



BIRMINGHAM PLAN 2031

Statement by West Midlands CPRE

Matter A: Housing need and the housing trajectory (BDP policies PG1, TP28 & TP30)

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

1. In responding to the housing questions CPRE West Midlands is concerned that the detailed housing report undertaken by the GBS LEP is not available to assist in preparation of evidence. Figures were published in a presentation but we do not have the background to those.

2. We are particularly concerned that the evidence base does not, therefore, include an assessment of the impact of the recently updated 2012 population projections and the impact they might have on household growth, particularly if some or all of the 'unattributable growth' in migration is the result of miscounting in the previous census. As well as potentially reducing the population in Birmingham, a reduction in the projected population in the Black Country may allow more housing need to be accommodated in that part of the conurbation.

Questions:

1) 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?

2) If not, what alternative objective assessment of housing needs should the Plan be based upon?

3. The plan's figure of 80,000 is no more than a projection over 20 years with a great deal of accompanying uncertainty. Birmingham's 2013 Strategic Housing Market Assessment (SHMA - H2) acknowledges the inherent uncertainty of forward projections in relation to birth and death rates, levels of migration and household formation (SHMA para 11.8).

4. As the ONS states: 'Projections are uncertain and become increasingly so the further they are carried forward in time, particularly for smaller geographical areas.' (SHMA para 11.8)

5. We are particularly concerned that the assumptions about migration and household formation are subject to considerable and immediate uncertainty.

Migration

6. The Migration figures used in the Plan come from the 2008 and 2010 CLG projections and a trend based approach. However, these have to be considered in the light of the ONS mid-2012-based population projections which suggest some unattributable growth may result from miscalculations. Table 6.4 of the Barton Wilmore report shows the key nature of this in determining migration patterns over the last ten years.

7. The SHMA also considers the impact of Government Policy to reduce international migration and suggests this could by itself reduce the overall housing need by 8,000 in the plan (SHMA Para 11.36).

8. While the current migration levels have not shown a reduction there is no reason to believe that some new international migrants, particularly from the EU, will not return to their country of origin as the economic situation changes or that the pattern of migration to other parts of the UK will be reversed.

Household Formation

9. The second area of significant uncertainty is household formation. The 2011 census showed an increase in the population of Birmingham since 2001 by 30,000 but reduced household formation by 6,000, a significant variance even during a recession. Average household sizes have simply not fallen as steeply as predicted. The trend has not only tailed off but in some areas household size appears to have slightly increased. The SHMA puts this down almost entirely to economic factors and asserts that as the recovery takes hold household formation will return to previous levels. (SHMA Para 11.37, 11.38)

10. We do not consider high levels of household formation inherently good nor that a lower rate of household formation necessarily means people will live in undesirable conditions. Household sharing is complex, with some voluntary and some involuntary. There are good reasons why it may not continue to follow traditional trends.

11. The creation of one-parent families seems to be levelling out, for example, and the lifestyle of some in-coming migrants may be conducive to household formation, especially where people are working in the UK for short periods. Young adults may stay longer in the family home, especially if lending behaviour means levels of inaffordability continue long after we are out of recession.

12. In our view the council should consider the possibility of a lower level of household formation continuing, taking account of the NPPG's advice that objectively assessed need is based on realistic assumptions i.e.: 'Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.' (The Approach to Assessing Need - Para 003)

13. The OAN should take account of lower migration levels (reducing reliance on the unattributable growth between 2001 and 2011) as well as lower levels of household formation.

Economic Impacts

14. Household projections also have to take account of economic factors but these should be realistic. The Further Interim Conclusions on the South Worcestershire Plan (Para 12) concluded that the LPAs should not rely on the Strategies for Growth from the LEP in their plans as its figures were aspirational.

15. Moreover both in South Worcestershire and Bromsgrove Interim conclusions have required housing numbers to be reviewed to include potentially higher levels of job growth.

16. Not everyone can increase their housing numbers above population levels, so the provision of higher housing levels in those authorities to accommodate economic growth should logically meet some of the need identified across the sub-region, including for Birmingham, reducing Birmingham's OAN.

17. The 2014 report by Birmingham on Duty to Co-operate implies so in relation to South Worcestershire (DC2 - Page 26).

Conclusion

18. The Objectively Assessed Need should be developed with demographic population projections as a starting point, should be realistic and take account of migration and economic growth. In our view the figure could be significantly reduced although we have not done the analysis to identify a specific figure.

3) Does the Plan meet the full needs for market and affordable housing, as far as is consistent with the policies set out in the National Planning Policy Framework?

19. As well as arguing that for a lower level of housing provision based on a more realistic assessment of need we also question the Plan's assumption that the brownfield land capacity of 43,000 homes represents the overall total available over 20 years.

