

Birmingham Development Plan 2031
Examination Hearing Statement on behalf of
Richborough Estates

Matter A: Housing Need and the
housing trajectory

September 2014

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Executive Summary

1. This hearing statement is submitted by Turley on behalf of Richborough Estates in respect of their objections to the Birmingham Development Plan 2031 with reference to land at Fox Hill, Roughley.
2. It addresses Matter A: Housing Need and the housing trajectory (BDP policies PG1, TP28 and TP30) due to be heard on Tuesday 21 October (Day One).
3. Richborough Estates is also making further submissions in respect of Matters D (Vision), E (Green Belt), F (Duty to Co-operate), and H (housing provision).
4. The statement is set out as a response to the Inspector's Issues and Questions for Discussion as set out in the Programme for Hearing Sessions (version 1) dated 20 August 2014.

Main Issue: Does the plan appropriately identify housing needs and does it seek to meet them in accordance with national policy?

5. Richborough Estates considers that the plan does not identify the full objectively assessed housing needs of the city and fails to meet them in accordance with national policy.
6. This arises from:
 - a failure to carry out an up-to-date NPPF-compliant SHMA
 - a failure to properly examine the Objectively Assessed Need, working with neighbouring authorities across the housing market area; and
 - a failure of the duty to co-operate to go beyond agreeing a mechanism for determining how unmet needs that cannot be accommodated within the city are to be met.

1. Q1: Is the plan based on an objective assessment of the full needs for market and affordable housing in the housing market area over the plan period?

- 1.1 NPPF para 159 expects LPAs to undertake a strategic housing market assessment (SHMA) to assess their full housing needs working with neighbouring local authorities where HMAs cross boundaries. The 2012 SHMA focuses on Birmingham alone.
- 1.2 BCC's Housing Targets Technical Paper (Sept 2013, Document Ref. H1) acknowledges at para 3.9 that new demographic material has become available since the 2012 SHMA and that this data will form an input to the GBSLEP joint strategic housing needs study to "update the SHMA's findings". This study, it says, will also provide a full analysis of the sub-regional housing market area, "as the NPPF requires" as the 2012 SHMA only gave this a cursory look.
- 1.3 The 2012 SHMA is therefore out-of-date and non-compliant with the NPPF.
- 1.4 The GBSLEP study is in three stages, two of which have been completed by PBA. The state of play was reported to the Greater Birmingham and Solihull Supervisory Board of Council Leaders in July 2014 (EXAM2E). This explained that:
 - The Housing Market Area had been defined to accord with Government guidance to include the Black Country, which would be reporting separately
 - A decision on the level of growth that should be carried forward should be deferred until completion of the study (which is not due until after the conclusion of the BDP examination)
 - Whilst the levels of growth "appears high" (and higher than the 2012 SHMA), there was recognition of alternative and even higher forecasts by the development industry, which "emphasise the importance that the PBA work is brought to a conclusion" (see our representations on Matter F)
 - The realistic scope of development capacity outside the GBSLEP and Black Country areas will need to be built in, and a formal agreement with respective authorities reached if the preferred approach relies on such capacity
 - There will be a separate and parallel Sustainability Assessment (SA) of this work
 - The final report will be used to inform a decision on the level of growth that should be taken forward in the Spatial Plan for Recovery and Growth (SPRG)
 - Leaders were reminded that they could not simply default to the lowest level for their districts as this would not be NPPF-compliant

- Completion of the study will provide a “reliable analysis of objectively assessed housing needs” and will be followed by collaborative working to agree the scale and distribution of growth.
 - The report concludes that this work is “essential to enable the production of sound development plans and to facilitate the Duty to Co-operate”.
- 1.5 PBA presented the interim findings to a stakeholder workshop on 31 July (EXAM2F). They acknowledged that the population and household projections had gone up because the 2011 Census found more people than expected (so-called unattributable change) and a younger age profile which generates more households in the future. Furthermore, urban renaissance appeared to be working, or at least economic circumstances and restricted housing supply in the shires was preventing people leaving Birmingham.
- 1.6 The result was that PBA’s ‘preferred scenario’ for the GBSLEP area was one-third higher than previous studies and current plan targets (see Appendix 2 of EXAM2E) and about double past rates of delivery. The reasons for the differences mostly revolve around Birmingham, for which the annual requirement in PBA’s 2001-11 Trends based projection is 5,620 dpa or 112,400 over the plan period.
- 1.7 In the discussion that ensued on 31 July 2014, PBA admitted that the GBSLEP Study was not a fully NPPF-compliant SHMA as it did not take account of market signals or affordability, and only took existing economic scenarios into account.
- 1.8 It is disappointing that the full and final written report is not available for the BDP examination, although the admission that it is not fully NPPF-compliant means that even if it were available now, it could not be regarded as an objective assessment of need.
- 1.9 The PPG states at paragraph 014:
- ...when approaching submission, if key studies are already reliant on data that is a few years old, they should be updated to reflect the most recent information available (and, if necessary, the plan adjusted in light of this information and the comments received at the publication stage).*
- 1.10 The more recent information on which the GBSLEP study is based has been available for some time and comments were made at the publication stage to the effect that the OAN was likely to be higher than in the draft plan but BCC chose not to update it for the BDP and its examination.
- 1.11 In its response to the Inspector’s initial questions of 21 July 2014 (Document Ref. EXAM2), BCC’s response on OAN (written presumably after the above PBA work was known to officers) states:
- The GBSLEP Strategic Housing Needs Study.... may produce a different level of household growth for Birmingham – and.. the general expectation is that this is more likely to increase than to reduce the level of objectively assessed need*

