Birmingham City Council – Community Infrastructure Levy.

The Birmingham Development Plan Statement

April 2015

1.0 Introduction

1.1 Birmingham is the youngest city of its size in Europe. In 2011 45.6% of Birmingham's residents were under 30 compared to 37.6% in England as a whole.

1.2 After a long period of population decline in the 1960s, 70s and 80s, Birmingham's population began to grow again in the 1990s. Between 2001 and 2011 it increased by 9.1% to 1,073,000, a faster rate of growth than was experienced in the rest of the West Midlands or across the country as a whole. The young age structure of the City's population means that growth looks set to continue. Currently the number of births exceeds the number of deaths in the City by about 10,000 a year. In addition Birmingham is an entry point for international migration providing a further source of growth. The latest (2012-based) ONS projections indicate that Birmingham's population will increase by around 150,000 between 2011 and 2031, to around 1.25 million.

1.3 For over 20 years Birmingham has been pursuing an 'urban renaissance' strategy, which has had the central objective of returning the City to growth and prosperity, following the collapse of many of its staple industries during the recession of the late 1970s and early 1980s. This strategy has been (and continues to be) widely supported, not just in Birmingham but across the West Midlands. 'Urban renaissance' and support for Birmingham's role as an international city is not only at the heart of Birmingham's planning policies - it was also at the heart of the West Midlands Regional Spatial Strategy, before it was revoked in 2013.

1.4 For the City Council a commitment to urban renaissance brings with it a commitment to welcome new investment, growth and development. The Council therefore follows a 'growth agenda', under which it seeks to work with public and private sector partners to deliver new investment and to use this to make Birmingham a better and more sustainable place for everyone who lives here. This means that the Council has followed a predominantly 'brownfield' strategy to the location of new development. Since 2001 94% of housing completions and about 90% of employment development has been on previously developed land.

1.5 Within the context of urban renaissance and the growth agenda, the return of population growth should be seen as a success and something to be welcomed. However it also brings with it new challenges which the Birmingham Development Plan must seek to meet.

2.0 Scale of the Challenge

2.1 The National Planning Policy Framework requires Councils to plan to meet 'objectively assessed needs' for new development. The City Council has commissioned a range of work to assist in assessing Birmingham's needs over the next twenty years. The starting point for this is the expectation that the City's population will grow by 150,000 – and so it is not surprising that these assessments conclude that there will be a need for substantial growth – particularly in relation to housing and jobs.

2.2 Based on a detailed assessment of housing requirements (SHMA 2013) we have concluded that 84,000 new homes will be required between 2011 and 2031 and that 62% of these should be in the market sector with the remaining 38% being affordable or subsidised housing. On a pro rata basis this produces an annual requirement for 4,200 new homes, substantially higher than the average annual completion rate since 2001, which is just below 1,800 dwellings a year, peaking at 3,141 in 2005-6.

2.3 A growing population with a young age structure will also generate a need for more jobs. Unemployment is already an issue in Birmingham. The unemployment rate in the city was

7.9% in June 2014 compared with 4.3% in the West Midlands and 3.4% in the UK, and was as high as 16.3% in Ladywood constituency.

2.4 We have estimated that there is a need for a rolling five year reservoir of 96 hectares of employment land and for almost 750,000 sq. m. of new office floorspace up to 2031 (Employment Land and Office Targets Study, 2013). Factoring in predicted growth in other sectors it is expected that these proposals will create in excess of 100,000 new jobs which will significantly reduce unemployment and worklessness.

2.5 A growing population will also have increasing requirements for other supporting facilities such as schools, shops, health care facilities, facilities for treating waste and transport infrastructure. More than 11,000 additional primary school places have already been provided in the last few years, and a further 20,000 primary and secondary school places will be needed in the next ten years. In terms of shopping, there is a requirement for a further 350,000 sq. m. gross of comparison retail floorspace by 2026 (BRNA Update 2013). More reuse and recycling will reduce the need for waste disposal, but our Waste Capacity Study concludes that even so there will be a continuing need for additional waste treatment facilities.

2.6 It is worth noting that these requirements for new housing and employment are higher than those that were proposed for Birmingham under the now revoked West Midlands Regional Spatial Strategy. Only the retail requirement is lower.

