

Examination of the Birmingham Plan

Statement on additional evidence published by the Council: GBSLEP Stage 2 Strategic Housing Needs Study

Introduction

1. Paragraph 159 of the NPPF sets out that local planning authorities should have a clear understanding of housing needs in their area. To do so, they must prepare a Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. This is the first necessary step in identifying housing need.
2. As set out in the Planning Practice Guidance methodology, the Housing Market Assessment should consider the objective assessment of housing need on the basis of:
 - Demographic components
 - Economic components
 - Affordability; and
 - Market signals
3. Where an assessment of housing considers each of these components, it can be considered an objective assessment for the purposes of paragraph 47 of the NPPF. Where it does not, it is not an objective assessment of need for the purposes of paragraph 47.

An Objective Assessment

4. In the context of the above, reference is made to paragraph 3.1 of the Stage 2 Housing Needs Study (HNS). This sets out clearly the following.

“As recommended by the PG [Planning Practice Guidance], in assessing housing need our first and main source of evidence is demographic projections. But our assessment is not a full Strategic Housing Market Assessment (SHMA) within the meaning of the NPPF, because we do not take account of the other factors that are mentioned in the NPPG as bearing on housing need. Thus we do not consider future employment or past land supply and market signals; these issues are left for Stage 3 of the study, which will look more closely at local geographies rather than the study as a whole”.

5. It is therefore evidently clear that the study is confined by its brief rather than meeting the requirements of the NPPF and this results in the HNS by its own definition, not comprising a SHMA. Equally, the above paragraph also confirms that the HNS does not incorporate the other factors that should be considered within an objective assessment of housing need, and that these components are left for Stage 3.
6. On this basis of the above, the study itself is deficient in key components that determine an objective assessment of housing need and cannot be considered as such in the context of paragraphs 47 or 159 of the NPPF. The Council's reliance on this report as defining the housing need for Birmingham and other GBSLEP authorities is unsound.
7. This position is further demonstrated through paragraph 5.6 that states the demographic need identified within the study is a minimum measure of need, because no account of market signals, future employment or affordable housing need is appraised. The report sets out that this will be undertaken through Stage 3 of the study and/or by individual local authorities which may increase the overall need.
8. RPS is concerned that a significant component of the assessment of housing need is being deferred to Stage 3 of the study. Stage 3 of the study is tasked with looking at distributional options for housing need and will be considerably led by the individual local authorities' receptiveness to accommodating further growth. As such it is a 'policy on' exercise and subject to political acceptances of growth. As such it cannot lawfully inform an objective assessment of housing need that should be 'policy off'. This approach would not be consistent with the stepped approach set out within the *Gallagher Homes Limited & Lioncourt Homes Limited V Solihull Metropolitan Borough Council* [2014] EWHC 1283 (Admin) judgement.

Conclusion

9. Objective assessments of housing need for the purposes of paragraph 47 of the NPPF should be prepared consistent to the requirements of the Planning Practice Guidance Methodology and be unconstrained assessments of housing need. The assessment should also be prepared across a Housing Market Area to be consistent with paragraph 159 of the NPPF. Once housing need has been appropriately defined, the potential of Birmingham City and its partner SHMA authorities to meet that need can be assessed. This is the stepped approach set out in the above judgement.
10. However, the manner in which the GBSLEP Stage 1 and 2 study has been prepared and the proposals for Stage 3, do not follow the stepped approach referred to above, nor

does it fully consider all aspects of housing need. As such it does not satisfy the requirement of the NPPF.

11. The Stage 2 GBSLEP Study is therefore not an assessment of housing need and is not a robust evidence base upon which to base a Development Plan. The authority does not have a clear understanding of its housing needs as is required by paragraph 159 of the NPPF.