September 2018  
**Report to:** Cabinet Member Managed Growth



**Subject/report title:** Local Plan Review  
**Report from:** Director for Managed Growth & Communities  
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**Wards affected:**

All Wards |  Bickenhill |  Blythe |  Castle Bromwich |  Chelmsley Wood |  
 Dorridge/Hockley Heath |  Elmdon |  Kingshurst/Fordbridge |  Knowle |  
 Lyndon |  Meriden |  Olton |  Shirley East |  Shirley South |  
 Shirley West |  Silhill |  Smith's Wood |  St Alphege

**Public/private report:** Public

**Exempt by virtue of paragraph:** N/A

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**1. Purpose of Report**

1.1 To provide Cabinet Member with an up date on the Local Plan Review (LPR) and to seek approval to proceed in accordance with the next steps outlined in this report.

**2. Decision(s) recommended**

2.1 Cabinet Member is asked to:

- (a) Note progress on the Local Plan Review to date; and
- (b) Agree that progress is made on the review in accordance with the next steps outlined in section 7 of this report.

**3. What is the issue?**

3.1 The planning system should be genuinely plan-led. Succinct and up-to-date plans should provide a positive vision for the future of each area; a framework for addressing housing needs and other economic, social and environmental priorities; and a platform for local people to shape their surroundings.

3.2 The Council's current plan was adopted in December 2013 and work commenced on reviewing the plan in 2015 when it was decided to review the plan as whole rather

than pursue a Local Area Plan for the HS2 Interchange site and wider area. It remains a priority of the Council to have an up-to-date plan in place as soon as reasonably practicable.

- 3.3 Through [Full Cabinet](#) in December 2017 the timetable for the remaining stages of the Local Plan Review was set as follows:
- Publication of Submission Draft (for consultation) autumn 2018
  - Submission to Secretary of State – winter 2018/19
  - Examination of plan – spring 2019
  - Adoption of the Local Plan Review – summer 2019
- 3.4 At Cabinet it was noted that matters around the Duty to Cooperate and the introduction of a standard methodology for calculating housing need could impact upon the timetable and that a further revision may be necessary. These matters were explored in more detail at [Scrutiny Board](#) in March 2018 when it was noted *“that external factors and findings from emerging evidence may require the approach and/or timescale set out above to be varied. In the event that this occurs the Cabinet Member will invited to revise the timescale set out in the Council’s Local Development Scheme.”*
- 3.5 This report provides an update on these matters and recommends next steps together with a revised timetable.

#### **4. Progress to Date**

##### Scope, Issues and Options consultation (November 2015)

- 4.1 The first stage of the LPR consultation took place from 30<sup>th</sup> November 2015 to 22<sup>nd</sup> January 2016. At this stage views were invited on the scope of the review, the issues that ought to be taken into account and the broad options for growth that ought to be considered.
- 4.2 The consultation document (available [here](#)) set out the key issues/questions and broad options for accommodating the anticipated growth. A summary of the representations (and the Council’s responses to them can be found [here](#)).
- Draft Local Plan (DLP) consultation (November 2016<sup>1</sup>) (available [here](#))
- 4.3 Consultation on the Draft Plan commenced on 5<sup>th</sup> November 2016 and finished on the 17<sup>th</sup> February 2017. Over 1,750 responses were received and a summary of the representations was reported to Cabinet Member for Managed Growth on 18<sup>th</sup> July 2017.
- 4.4 An overall summary of representations has now been published and can be found [here](#). In addition schedules of individual summaries arranged by question/site and by respondent were also published, these can be found [here](#) and [here](#)<sup>2</sup>

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<sup>1</sup> The document was dated November 2016 as Cabinet approval for consultation was given in November although the consultation commenced in December.

<sup>2</sup> At the Board meetings in March and September 2017 Members welcomed the response rate that had been achieved and endorsed the intended publicity and engagement arrangements for the next version of the plan when that is published.

4.5 Alongside the representations an updated schedule of “Call for Sites” Submissions (July 2017) was also published and it can be found [here](#)

## 5. National Planning Policy Framework (July 2018)

5.1 The white paper [Fixing Our Broken Housing Market](#) published in Feb 2017 included proposals for ‘making sure every community has an up-to-date, sufficiently ambitious plan’ and signals the intention that the Government will introduce a standard methodology (SM) for assessing housing need. Consultation on the standard methodology took place in September 2017 and this has now been incorporated into the revised [NPPF](#) which was published in July 2018. The [PPG](#) now includes detail on how to calculate an LPA’s Local Housing Need (LHN).