2.7 In relation to transport the Council is in the process of developing a 20 year plan (the Birmingham Mobility Action Plan) for investment in the City's transport infrastructure aimed at improving connectivity and reducing congestion.

2.8 Under the existing Development Plan strategy, priority is given to providing for growth on brownfield sites within the existing urban area. The City Council has therefore undertaken a careful analysis of the capacity of the urban area to accommodate further growth. This has revealed difficulties in respect of both housing and employment.

2.9 In terms of housing, the City Council undertakes an annual Strategic Housing Land Availability Assessment process. The 2013 SHLAA confirms that there is capacity for around 45,000 new homes within the existing urban area over the plan period. This is a large number – but it still falls well short of the 'objectively assessed' requirement. Moreover only 12,661 of these are considered to be deliverable within the next 5 years.

2.10 Similarly, for many years the Council has undertaken a regular Employment Land Review. The 2012 Review shows a worrying decline in the availability of employment land within the City. At 175 hectares, supply again falls well short of the assessed requirement.

2.11 This analysis has confirmed that a 'business as usual approach' based on the existing Development Plan will not enable Birmingham to deliver the level of new development that will be needed to meet the requirements of Birmingham's growing population. The challenge for the Birmingham Development Plan is to identify an approach which will enable this.

3.0 Responding to the Challenge: Options for Higher Growth

3.1 Faced with this situation, in 2012/3 the Council undertook further consultation on options for accommodating higher levels of growth within Birmingham.

3.2 The options considered were:
• Allocation of land currently in open space use within the urban area for development.
• Allocation of land currently in employment use for housing.

• Higher densities.
• Urban extensions, which would require development on land currently designated as Green Belt. Birmingham's administrative boundary is drawn tightly around the built-up area and the only location with significant potential for this purpose within the local authority boundary lies to the north and east of Sutton Coldfield.
A number of options were identified in this area and as an indication, the potential scale of development was suggested to be 5-10,000 new homes and 50 hectares of employment land. (see Planning for Birmingham's Growing Population Options Consultation Document).

3.3 The consultation process produced a significant number of objections to the idea of Green Belt development, primarily from residents of Sutton Coldfield. However, analysis of the other options indicated that none of them were capable of delivering much additional development capacity without unacceptable adverse consequences.

3.4 There is some potential for housing development on poorer quality open space, but generally open space is a scarce resource within the City and a growing population will only serve to increase its importance. The potential for some open space to come forward for housing development is built into the windfall assumptions in the SHLAA – and it would not be appropriate to make additional provision beyond this. Because of their location and size open space sites are not generally suited to employment development.

3.5 Former employment land makes up a significant amount of the brownfield capacity identified in the SHLAA. Any further use of employment land for housing would eat into the City's scarce supply of good quality employment sites, and make the shortage of employment land worse.

3.6 Finally the Council already seeks to maximise densities on housing sites within the City, consistent with creating a high quality environment and meeting the full range of housing needs. To require higher densities would risk making development undeliverable – and would make it hard to provide for the demand for larger homes, which the SHMA has identified as being a significant element of future housing need.

3.7 In the absence of any other deliverable option, the Council therefore undertook a further more detailed review of the potential for Green Belt development within Birmingham. The results of this analysis are set out in the Green Belt Options Assessment. This concludes that it would be acceptable to allocate a site of 273 hectares, to the east of Walmley, Sutton Coldfield as a Sustainable Urban Extension providing approximately 6,000 dwellings and a site of 134 hectares at Peddimore to provide an 80 hectare employment development.

4.0 The Submission Plan

4.1 The Submission Plan proposes the following overall levels of growth:
• 51,100 additional homes, including 5,000 within the plan period on land currently designated as Green Belt.
• 2 Regional Investment Sites of 20 and 25 hectares and an 80 hectare employment site at Peddimore on land currently designated as Green Belt.
• About 350,000 sq m of comparison retail development
• A minimum of 745,000 sq m of office development

4.2 The strategy for accommodating this growth continues to reflect the urban renaissance principles that have been at the heart of planning in Birmingham for many years. The plan continues to promote Birmingham as an international city and a major commercial centre. It also continues to seek to use new development creatively to improve environmental quality and generate a sense of place, and it contains an added emphasis on sustainability and addressing the challenge of climate change. This reflects the Council's commitment to reduce the City's carbon emissions by 60% by 2026 based on 1990 figures.

