



Walsall Council

Birmingham Plan 2013

Examination Hearing

Hearing Statement and Appendix

On Behalf of

**ASSOCIATION OF BLACK COUNTRY AUTHORITIES
(ABCA)**

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?

**Prepared by: Neville Ball BA (Hons) MRTPI A Minst LM
Principal Regeneration Officer**

**Planning and Building Control, Regeneration Directorate, Walsall Metropolitan
Borough Council, Civic Centre, Darwall Street, Walsall, WS1 1DG.**

Tel: 01922 658020 Email: PlanningPolicy@walsall.gov.uk

Blank page – for double-sided printing

1. Introduction

- 1.1 ABCA is the umbrella term for the four Black Country local authorities, Dudley, Sandwell, Walsall and Wolverhampton. As explained in our pre-submission representation, officers from the four authorities meet regularly with officers from Birmingham City Council to address strategic cross-boundary issues on a continuing basis through the metropolitan officers' Duty to Co-operate Group. We are also continuing to work jointly on the Strategic Housing Needs Study with the Greater Birmingham and Solihull Local Enterprise Partnership.
- 1.2 This written statement deals with Matter A Questions 1 – 8, on the approach towards housing need in Policies PG1, TP28 & TP30.

2. Policies PG1, TP28 & TP30 - ABCA Representations, City Council's Response and Proposed Modifications

- 2.1 ABCA's original representation expressed support for Policy PG1 in principle. While we did not wish to comment on the evidence underpinning the headline housing growth figures at the time of submission (February 2014). However, we did make the point that no "baseline" date is specified in the policy for the delivery of the proposed 51,000 net new dwellings by 2031.
- 2.2 We also made the following comments on the Housing Targets Technical Paper (H1) and the Strategic Housing Market Assessment (SHMA) 2013 (H2):
- (a) Housing Targets Technical Paper (H1) – we queried the reference to new household projections predicting higher growth in paragraph 2.5, given that the 2008-based projections indicate lower growth than the previous 2006-based projections;
 - (b) Housing Targets Technical Paper (H1) – we queried the reference to "four alternative projection scenarios" in SHMA in paragraph 3.5, given that these scenarios are not clearly set out in the SHMA itself; and
 - (c) Strategic Housing Market Assessment (SHMA) 2013 (H2) – we queried whether the City has sufficient capacity to meet its requirements in the first half of the plan period without the need to release Green Belt land in Birmingham or elsewhere, given that there appears to be sufficient land in the City to accommodate 44,000 homes according to paragraph 12.7.

- 2.3 We also reserved the right to comment further on housing need, in the light of ongoing joint working on strategic housing need, given that the City Council is looking at “options outside the City’s boundaries” (Paragraph 4.1) – including the Black Country - to accommodate a significant proportion of its projected future housing requirements.
- 2.4 In particular, we sought confirmation that the City Council had fully assessed the contribution of Green Belt land and surplus employment land and open space in Birmingham to provide for housing needs, and we suggested that it would be useful to aid future joint working for the plan to include a summary of the evidence gathered from these sources. We also expressed the view that the plan should acknowledge that any housing growth outside the City to meet Birmingham’s housing needs will also generate a need for a proportionate amount of employment development.
- 2.5 We also felt that the affordable housing Policy TP30 requires further clarification to explain what the 35% contribution means. The Proposed Modification to Policy TP30 (MOD100), to clarify the meaning of the 35% requirement, is therefore welcomed.
- 2.6 However, we are not satisfied with the City Council’s response to our representation on Policy PG1. While they state that they have taken into account the potential contribution of open space and employment land through the SHLAA and Employment Land Review processes, they have not proposed any modifications to this policy other than minor editing of Paragraphs 4.4 and 4.7 to update the references to the ONS household projections (MOD15 and MOD16).
- 2.7 ABCA remains of the view that there is insufficient evidence set out in Policy PG1 and the reasoned justification to the policy on the extent to which Birmingham can meet its projected housing needs within its own boundaries. In our view, if the City Council is expecting neighbouring areas to meet a proportion of its long-term requirements, evidence of the extent of the shortfall must be clearly set out in the plan.
- 2.8 There also appears to be insufficient justification for releasing Green Belt land in the earlier part of the plan period, as this is likely to lead to developers “cherry picking” sites and may deter investment on brownfield land and hinder urban regeneration. Assuming we have correctly interpreted the evidence in the SHMA (see 2.2. (c) above), we would recommend a modification to Policy TP28 to phase the release of Green Belt land, to ensure that an appropriate balance between brownfield and greenfield development is maintained.

