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Group Manager – Policy &
Engagement
Growth & Development
Solihull Metropolitan Borough
Council

Our Ref:

PINS/Q4625/429/4

Date:

4 September 2024

Dear Mr Palmer,

Examination of the Solihull Local Plan

Background

1. Thank you for the update from the Council on housing land supply and other matters which we received by e mail on 9 August 2024. You will be aware that the Government published proposals to amend the National Planning Policy Framework (NPPF) on 30 July 2024. A written ministerial statement was also published on the same day as was the letter to the chief executive of the Planning Inspectorate from Matthew Pennycook, the Minister of State. You will appreciate therefore that Local Plans which have already been submitted for examination will continue to be examined under the version of the NPPF that existed at the time of submission. You will also appreciate the Government's desire to avoid lengthy delays to examinations.
2. The Local Plan was submitted for examination on 13 May 2021. Hearings commenced on 27 September 2021. We wrote to the Council on 11 February 2022 raising concerns over housing land supply and in particular the contribution to supply from the National Exhibition Centre (NEC) site. We gave the Council an opportunity to submit additional evidence and information and a further hearing was held on 8 July 2022. Following this we set out our position clearly in our letter to the Council of 5 September 2022. Amongst other matters, this explained our significant concerns over the delivery of housing at the NEC site and the consequential effect on housing land supply. This was in the context of the Council's commitment to contribute approximately 2,000 dwellings to unmet need in the wider Housing Market Area up to 2030/31, given the shortfall established in the adopted Birmingham Development Plan. This commitment is in addition to meeting Solihull's own housing needs. This is made clear in the submitted Local Plan and formed a key element in duty to co-operate discussions and statements of common ground with relevant local planning authorities.
3. There have been exchanges of correspondence between us since then. We have consistently set out our concerns and made it clear that the significant deficit in housing land supply needed to be addressed through this Local Plan and not through a future review. We have also made it clear that additional housing site allocations would be

required to address the shortfall. Despite repeated requests from us, the Council has not agreed to do this.

4. We agreed to a pause in the examination in March 2023. This followed the consultation on the then Government's proposed amendments to the NPPF published in December 2022. The pause was at the Council's request in order for the implications of the final version of the amended NPPF to be taken into account. The publication of the revised NPPF took considerably longer than anticipated. As you know it was not published until 19 December 2023. The pause has been a significant factor in the extended length of the examination.
5. It was clear from the transitional arrangements that the December 2023 version of the NPPF was not relevant to this examination. We wrote to the Council on 11 January 2024 clarifying this and again seeking a clear and unambiguous response on the way forward from the Council. Unfortunately, your letters of 14 February and 8 May 2024 again failed to do this. In fact in your letter of 14 February 2024 you state that the Council considers the option of identifying additional site allocations to be "untenable in the context of the amended NPPF and overarching direction of travel in the national planning system." Of course, this was a reference to the amended NPPF published by the previous Government in December 2023. Your letter of 8 May 2024 makes it clear that the Council "is not willing to seek to identify further Green Belt releases."
6. Instead, the letter of 8 May 2024 set out the Council's intention to provide us with updates on various matters. This brings us to the information and updates you have recently provided. We focus primarily on the update document itself.

Update from the Council

7. We note the updated information on completions up to 2022/23, planning permissions as of 1 April 2023, land availability assessments, the Brownfield Land Register and allocations from the 2013 Local Plan. We have no reason to question this information and are happy to accept that it reflects the up to date position. Likewise the adjustments to the timescale for windfall completions would be appropriate to avoid double counting.
8. On the basis of the latest information, there has been little if any significant progress on the NEC site. We note that the Council's revised trajectory includes completions on the site from 2031/32 onwards as we suggested in our letter of 5 September 2022.
9. The Council's estimate of supply from town centre sites has increased from 1,093 to 1,430. This is due to an increase in the estimate of the capacity of the Mell Square redevelopment in Solihull Town Centre. The increased estimate of capacity including a shift to a largely residential approach at Mell Square has not been subject to scrutiny or tested as part of the examination. We cannot at this stage conclude that the revised estimate of supply from this source is justified.
10. You have explained the Council's position in relation to dealing with planning applications whilst the emerging Local Plan was being examined. This is set out in the report to the Climate Change and Planning Cabinet meeting on 25 July 2023. We have taken this into account.