20. Our report 'Building in a Small Island'¹ showed that the quantum of brownfield sites in England increased between 2001 and 2009 from 28,060 hectares to 31,160 despite the development of 23,368 hectares with 26,468 hectares being added in that same time period. In the West Midlands there was a slight decrease. 2,120 hectares was available in 2009 as opposed to 2,610 in 2001 but 2,273 hectares had been used giving a replenishment rate of 1,783 hectares.

21. We are particularly concerned about the approach to windfalls in the 2012 Strategic Housing Land Availability Assessment (SHLAA - H11) which underpins the plan. Its assumed level of windfalls seems remarkably low for an urban area of some 22,000 hectares subject to rapid on-going economic change.

22. 67% all completions during the period covered by the UDP (1991 to 2011) were on windfall sites according to the SHLAA. Between 2001 and 2012, 16,716 dwellings classed as windfalls received planning permission, although the number dipped significantly during the recession. The latest SHLAA makes the assumption that this dip will continue and windfalls not return to the higher level. (Para 4.80)

23. It cites the change in planning policy in 2010 which removed domestic gardens from the definition of previously-developed land. However it is not clear how many pre-2010 windfalls were on such sites and the 2010 change of policy does not actually stop intensification taking place. So while consistent with Para 48 of the NPPF, this assumption is hard to justify logically.

24. At the same time the SHLAA acknowledges that its figures for sites under 0.6 is conservative (Para 4.86).

25. The SHLAA goes on to explain that the rate at which larger new windfall sites are coming forward has slowed in recent years, due, in the main, to the difficult economic conditions. But it then assumes this lower level will continue, quoting in particular the preponderance of city centre apartments in the windfall figures.

26. The SHLAA assumes a surplus of sites in this sector which will suppress future windfalls. However, this seems counter intuitive. If the recession has been hardest on the apartment market one would expect the recovery to revitalise that market. And if Birmingham City Centre is the engine of the region's economic growth one would expect such developments to return along with mixed use schemes with a housing element.

27. There was, it appears, an abnormally high level of windfalls just before the recession, but it is perverse on that basis to assume that the lower recession rates will continue, not allowing for a return to more traditional levels from before the pre-recession bubble.

28. It is also internally inconsistent with the approach to economic and housing development in the plan where Birmingham is assumed to be a successful centre, spurred on by HS2. This would surely stimulate an increase in windfall applications.

29. West Midlands CPRE suggested in its original representations on the Plan that a higher rate of about 1,000 dwellings per annum would be consistent with the requirement of Para 48 of the NPPF, still well below the average of 1,500. This would increase the overall windfall figure to 20,000 homes.

Housing on Industrial Land and Retail Land

30. One specific area where there may be additional windfall land is industrial land which cannot be brought back into use. We support the criteria in the plan for industrial land to be released for housing. However, the 2012 Employment Land Review (EMP2) identifies 105 ha of industrial land which is not readily available within the city (excluding Regional Investment Sites). If, theoretically, all that land was developed for housing, it could equate to 4,200 new homes.

31. That is not realistic as it includes the Washwood Heath sites (55 ha) which is currently sought by HS2 Ltd as a train maintenance depot and should be the main 'Best Quality' employment location in the Plan (see Matter B response). Some unused industrial land would be reclaimed for economic use, be unsuitable or

better converted to open space or environmental schemes. Even so we are not convinced the opportunity for housing projects has been maximised.

32. Furthermore as a renewable resource we would expect changes in the economy to release further sites over the next twenty years.

33. Another potential area for brownfield capacity is opening up in relation to retail development. Trends in retail expenditure would suggest the model of large superstores and bigger units may change with new proposals and redevelopments being in some cases smaller and involving more mixed use. We will have to see how this develops but it is clearly an area where there is potential for more housing capacity as reduction in floorspace release sites for housing over the Plan period.

34. Maximising Urban Capacity would also be helped if TP29 was strengthened to emphasis making on the most efficient use of land for all developments, as we have suggested, giving more guidance on density to ensure development does not gravitate towards the lower limits when it could sensibly be higher.

35. In summary, there is likely to be (1) a lower level of Objectively Assessed Need than that claimed by the City Council on the basis of the SHMA, and (2) greater capacity in the urban area than the Council claims on the basis of the SHLAA. Thus the real needs of the city may be able to be met without any need to release green belt land, after taking into account the scope for accommodating some of the city's needs in the Black Country.

Green Belt Development within Birmingham

36. Our colleagues in Warwickshire CPRE will set out CPRE's objections to Policy GA6, Langley Sustainable Urban Extension, under Matter E.