5.2 Although the SM is now incorporated into the NPPF/PPG, the Government have noted<sup>3</sup>:

*“A number of responses to this question provided comment on the proposed local housing need method. The Government is aware that lower than previously forecast population projections have an impact on the outputs associated with the method. Specifically it is noted that the revised projections are likely to result in the minimum need numbers generated by the method being subject to a significant reduction, once the relevant household projection figures are released in September.*

*In the housing White Paper the Government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September. We will consult on the specific details of any change at that time. It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning for the right homes in the right places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020’s.”*

5.3 From this commentary it is clear that the LHN figure will change in September 2018 (as a result of new household projections expected then which affect the data being used in the SM formula), and a further change as the SM formula itself is adjusted.

5.4 The NPPF also describes the need for plans to be reviewed every 5 years. In this context a ‘review’ is an assessment whether such plans need updating. A plan would need to be updated if, for example, their applicable LHN figure has changed significantly.

## 6. Duty to Cooperate

6.1 Planning for an area’s needs should be undertaken at the ‘Housing Market Area’

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<sup>3</sup> As published in the [Governments response to the consultation on the draft revised National Planning Policy Framework](#) (page 26)

level<sup>4</sup>, and in this respect Solihull is one of 14 local planning authorities that is within (in whole or in part) the HMA that includes Birmingham and surrounding authorities. It is recognised that this is a shared issue for the HMA as a whole and a number of districts will be in a position to help to accommodate some of this shortfall<sup>5</sup>. It is expected that this will be one of the key issues to be addressed through the on-going and legal obligation under the duty to cooperate (DtC).

- 6.2 Through the Draft Local Plan, the Council included within the housing requirement a figure that not only accommodated the Borough's own needs (which were not being met through the SLP 2013), but also tested incorporating a contribution of 2,000 towards accommodating the shortfall noted above.
- 6.3 Through the representations on the DLP there is a clear expectation from other HMA authorities that (a) there is no clear justification why 2,000 was chosen as the figure Solihull would make towards the HMA shortfall and (b) there is opportunity to make a greater contribution.
- 6.4 It is noted that North Warwickshire District Council's plan review was submitted for examination in March 2018. Hearings are expected to take place starting in September 2018 and the Inspector has effectively asked the Council to justify why their contribution of 3,790 is appropriate. This may provide an opportunity for an HMA wide 'position statement'<sup>6</sup> to be prepared setting out how unmet need to 2031 has been addressed.
- 6.5 To help inform the Duty-to-Cooperate discussions the 14 HMA authorities commissioned a study (the Strategic Growth Study). The output from the study is summarised in appendix A to this report. One of the aims of the study was to look at options that may be required beyond 2031 (recognising that 2036 provides a useful date to assess need to and what supply is currently identified to that date), and some of the options would take a significant time to come forward thus contributing to supply beyond 2036.
- 6.6 To properly consider and test the findings of the SGS it is considered that its recommended options form part of a consultation at 'issues and options' level which could include (or be preceded by) a call for sites exercise that has a focus on strategic level growth options (of the nature and scale set out in the SGS). This would ensure that the exercise isn't limited to only those options identified by the SGS. As this work progresses it would be supported by proportionate (but growing) evidence base to ensure any proposals that may be taken forward are robust and can be properly assessed (e.g. through SA work) to ensure the impact as a result of them is fully understood. This would provide a basis for looking at long term housing need

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<sup>4</sup> Although the revised NPPF no longer uses this term (the phrase 'an appropriate geography' is expected in the revised PPG), the functional relationships that underpin the HMA geography remain valid, but this now also provides the opportunity to consider, for instance, how other non-HMA authorities that are part of the West Midlands Combined Authority (for example Telford & Wrekin) can play a part in the duty-to-cooperate.

<sup>5</sup> Through evidence that supported the adoption of the Birmingham Development Plan in January 2017 it was established that the HMA wide shortfall (to 2031) was 37,500 dwellings. As the time period extends (ie when plans seek to provide for a 15 year plan period) the need beyond 2031 also becomes an issue. As few plans have been adopted with pan end dates beyond this time there is a greater (as yet) unmet need beyond 2031.