4.3 The strategy also continues to prioritise brownfield development and regeneration with the identification of eight growth areas within the urban area of the City. All the comparison retail and office development, up to 90% of the new housing and about 80% of the employment land will be on brownfield sites.

4.4 However, as already explained, it is not possible to meet all of Birmingham's development needs on land within the urban area – so the plan also includes proposals for development within the Green Belt in line with the conclusions of the Green Belt Assessment. In total it is proposed to remove 407 hectares from the Green Belt, which is just under 10% of the total designated Green Belt area within Birmingham.

4.5 It is important to note that the Council considers that the levels of housing and employment development proposed in the strategy are the maximum that could realistically be delivered within Birmingham's boundary during the plan period, taking into account environmental and delivery constraints. It is recognised that this maximum falls short of the 'objectively assessed' requirement, with only 61% of the City's housing need met within the City.

4.6 Every reasonable way of increasing this proportion has been explored and so the Council has concluded that the only remaining option is for provision to meet the shortfall to be made in adjoining local authority areas. As the Duty to Co-operate Statement explains, this is not a new situation. The now revoked Regional Spatial Strategy and its predecessors all reallocated some of Birmingham's housing need to other areas.

4.7 This is a period of uncertainty in terms of population and household projections. It is possible that future household projections using the recently published ONS 2012-based population projections will show even higher levels of household growth for Birmingham. However since the development levels set out in the submitted plan are already at the maximum deliverable level, if future projections indicate that even higher levels of growth are required it will only be possible for these demands to be met through the allocation of more land outside Birmingham's boundary.

5.0 Working with Our Neighbours

5.1 There is a long history of joint working between Councils within the West Midlands and Birmingham has always been committed to this process. The structures through which joint working on planning issues currently takes place are explained in the Duty to Co-operate statement.

5.2 As soon as it became clear (in the summer of 2012) that Birmingham was likely to be unable to provide for all its development needs, the City Council has sought to work with adjoining Councils to achieve a planned response to the challenge that this presents. This process has had to take account of the fact that the development plans of adjoining Councils are at various stages. Some Councils already have an adopted plan, while others are at different points in the plan preparation process. It has also had to take account of the fact that more than a dozen neighbouring authorities are potentially involved, some, but not all, of whom are members of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP).

5.3 The steps that the Council has taken are set out in detail in the Duty to Co-operate Statement and are summarised here. There have been two strands to the Council's approach.

5.4 The first has been to work within the GBSLEP, which includes in addition to Birmingham and Solihull, the Southern Staffordshire and Northern Worcestershire District Councils, but not the Black Country or North Warwickshire, both of which border Birmingham. The GBSLEP has committed itself to prepare a Spatial Plan for Recovery and Growth and in the context of this it has commissioned joint studies to look at future housing and employment needs across the LEP area and to identify options for accommodating these needs. The Black Country authorities have also agreed to participate in the Housing Study, and North Warwickshire are co-operating with it. This work is well underway, and it is expected that it will be complete by the autumn.

5.5 The second strand has been bi-lateral contact with adjoining Councils. The City Council first wrote to these Councils to highlight the emerging issues in August 2012. Since then there has been continuing contact, involving both meetings and correspondence.

5.6 In some cases the City Council has taken part in the Examinations into adjoining plans. In these cases the Council's approach has not been to seek to delay plans which were well advanced but to seek a commitment within them to work co-operatively with Birmingham and other authorities to address the Birmingham 'overspill' issue and in the event that this work demonstrates a need for additional provision to meet Birmingham's needs within the local authority area, for this to be undertaken through an early review of the plan. So far this approach has been accepted by inspectors (for example in the case of the Solihull and Cannock examinations).

5.7 At this stage then it is not possible for the City Council to identify where housing and employment land allocations will be made to meet the growth that cannot be accommodated within the City boundary. However the Council has succeeded in ensuring that a cooperative process is in place which will enable this issue to be addressed and taken forward through the development plan process.

6.0 Housing Delivery

6.1 Birmingham's record in delivering new housing in line with development plan targets is good. Despite the impact of the recession, between 2001 and 2014 net dwelling completions have totalled 22,641 compared to the most recent cumulative development target for that period (which was set in the revoked Regional Spatial Strategy) of 19,200.