Since it is the Council's view that it would not be feasible to deliver a higher level of new housing within the city boundary, this would not have any direct implication for the strategy and the policies contained within the BDP and would not give rise to any need for a modification to these policies. (our underlining)

However, it may well impact on the level of provision that will need to be made to help meet Birmingham's needs in neighbouring areas and the Council will continue to work closely with neighbouring Councils to ensure that this provision is made.

- 1.12 This confirms our view that BCC does not believe it necessary to establish its objectively assessed need in order to produce a sound plan. This is at odds with the advice in the NPPF and PPG.

2. Q2: If not, what alternative objective assessment of housing needs should the plan be based upon?

- 2.1 At the last two stages of plan preparation in 2012 and 2013, representations have been made on behalf of a consortium of landowners and developers including Richborough Estates by Barton Willmore. As mentioned above, their report providing an alternative approach to the OAN exercise has been circulated within the LPA officer community and was reported specifically to the Greater Birmingham and Solihull Supervisory Board, emphasising how important it is to have a robust evidence base to counter this NPPF-compliant alternative.
- 2.2 In respect of Birmingham's need, the report to the Supervisory Board (Document Ref. EXAM2E) notes that the highest PBA estimate from the most recent GBSLEP strategic study suggests a household growth of 112,000 in the plan period, compared to the Barton Willmore figure (from their March 2014 report) of a range from 135,000 to 153,000. This statement is wrong as PBA's highest estimate is actually 6,297 dpa (or 125,940 over the plan period).
- 2.3 Barton Willmore has carried out further work in the light of the PBA work and more recent demographic and economic data and has put forward a figure (in their own Matter A hearing statement) that it contends is an unconstrained NPPF and PPG compliant assessment of overall housing need for the HMA of 111,760 (or 5,588 dpa). Adopting the 'index' approach which has been favoured by the Inspectorate elsewhere results in a figure of 88,080 (or 4,404 dpa).
- 2.4 In the absence of a more robust figure from BCC, and given the co-incidence of this higher figure with PBA's preferred scenario, this appears to Richborough Estates to be the foundation on which the plan's housing proposals should be built.

3. Q3: Does the plan meet the full needs for market and affordable housing, as far as is consistent with the policies set out in the NPPF?

- 3.1 The Council freely admits that the plan does not meet the full needs for market and affordable housing, as this “substantially exceeds the capacity of sites within the urban area” (as stated in its response to the Inspector’s initial questions). We agree with this statement and have no expectation that the plan can meet the full needs for housing.
- 3.2 As the Council’s DTC Statement (Document Ref. DC2) makes clear, previous RSS and RPG exercises over the past 20 years exported Birmingham’s housing needs to adjoining districts and the shire counties often in much higher proportions than are being considered now. That is not an answer to the present challenge.
- 3.3 Now we are in a different world – see our response on Matter F (Duty to Co-operate) – and the plan must show how the full needs of the city are to be met.
- 3.4 The BCC response to the Inspector’s initial questions goes on to state:
- the Council has reached the conclusion that, in order to maximise housing delivery within the city boundary, land within the Green Belt should be allocated as a Sustainable Urban Extension. (our underlining)*
- 3.5 We agree that the plan should seek to maximise delivery within the city boundary. In order to do so, we support the Council’s response of undertaking a Green Belt Review.
- The Council considers that the resulting level of new housing which is proposed in the submitted BDP is the maximum that could reasonably be delivered in Birmingham over the plan period.*
- 3.6 This is where we disagree – the Council has not planned to deliver the maximum possible within Birmingham over the plan period in the submitted BDP.
- 3.7 Having determined to review its Green Belt boundary, we make submissions on Matter E that this exercise was badly conceived and undertaken, and a more thorough Green Belt Assessment, alongside a Sustainability Assessment (SA), would have arrived at a different conclusion about how much land could be removed from the Green Belt.
- 3.8 Given the BCC response to our March 2014 representations (the PBA Phase 2 report on Sutton Coldfield Green Belt sites dated June 2014), it is apparent that the Council’s view is that the consequent scale of development arising from a larger Green Belt release could not be delivered within the plan period. We do not agree and respond separately to Matter E on this point.