<sup>6</sup> Future versions of a potential position statement can form the basis for the new Statement of Common Ground (SCG) required to demonstrate effective and on-going joint working on strategic matters, as a result of the revised NPPF

- 6.7 To deal with the immediate needs (without a plan in place the housing supply in the Borough is unlikely to be significantly boosted until a plan is adopted which releases land from the Green Belt), it is considered that the LPR ought to continue based upon the work undertaken to date. The plan would seek to fulfil the Borough's own needs that will arise up to 2034<sup>7</sup>, and the Borough's contribution to the HMA shortfall to at least 2031.
- 6.8 The Borough's potential contribution to the HMA shortfall occurring beyond 2031 could be via a subsequent review to the current emerging plan which would be informed by on-going duty to cooperate discussions (that will then need to factor in the SM in assessing the HMA wide need) and the potential strategic options identified by the SGS that could be tested through an issues and options stage.

## 7. Next Steps

- 7.1 Ordinarily if the LPR were to continue through the expected stages, the next iteration of the plan would be the version the Council intends to submit for examination (the 'draft submission plan'<sup>8</sup>). This would be published for consultation and it is the representations made at that stage that would be the focus for the examination. Alongside this version of the plan the Council could publish explanatory material to explain how the representations to the DLP have been taken into account – ie how they shaped the next version of the plan.
- 7.2 In order to respond to the representations made at the DLP stage (and to take into account advice now contained in the revised NPPF<sup>9</sup>) it is considered that before the draft submission plan is prepared, there is an opportunity to seek views on additional/alternative sites that may be required to either accommodate an increase in housing numbers and/or replace site(s) that may not be taken forward from the DLP into the submission version. This should be an open opportunity and will thus be subject of an additional stage of consultation before the draft submission version of the plan is prepared. In effect, it will be a supplementary non-statutory consultation<sup>10</sup> to that undertaken in December 2016. For a draft plan the November 2016 DLP was a full and comprehensive document and all the representations on it will still be taken into account before the draft submission version of the plan is produced. Instead of repeating the whole exercise, the supplementary consultation will focus on the following:
- Identifying potential additional and/or alternative sites, and,
  - Reviewing the overall housing numbers in the context of the standard methodology

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<sup>7</sup> As part of testing the next version of the plan it is intended that having a short term delivery plan that is intended to cover a period of less than 15 years also ought to be considered. Although this would not satisfy the NPPF requirement that strategic policies 'should' look ahead a minimum of 15 years, this approach together with a commitment to look at long term need through a subsequent plan review, may be argued as an appropriate strategy for dealing with the Borough's current and long term issues.

<sup>8</sup> Under regulation 19 of the Local Planning Regulations

<sup>9</sup> In particular, that relating to giving first consideration to land that is previously developed and/or is well served by public transport.

<sup>10</sup> Under regulation 18 of the Local Planning Regulations

7.3 This will require a revised timetable as follows:

- Publication of Draft Local Plan (Supplementary Update) – winter 2018/19
- Publication of Submission Draft (for consultation) – summer 2019
- Submission to Secretary of State – autumn 2019
- Examination of plan – winter 2019/2020
- Adoption of the Local Plan Review – spring/summer 2020

## **8. What options have been considered and what is the evidence telling us about them?**

8.1 The broad alternatives<sup>11</sup> available at this stage include:

- (a) Progressing with the publication and submission of the next version of the plan as soon as possible.
- (b) Publish an additional non statutory supplement to the Draft Local Plan detailing additional/alternative sites.
- (c) Restart the local plan review by repeating the ‘issues and options’ consultation undertaken in light of the HMA wide longer term housing need and the SGS options.
- (d) Suspend preparation of the local plan review until the duty to cooperate discussions have firmly established a housing requirement for the Borough.

## **9. Reasons for recommending preferred option**

9.1 It remains a priority of the Council to have a reviewed development plan in place as soon as possible, but it is also important to ensure that a robust plan is prepared that the Council considers is a sound basis for putting forward to examination.

9.2 Option (a) is not recommended as this is unlikely to incorporate a housing requirement that would be supported across the HMA (and thus has a greater risk of being found unsound) and any additional/alternatives sites would not have had the opportunity to be tested through informal consultation.

9.3 Option (c) is not recommended as although this would result in a plan having the best chance of being found sound, it would result in significant delay to plan production. This option would require a long term view of development at least up until 2036 (and more than likely beyond) to be taken now.