6.2 However, to achieve the new homes target proposed in the submission plan (which itself falls below Birmingham's 'objectively assessed' requirement) will require a significant increase in the rate of completions. Between 2003 and 2013 net completions have averaged 1,876 a year, varying from a high of 3,141 in 2005/6 to a low of 933 in 2009/10. If the submission plan target is averaged over the plan period on a pro rata basis, the annual requirement would be 2,555. This level has been achieved in only two years since 2001, and completions in the first three years of the plan period have totalled only 4157.

6.3 The submission plan recognises that it will take time for the housing market to recover from the recession, and that the proposed Langley Sustainable Urban Extension will not begin to contribute completions until 2018 at the earliest. This is reflected in the housing trajectory, which is 'backloaded', building up to an annual completion rate of 3,090 a year from 2021 when it is expected that there will be a recovery in the apartment market and in city centre residential development and a significant contribution to annual completions from the Langley SUE. This is close to the peak level of completions achieved in the last ten years.

6.4 Based on past completion rates of 1,876 dwellings a year, the latest SHLAA indicates that there is currently 6.4 year's supply of housing land. Using the housing trajectory in the submission plan there is 6 year's supply.

6.5 It is clear that if housing delivery is to reach the levels that will be required to meet the targets in the housing trajectory for the latter part of the plan period there is an urgent need to bring forward more land for development.

6.6 The City Council has recognised this and is committed to doing whatever it can to increase delivery. In October 2013, the Cabinet approved a Housing Growth Plan which seeks to identify ways in which the Council can work with partners to increase the delivery of both market and affordable housing within the City. This includes measures that aim to bring forward the development of sites identified in the SHLAA, but are currently not expected to be developed within the next five years.

6.7 However it is clear that a significant and sustained increase in delivery cannot be achieved without the additional source of supply that the Langley SUE will provide.

7.0 Next Steps

7.1 The examination hearings took place in October/November 2014, and the Inspector published his Interim Findings on 5 January. These addressed the key soundness issues and concluded that the Council had met the requirements of the Duty to Co-operate. However, the Inspector concluded that additional technical work was needed in relation to the objective assessment of housing need and some aspects of the Sustainability Appraisal. This additional work was submitted on March 20th, and the Inspector allowed other interested parties until 10 April to comment on it.

7.2 The Inspector has confirmed that he expects to get a report to us including all the Proposed Modifications which he considers necessary to make the Plan sound by 8 May 2015. These Modifications and the Revised Sustainability Appraisal will then need to be subject to six weeks formal public consultation.

7.3 The authority of the Council's cabinet will be required before formal public consultation. Currently this is programmed for the 29 June 2015 (though this date remains provisional). This would enable the consultation itself to take place in July/August 2015. These dates have been notified to the Inspector.

7.4 Any comments received during this consultation will then need to be considered by the Inspector. Currently there is no agreed timescale for this, but the Council is hopeful that it will be possible to adopt the Plan by the end of the year or early in 2016.

8.0 Conclusion

8.1 In the last ten years Birmingham has seen a reversal of decades of population decline and the return of population growth. This is welcome, and a vindication of the urban renaissance strategy.

8.2 However, forecast population growth over the next twenty years creates new challenges – and in particular the challenge of providing for the new homes and jobs that will be required to meet the needs of this population growth.

8.3 Although Birmingham has many brownfield development opportunities – and taking advantage of these remains a priority – the simple reality is that the capacity of these sites is inadequate to meet the demand.

8.4 The Council has therefore considered alternative options and reached the conclusion that it is both necessary and acceptable to allow some development to proceed on land which is currently designated as Green Belt. If housing completions are to be brought up to levels which will meet the identified need over the plan period, it is essential that this additional supply is brought forward as quickly as possible.

8.5 Even this will not be sufficient to meet the whole of the City's requirements – and so the Council has initiated and is actively pursuing joint work with neighbouring Councils to bring forward additional land outside the City boundary.

8.6 The submission Birmingham Development Plan reflects this approach. The plan will enable an increase in housing and employment delivery within Birmingham to the maximum level possible and the Council is therefore seeking to move the plan forward as rapidly as possible.