37. More broadly CPRE wishes to see loss of green belt only in very special circumstances and any release of green belt sites for housing only in later periods of the plan. We believe for the reasons set out in previous sections of this statement that releasing green belt land may not be needed at all.

38. One way to manage the inherent uncertainty is the approach set out in Warwickshire CPRE's response, that is to say a review before 2020, taking account of the outputs of the GBS LEP work, as well as further evidence on need and additional economic based housing elsewhere. That would be consistent with the NPPF's requirement that Green Belt should not need to be altered at the end of the Plan Period (Para 85) but would need to take place as part of a plan review (Para 83).

39. However, if that approach is not accepted, and it is deemed necessary in relation to OAN to make some provision within Birmingham's current Green Belt we believe that land should be held back so that brown field development can be prioritised, perhaps as Safeguarded Land (NPPF Para 85).

40. Given the constraints on neighbouring authorities we do not support the allocation of land in other local authorities to meet claimed needs of Birmingham which may not materialise for a decade or more, if ever.

41. As we set out in our original representation, any release of greenfield land, should be subject to a strong Area Action Plan, as is the case at Longbridge.

Conclusion

42. CPRE believes that there is substantial potential for increased brownfield housing development, including on obsolete industrial land and other windfall sites. We do not believe greenfield releases will necessarily be required at all, in Birmingham or elsewhere, and they should therefore be held back subject to review.

4) 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 authorities' areas?

Brown Field Options outside Birmingham

43. The NPPF requires local authorities to provide housing for objective need and to allow for rapidly changing circumstances. Before claiming 'very special circumstances' to release Green Belt Birmingham should explore urban brown field options outside its boundaries. There is, in our view, significant scope for increasing housing in the Black Country. Journey times to Birmingham City Centre from centres such as Walsall and Wolverhampton are comparable with journey times from Sutton Coldfield and other Green Belt sites on the edge of Birmingham, and those sites would in market terms be in competition with the Black Country.

44. The Duty to Cooperate 2012 report suggests that the Black Country could provide 3,100 dwellings to meet Birmingham's housing need (Page 22). This seems low given the revised population projections and other trends. We believe it should be increased. The policy aim should be to require the City Council and the Black Country authorities to co-operate to ensure that housing in the Black Country centres is prioritised over sites in Birmingham's Green Belt.

Other Options

45. There may also, as set out above, be increased housing in areas where economic factors are increasing house numbers beyond population projections. Should that be the case, for example, in South Worcestershire and Bromsgrove, the additional housing should be included in meeting any overall shortfall.

46. A number of Local Plans around Birmingham have policy wording which allows for a review of housing numbers, and even of Green Belt boundaries, subject to the debate about Birmingham's needs. There is also agreement among the GBS LEP authorities to take account of the findings of the GBS LEP study. We are concerned, however, that the GBS LEP study is not a formal SHMA, that for planning purposes it seems to go beyond the role of LEPs set out in the NPPF. Moreover there is no certainty that local authorities outside Birmingham will want to accept housing from Birmingham and there does not seem to be a mechanism for rigorous testing of its conclusions beyond individual local authority plan examinations.

47. With the exception of the Black Country any development beyond Birmingham's boundaries, for example in Bromsgrove or Lichfield, is likely to involve the loss of open countryside, often - and in cases such as Bromsgrove inevitably - in the Green Belt.

48. Any assumption that housing numbers for Birmingham should be transferred to the Green Belt in other authorities is, in our view, premature and would conflict with the DCLG policy statement of 1 July 2013 on Green Belt and housing numbers:

'The Secretary of State wishes to make clear that, in considering planning applications, although each case will depend on its facts, he considers that the single issue of unmet demand, whether for traveller sites or for conventional housing, is unlikely to outweigh harm to the green belt and other harm to constitute the 'very special circumstances' justifying inappropriate development in the green belt.'

Conclusions

49. The plan should maximise opportunities for brownfield development within the urban area, and should state that the Black Country will be the preferred location for meeting any of the needs of Birmingham which cannot be accommodated in the City Council area.

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

50. We have not specifically commented on the trajectory set out in TP28. However, it would be a logical consequence of the changes we are suggesting that the trajectory would have to be revisited.

51. We note the higher level of delivery in the later periods which would allow for some safeguarding approach if Green Belt land were required. The 2016-20 level of housing provision may be consistent with the likely rate of construction following the recent recession. But the post-2020 trajectory needs to be reviewed in the light of actual population growth, particularly migration.

6) If not, what alternative trajectory should be pursued?

54. We do not suggest any specific alternative trajectory.

Footnote 1. <http://www.cpre.org.uk/resources/housing-and-planning/planning/item/2605-building-in-a-small-island?>