3. Matter A (Housing Need) - ABCA Response to Questions

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

Questions 1) – 4):

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) 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*?

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?

3.1 It has been a long-accepted fact that Birmingham's housing market area extends beyond the city's boundaries. This is demonstrated by commuting patterns, with large numbers of workers travelling into the City from the Black Country, Solihull and the surrounding shire county areas.

3.2 Any objective assessment of housing needs should therefore examine the needs not just of Birmingham itself, but also the adjoining authorities. For this reason, the Black Country Authorities have agreed to participate in the Strategic Housing Needs Study. It should, however, be noted that this study only commenced after publication of the Pre-Submission Plan. At the time of writing, the Black Country Authorities had not agreed Stages 1 or 2 of the study (defining the HMA and identifying the scale of any shortfall or surplus), and had not agreed to take part in Stage 3 (identifying broad spatial options for addressing any shortfall of suitable land for housing).

3.3 The emerging work indicates significant variation between estimates of possible need over the 20 years of the Plan, and highlights the sensitivity of the projections to certain factors, in particular household reference rates and unattributable population change associated with immigration from new members of the EU. Although household reference rates are derived from trends over several decades, the impact of the recession has had a considerable impact on the ability of households to form, and it remains unclear whether this will have a long term effect on household projections.

- 3.4 The two graphs in the Appendix below (Figures A and B) illustrate that house prices rose considerably in relation to earnings over several years prior to the “credit crunch” of 2008. The “credit crunch” resulted in a slight correction, but since 2009 median prices have remained well in excess of many people’s ability to pay (Figure A). This is a national trend, so cannot be attributed to a market signal related to the housing land supply in the Birmingham area.
- 3.5 Nevertheless, we accept that even the lowest figures exceed what could be accommodated within the existing urban area of Birmingham. This is not a new situation. The adopted Black Country Core Strategy (BCCS) proposes dwellings numbers in excess of those needed to meet the needs of the Black Country over the period 2006-2026. However, the BCCS does not seek explicitly to accommodate Birmingham’s growth. Instead it reflects the former West Midlands Regional Spatial; Strategy which proposed a fundamental change in direction towards urban regeneration
- 3.6 It is not yet certain what the Black Country’s own housing needs will be for the period beyond 2026, or what capacity the Black Country will have to accommodate either these needs or needs that might arise from elsewhere in the housing market area, including Birmingham. The Black Country is therefore unable to confirm at this stage how much of its supply, if any, it could offer to meet needs arising from but that cannot be accommodated in Birmingham.

Questions 5) and 6):

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

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

- 3.7 We agree that the back-loaded trajectory proposed by the City Council, with the rate of housebuilding increasing towards the end of the plan period, provides a reasonable assessment of the likely ability of the industry to deliver. However, we believe that a correction to the house price/ earnings ratio, and additional support for affordable housing, will be needed to achieve the increased building rate, in addition to an improved economic climate and delivery of the urban extension.

Questions 7) and 8):

7) Does policy TP30 set out a sound approach to the provision of affordable housing?

8) Is policy TP30 justified in seeking affordable housing provision in specialist housing and extracare housing schemes?

3.7 Modification MOD100 proposes an amendment to the wording of this policy for clarification, which we welcome in principle. We would also support the inclusion of specialist and “extra care” housing in the requirement for affordable housing. The demand for such housing will increase with an ageing population. Provision of such housing also helps to free up other housing for general needs, allows a more efficient use of the housing stock and enables those in need of care to live in homes that are more suited to their needs.