11. We have also taken into account the progress on proposed site allocations in the Local Plan in terms of planning applications and pre-application submissions and updated information from site promoters. As a result you now estimate that the total capacity from site allocations is 6,593 compared with the previous figure of 5,744 (SMBC013). Again the increased estimates of capacity on proposed site allocations have not been subject to scrutiny or tested as part of the examination. We cannot at this stage conclude that the revised estimate of supply from this source is justified.
12. However, notwithstanding some uncertainty over the revised capacity for Solihull Town Centre and the proposed site allocations, we will take this at face value for the purposes of our consideration of the information you have provided us with. We therefore base our assessment on the housing trajectory on page 37 of the update document.
13. You suggest that the plan period would need to be extended to 2038/39 to ensure a fifteen year period from adoption. Whilst it may need to have been extended even further depending on timescales for progress, we are content to consider the trajectory over this time period.
14. The Council is proposing to continue with a local housing need figure of an average of 816 homes per year. This was derived from the standard method (807 homes per year) with a modest uplift to accommodate employment growth. However, it is clear from the Planning Practice Guidance (PPG)¹ that the number should be kept under review and revised where appropriate. Whilst the PPG goes on to confirm that the local housing need calculated using the standard method may be relied upon for two years from submission of a plan, as we have noted above, the Local Plan was submitted more than three years ago. The local housing need figure would need to be recalculated using the latest available information. The Government has recently published information on local housing need figures for all local planning authorities. This shows the figures using the current method and the proposed new method. For Solihull it gives a current method figure of 866 homes per year. Whether this is compared with 807 or 816 per year, it is a significant increase when taken over the whole plan period.
15. You propose that the stepped housing requirement for the Local Plan is re-profiled so that the contribution to unmet needs is spread over the whole plan period and not just up to 2030/31. We note that the other authorities you have contacted, including Birmingham City Council, have stated that they would not object if this were to be the case.
16. As we have said throughout, the Council's clear commitment to providing approximately 2,000 homes towards unmet needs from the wider housing market area (specifically Birmingham) by 2030/31 is a fundamental aspect of the Local Plan, duty to co-operate discussions and statements of common ground. It provided the basis for those making representations on the Local Plan and of our consideration of key issues during the examination. The time period up to 2030/31 is a critical factor of this approach, given that this is the plan period for the adopted Birmingham Development Plan from which the unmet need stems.
17. We see no justification to re-profile the stepped housing requirement at this stage. It would fundamentally change the Local Plan and would not deliver the housing required in the

¹ Paragraph: 008 Reference ID: 2a-008-20190220

time frame required. The suggested stepped requirement would involve an annual requirement of only 600 for the first seven years of the plan period, well below even just the local housing need for Solihull.

18. However, even based on the Council's re-profiled stepped requirement and the most recent trajectory, the supply of housing would fall below the requirement over the whole plan period by 1,144 homes (supply of 16,361 compared with requirement of 17,505 up to 2038/39). The re-profiled stepped requirement between 2020/21 and 2030/31 would total 8,200 homes. Using a local housing need of an average 816 homes per year and adding 2,000 homes towards unmet need in Birmingham would give a requirement of 10,976 homes. The re-profiled stepped requirement would therefore fall significantly short of the figure required to meet Solihull's own needs and unmet needs from Birmingham up to 2030/31. The deficit would be 2,776 homes. Whilst the projected supply up to 2030/31 would be 9,019 homes, this would still be substantially below that needed. In any case, as noted above the latest assumptions on supply from Town Centre and allocated sites have not been tested.
19. If the most up to date local housing need figure using the standard method of 866 homes per year was used, it would be logical to start the plan period in 2023/24. Adding in the 2,000 homes towards unmet need would give a total requirement up to 2030/31 of 8,928 homes. The re-profiled stepped requirement would be just 6,400. Whilst the projected supply up to 2030/31 would be 6,823 homes, this would still be substantially below that needed. Over the plan period 2023/24 to 2038/39, the total requirement would be 15,856 homes. The projected supply would be 14,165 homes, a significant shortfall of 1,691 homes.
20. Taking a five year period from 2023/24, the projected supply is 3,232 homes. A five year requirement based on local housing need alone of 866 homes per year without any buffer would be 4,330 homes. Adding in a proportionate element of the 2,000 homes for unmet need would give a requirement of 5,580 homes, again without the addition of any buffer. The Local Plan would fall well short of providing a five year supply.
21. You have provided us with a copy of the post hearing note from the Inspectors examining the Wirral Local Plan. The note is dated 4 March 2024. As you say, this appears to indicate that the Wirral Local Plan is likely to deliver around 12,000 dwellings over the 18 year plan period compared to a requirement of 14,400. It also appears to indicate that the Inspectors in that case would be willing to accept such a shortfall in housing supply over the plan period subject to the inclusion of a policy related to an early review.
22. It is made clear in paragraph 1 of the Wirral note that it reflects and should be read throughout as, the initial thinking of the Inspectors and is without prejudice to any findings they may ultimately come to. In any case the circumstances in Solihull are very different. The Solihull Local Plan was prepared with the very clear commitment to contribute approximately 2,000 homes to unmet needs arising from Birmingham by 2030/31. The significant shortfall in supply that we have identified has wider implications for Birmingham and the rest of the housing market area. We made our position on the issue very clear back in September 2022 and addressed the potential option of leaving the matter to a review of the Local Plan. We have been clear ever since that our position remains the same.

