

BIRMINGHAM DEVELOPMENT PLAN EXAMINATION
UPDATING THE 2012 SHMA: PROPOSED WORK PROGRAMME

26 November 2014

- 1 We are advised by the City Council that the BDP Examination Inspector is likely to require an update of the Birmingham SHMA 2012 (Revised January 2013), to bring it in line with the National Planning Practice Guidance (PG), which was published after the SHMA in March 2014. This note sets out our proposed approach.
- 2 Rather than a new version of the original SHMA, we would propose to write a short supplementary report that would be read alongside it. That report would comprise five main sections as set out below.

i Demographic projections

We updated the SHMA's demographic projections earlier this year, as part of the Greater Birmingham, Solihull and Black Country Strategic Housing Needs Study. In that study we concluded that Birmingham's projected need would be between 4,451 and 5,794 new dwellings per annum (89,000-115,900 over the plan period 2011-31), depending on the view taken on Unattributable Population Change. CLG has now advised that its new household projections will take no account of the UPC. This suggests that the plan should take forward the lower housing number of 89,000 dwellings.

This number will remain our best estimate of demographically projected housing need until the CLG release the 2012-based household projections, which might prompt us to revise the number. CLG advise that the release date has slipped beyond the original target of 'autumn 2014' and they cannot announce a new publication date as yet.

Therefore the supplementary report would not provide a revised housing need assessment, but simply confirm the above numbers and explain that official statistics support the lower one.

ii Future employment

The PG advises that housing needs assessments should consider the alignment between jobs and housing. The original SHMA did not address this question, because it pre-dated the PG. We will work with Experian Economics to produce an employment forecast compatible with the preferred demographic scenario. If that forecast or its implications (e.g. for commuting) are inconsistent with the Council's expectations or aspirations, we will develop an alternative scenario, iterating between housing and jobs to produce a robust view of the future. At this stage, having regard to existing levels of worklessness in Birmingham, it seems unlikely that this work would lead to an upward adjustment of population forecasts, a view which we understand is shared by Barton Willmore.

iii Past provision and market signals

Again the PG recommends that housing needs assessment cover these topics, but the original SHMA did not cover them. To fill this gap we would analyse the main market signals mentioned in the PG, including past rates of development, house prices and house

price change, rents, affordability and overcrowding. Based on this analysis we will consider whether the demographic projections should be adjusted upwards and if so what the adjustment should be.

iv Affordable housing

The 2012 SHMA included a detailed assessment of affordable housing need, which is compliant with the PG, because it was based on earlier guidance which has been transferred to the PG almost unchanged. There is no need to recalculate that assessment unless the planned population and household growth change significantly, which is very unlikely. The supplementary report would include a short section to summarise the SHMA's conclusions and explain why they remain valid in the light of the PPG.

v Conclusions

A brief summary of findings, focusing on what has changed since the original SHMA.

- 3 If we are commissioned in the next few days, we could complete the supplementary report as described above by Friday 2nd January.
- 4 For the avoidance of doubt, as we understand it the report would cover Birmingham City on its own and as a whole.