4. Changes Sought to Policies PG1 and TP28

4.1 For the reasons explained at 2.2 – 2.4 and 2.6 – 2.7 above, we consider that **Policy PG1** and/ or the reasoned justification should be modified as follows:

- (a) It should provide a summary of current evidence on the extent to which Birmingham’s long-term projected housing needs can be met from within its own boundary – this should cover the technical work undertaken by the City Council to date on Green Belt options and surplus employment land and open space, and should include a clear explanation of the approaches taken, the sites assessed, the assumptions made and the conclusions reached;
- (b) It should acknowledge that the City Council will continue to work with neighbouring authorities under the “duty to co-operate,” to quantify the extent to which Birmingham will need to rely on areas outside the City to meet its long-term projected housing needs, and will seek to reach consensus with neighbouring authorities on the amounts of housing required in each area, the most suitable locations for development, and the approach and timescale for delivery; and
- (c) It should acknowledge that any housing development required outside the City to meet Birmingham’s housing needs – where a need for such development is identified in the evidence outlined at (a) above - will also generate a need for a proportionate amount of employment development, and where possible, this should be quantified in terms of the number of hectares of land expected to be needed.

4.2 For the reasons explained at 2.2 and 2.8 above, we consider that **Policy TP28** and/ or the reasoned justification should be modified to set out the phasing for release of Green Belt land, if the evidence confirms that there is

sufficient brownfield land to meet the City's housing requirements in the earlier stages of the plan.

- 4.3 Walsall Council has responded to this matter in a Hearing Statement format as we are willing to appear at the hearing should this is be useful to the parties involved. It may be considered however, that this written statement is sufficient and our attendance on this matter is not necessary.

Appendix:

House Prices and Earnings in the West Midlands Metropolitan Area – Recent Trends

Figure A

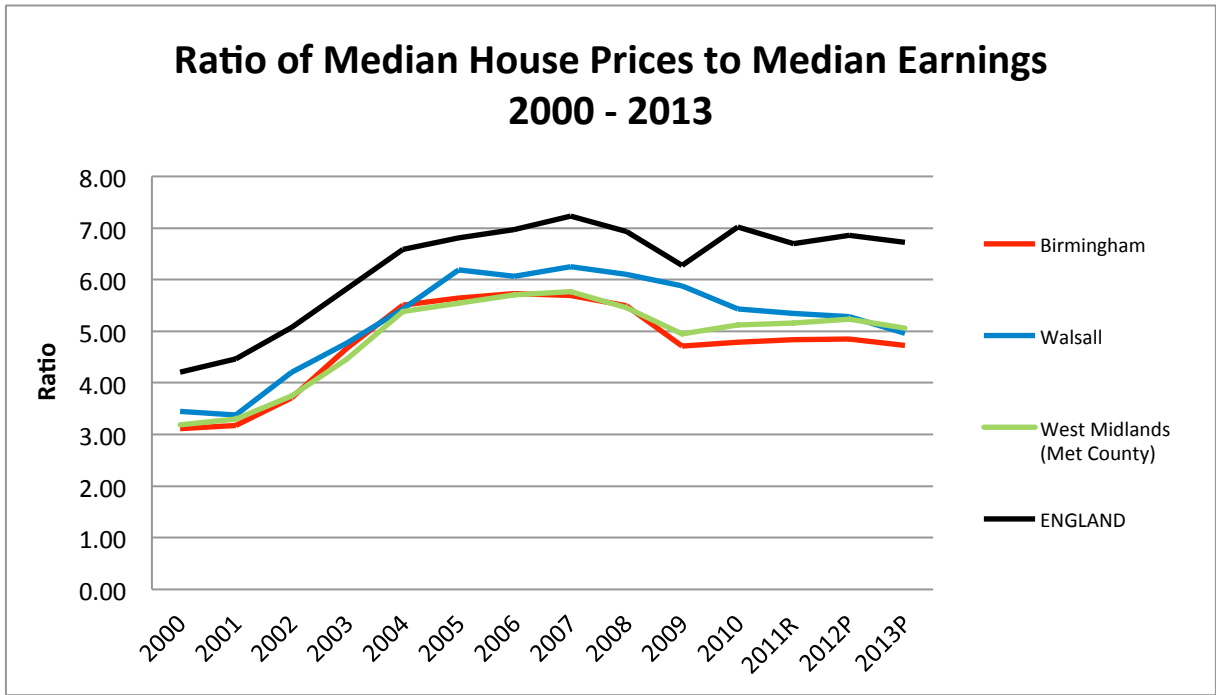


Figure B