Conclusions and implications for the examination

23. We have made it very clear since 5 September 2022 that we have serious concerns over the supply of housing land which need to be addressed through this Local Plan, rather than a future review. This is in the context of the Local Plan needing to provide for Solihull's own local housing need in full and also contribute approximately 2,000 homes to unmet need arising from Birmingham by 2030/31. It is highly likely that additional site allocations on land currently in the Green Belt would be required. The Council has already demonstrated that there are exceptional circumstances which justify altering the Green Belt to accommodate housing growth. Of the 18 proposed housing site allocations in the submitted Local Plan, 16 are on land currently in the Green Belt. The submitted Local Plan estimated the total capacity on these sites as being 5,130 homes. Despite this, the Council has made it clear that it is not willing to identify and allocate additional sites in the Green Belt to address the significant shortfall in supply that we have identified.
24. The Council's recent update document relies on a re-profiling of the stepped housing requirement, pushing back the delivery of homes contributing to unmet need in Birmingham beyond 2030/31. Delivery by this date is a fundamental element of the submitted Local Plan, duty to co-operate discussions and statements of common ground. There would be a very significant shortfall in housing delivery up to 2030/31 and the plan period as a whole. If the latest local housing need figure using the standard method was used with a plan period from 2023/24, there would also be a very significant shortfall over both time periods. Using the latest local housing need figure would also result in a significant shortfall in the five year supply.
25. The Minister of State's letter of 30 July 2024 sets out the Government's new expectations about how Inspectors should apply pragmatism in conducting local plan examinations – here is a link to it: [Local Plan examinations: letter to the Chief Executive of the Planning Inspectorate \(July 2024\) \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/131424/local-plan-examinations-letter-to-the-chief-executive-of-the-planning-inspectorate-july-2024.pdf). In particular, it says: "Pragmatism should be used only where it is likely a plan is capable of being found sound with limited additional work to address soundness issues. Any pauses to undertake additional work should usually take no more than six months overall. Pragmatism should not be used to address fundamental issues with the soundness of a plan, which would be likely to require pausing or delaying the examination process for more than six months overall."
26. There is a fundamental issue with soundness in terms of the supply of housing which the Council is not willing to address. The examination has already been going on for over three years since the Local Plan was submitted and has already been subject to a lengthy pause. As noted above, we set out our concerns on housing supply in our letter of 5 September 2022. It has in effect already been delayed for two years without any progress. Even if the Council did now agree to undertake work to allocate additional housing sites to address the shortfall, this would take a further significant amount of time to identify sites, carry out assessments and consultations and hold further hearings etc. It is also the case that the evidence base for other aspects of the Local Plan may need to be revisited due to the passage of time.
27. The Minister's letter is clear that any pauses or delays to examinations beyond six months "should only be allowed at Inspectors' discretion to deliver adopted local plans under the

current system. In agreeing extensions, the Inspector should be confident that the local authority can complete any outstanding work in the agreed timeframe". Given the current position and how we have arrived at it, we are not confident that the necessary work can be completed in a reasonable timeframe. In the context of the Minister's letter, a further delay of the kind that would be needed would not be appropriate.

28. Unfortunately, in light of the above, we have reached the point where we have concluded that the Local Plan should be withdrawn. The only alternative to this would be for the Council to ask us to proceed with our report. However, this would inevitably recommend that the Local Plan is not adopted and would involve additional time and cost.
29. We would be grateful if you could now simply confirm which of these two options the Council wishes to take as soon as possible. We do not require any further discussion of the merits of our conclusions or information from the Council or others. This letter should be added to the examination webpage as soon as is practicable.

Yours sincerely,

Kevin Ward and Kelly Ford

INSPECTORS