9.4 Option (d) is not recommended as it would result in significant delay and be open to other as yet unknown factors impacting upon the timescale, especially if duty to cooperate discussions are not concluded.

9.5 Option (b) is preferred as it allows progress, in an open manner, to continue to be made but recognises that a number of other issues need to be pursued further to enable a sound plan to be submitted. It represents a balance between options (a) and (c).

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<sup>11</sup> Within these broad alternatives there are also variations within each option.

## **10. Implications and Considerations**

### **10.1 Delivery of key themes in the Council Plan:**

The local plan will set out the long term development strategy for the borough and has a major influence on the delivery of all the key themes within the Council Plan.

- Improve Health and Wellbeing
- Managed Growth
- Build Stronger Communities
- Deliver Value

### **10.2 Implications for children and young people, vulnerable groups and particular communities:**

10.2.1 None arising directly from this report.

### **10.3 Consultation and Scrutiny:**

10.3.1 Details of consultation already undertaken are set out in the main body of this report, and the options analysis details the additional consultation opportunities that are available.

10.3.2 The Economic Development and Managed Growth Scrutiny Board have considered the Local Plan Review on the following occasions:

- 17<sup>th</sup> March 2016
- 13<sup>th</sup> September 2016
- 14<sup>th</sup> March 2017
- 13<sup>th</sup> September 2017
- 14<sup>th</sup> March 2018

10.3.3 The Board's remit is to focus on the process of undertaking the local plan review rather than the merits of the contents of the plan.

### **10.4 Financial implications:**

10.4.1 The cost associated with preparing a local plan are principally related to staff time and the costs associated with commissioning evidence from consultants. These costs are provided for either through the funding of the existing establishment and a combination of use of reserves and/or balancing budgets across the wider service area.

## 10.5 Legal implications:

10.5.1 The Duty to Cooperate is part of a legal test a plan must pass to enable it to be found sound.

## 10.6 Risk implications:

10.6.1 None of the options identified above are without risk, and the risks are generally focussed on the following issues:

- (a) Duty to Cooperate – Fulfilling the DtC is a legal requirement and a plan would not be found sound if this has not been established. Although the DtC is not a duty to agree, the NPPF does require that unmet need from a neighbouring area is accommodated where it is practical to do so and is consistent with achieving sustainable development. The absence of an agreed distribution of housing numbers across the HMA beyond 2031 increases this risk, especially for options (a) and (b).
- (b) Intervention – The SoS has powers to intervene in an authority's plan making role; and this could include stepping in a preparing a plan himself<sup>12</sup>. This power is only likely to be used if an authority does not make progress on preparing a plan and the SoS believes there are no immediate prospects for effective plan making to occur. This risk is more likely with options (c) and (d).
- (c) Joint Strategic Planning – The SoS could also intervene in a wider area and direct that authorities combine in some way to undertake formal joint planning. This may be more of a risk if there is no tangible progress under the DtC, although the geography of the West Midlands (especially with the number of authorities involved) does mean this would not be straightforward. This risk is more likely with options (c) and (d).
- (d) Predetermining Strategy – Continuing with the LPR in its present form would effectively mean using the spatial strategy set out in the 2016 DLP, whereas addressing the long term needs through option (c) would require this to be revisited. Not doing so now could result in one or more options being included in the short term that ought to be considered alongside longer term option. This risk is more likely with options (a) and (b).
- (e) Changes to Green Belt Boundaries – The 2016 DLP proposes a strategy that includes changes to the Green Belt boundary. All options will eventually require this; the risk is around options that effectively acknowledge that GB boundaries need to be changed in the emerging plan and in the subsequent review. This would not necessarily fulfil the requirement in the NPPF which seeks to establish long term GB boundaries that can endure beyond the plan period. This risk is more likely with options (a) and (b).

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<sup>12</sup> Or rather on his behalf either by his officials or consultants.

10.7 Statutory Equality Duty:

10.7.1 No implications as a result of this report. A Fair Treatment Assessment will be completed to inform the next iteration of the Local Plan.

**11. List of appendices referred to**

11.1 A – Summary of the Greater Birmingham Housing Market Area Strategic Growth Study (GL Hearn February 2018)

**12. Background papers used to compile this report**

12.1 [Greater Birmingham Housing Market Area Strategic Growth Study](#) (GL Hearn February 2018)

**13. List of other relevant documents**

13.1 N/A