3.9 We contend that, consistent with the policies of the NPPF, more land could be released from the Green Belt in Birmingham to go further toward meeting its full needs for market and affordable housing.

4. Q4: What proportion of the assessed housing needs should be met outside the plan area, and by what mechanism should that proportion be distributed to other local planning authority areas?

- 4.1 There is no guidance on how to arrive at an appropriate proportion of need to be met outside the plan area, as this will be determined by local circumstances.
- 4.2 The NPPF requires LPAs to meet the full objectively assessed need as far as is consistent with the policies in the Framework, and this has been interpreted by Birmingham as the “maximum that can reasonably be delivered” within the city over the plan period. That is currently 61% with 39% being the shortfall to be met outside.
- 4.3 This must mean that the appropriate proportion to be met outside the plan area is the lowest possible figure having accounted for the maximum that can be met within.
- 4.4 If the full objectively assessed need is higher than currently in the BDP – and should it be as much as 111-112,000 (the figures most recently arrived at by PBA and Barton Willmore independently) – the proportion of need being met outside the plan area will increase and is likely to go above 50%.
- 4.5 The right proportion is not in our view a figure which should be pre-judged, but one based on sound planning judgements taking account of environmental constraints, sustainability considerations, market demand and affordability.
- 4.6 Our concern is that, at present, the GBSLEP work is not sufficiently far advanced for the Council to be able to judge whether its decision only to remove land for 5,000 dwellings from the Green Belt in north east Birmingham is more or less sustainable, or more or less likely to be delivered, than the process of local plan review necessary to deliver between 33,000 and as many as 61,000 beyond its boundaries.
- 4.7 The mechanism by which the proportion is to be determined and distributed to other LPA areas is currently via the GBSLEP. This is in two stages:
- The Strategic Housing Needs Study being undertaken by PBA in three stages, of which two are complete and the provisional distribution exercise is to be finalised towards the end of this year
 - The next iteration of the Spatial Plan for Recovery and Growth (SPRG) which will follow in 2015
- 4.8 The fault lies in the timing relative to the BDP. As we address in our hearing statement on Matter F (Duty to Co-operate), this mechanism has not yet allowed the exploring of all options (as required by the PPG), particularly in respect of sustainability, of how unmet need might be distributed.

- 4.9 Furthermore, it has not yet generated any specific agreements on the quantity, location or timing of unmet housing need, as required by the PPG. There is therefore no basis on which it could be concluded that the means of meeting the need will be sustainable.
- 4.10 For instance, if the scale of unmet need is so great that adjoining authorities (through the GBSLEP's SPRG, on their own, or jointly with other authorities) are required to undertake their own Green Belt reviews as part of the 'early' review of their own as yet unadopted local plans (in Bromsgrove's case, the commitment is by 2023), to identify sustainable urban extensions (as most of their own urban sites will be exhausted meeting their own current needs), then start delivering on SUEs, there is a clear likelihood that Birmingham's needs will not be met by 2031.
- 4.11 For that reason, if for no other, we believe that Birmingham must maximise delivery from land within the city boundary, and should reconsider the release of more Green Belt in north east Birmingham to provide up to an additional 5,000 dwellings. This would reduce the burden on other authorities and ensure that, when other options are explored, Birmingham has unquestionably done all it can to meet its own needs.

5. Is there justification for the staged housing trajectory set out in policy TP28?

- 5.1 The housing trajectory in Policy TP28 is stepped to reflect actual performance in 2011-14, then a gradual recovery in housing market conditions and the delivery of the Langley SUE from 2016/17 onwards.
- 5.2 We believe that the allocation of more housing in the Sutton Coldfield arc could help to deliver a higher trajectory from 2016 onwards, and achieve the higher levels of annual completions that the city needs to meet its requirements by 2031. The benefits of developing more high quality housing in north east Birmingham should not be delayed because of the stepped trajectory. Land supply would be very significantly enhanced by the allocation of a larger or additional SUE, the scale of which is impossible to deliver elsewhere within the City boundaries.

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