

## BIRMINGHAM DEVELOPMENT PLAN EXAMINATION

### Examination Statement Matter H: Does the Plan make adequate and appropriate provision to meet the identified housing needs, including the needs of gypsies and travellers

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#### Question 1: As required by NPPF paragraph 47, have the Council identified:

- (a) a five-year supply of specific deliverable housing sites; and
- (b) a supply of specific, developable sites or broad locations for growth for years 6-10 and, where possible, for years 11-15?

#### Response

1. The Council has set out<sup>1</sup> that it has a five year supply of housing land based upon the current Local Plan phased targets (5.7 years) and one that annualises the overall housing need figure identified as 51,000 dwellings (5.2 years), however, the Council has included sources of supply within its overall housing supply evidence that are not considered realistic, and their influence on the five year housing land supply position is unclear also. The sources of supply that are not considered robust and are set out in more detail in the response to Questions 2 and 5 below. Both issues are equally relevant where relied upon for the five year land supply position and in light of the position reached in respect of both questions, it cannot be observed as to whether the Council can deliver a five year supply of deliverable housing sites.

#### Question 2: Is there reasonable certainty that a five-year supply of specific deliverable sites can be maintained throughout the Plan period?

#### Response

2. There is no confidence that the Council can maintain a five-year supply of housing through the Plan period as its assumptions are overly ambitious and inflexible. RPS has been actively involved with the Council's Strategic Housing Land Availability Assessment Developer Panel since 2011 and has provided evidence through this in respect of housing delivery assumptions. As a result, the housing supply is inflexible and overly ambitious and will not deliver a continuous housing supply.
3. A particular issue that will reduce the effectiveness of the Plan's housing supply is the manner in which the Council is accounting for student accommodation in its supply as RPS indicated previously to the City Council through its Strategic Housing Land Availability (SHLAA) Developer Panel.

#### *Student Accommodation Assumptions*

4. DCLG has confirmed<sup>2</sup> that all student accommodation can be included towards the housing provision of Local Development Plans and this is accepted. However, the use of student accommodation to off-set housing need of the general population has to be used with extreme caution and based upon evidence of need. This issue has not been undertaken appropriately by the City Council and

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<sup>1</sup> H10: 2014 Five Year Housing Land Supply Document

<sup>2</sup> DCLG, Definition of general housing terms, 14 November 2012

is therefore not justified or effective. It is therefore unsound and will as a result considerably affect the housing supply position through the Plan period.

5. Within its evidence<sup>3</sup> the Council has identified a significant supply of 1,568 dwellings for student accommodation and is counting this as contributing to its forward supply of housing. However, while the Government has indicated that student accommodation can contribute to supply, local authorities should not automatically count the supply of student accommodation without understanding how it contributes to the need for housing in the first instance. For example, if student accommodation is counted against the need / requirement for housing, then it must be evidenced that the need for housing has considered the need for student accommodation in the first instance, otherwise counting student accommodation against general housing need has the potential to use supply from one sector of the housing market to off-set the need generated by the wider housing market. This situation can be particularly acute in areas with high levels of student accommodation such as Birmingham City and needs a degree of caution before being applied.
6. If the need for student accommodation over the Plan period forms part of the calculations to derive overall housing need, and the requirements of the Plan, then counting and monitoring student accommodation against this need will ensure that the supply of it matches the need. It will also ensure that the supply in student accommodation is also not encroaching on the need to supply non-student housing. If the authority does not have a full and detailed understanding of the need for student accommodation in the first instance as part of its calculation of overall need, then counting the provision of student accommodation supply against general housing need has the potential to result in student accommodation supply off-setting the identified need for general (non-student) housing.
7. This situation is also exacerbated if the authority does not understand the manner in which student accommodation functions. Student accommodation is not a component of the housing market that grows annually as a result of population, migration and economic growth as per other sectors of the housing market. Student accommodation is more transient by nature in that it provides accommodation for students for a relatively short period of time within specific university areas where the intake of new students being typically accommodated by the exit of last year students. Therefore any growth in the student housing market has to be undertaken as a separate exercise to general housing need which evaluates the proportional growth in student numbers outside of general indigenous population growth that is derived from the expansion activities of local universities and colleges. From this an estimation of the need for student accommodation can be established aside from the needs of a growing natural indigenous population and an estimation made of the need for additional students accommodation that cannot already be accommodated within the existing turnaround of student accommodation.
8. Counting the supply of student accommodation in the absence of this evidence is therefore unjustified and unsound.
9. Evidence that this process and requirement in Plan making is provided by the Inspector's Report for the Bath and North East Somerset Local Plan (24 June

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<sup>3</sup> Paragraph 6.11 (EXAM 6) 2014 Strategic Housing Land Availability Assessment (SHLAA).

2014) that sought to count student accommodation in supply without first considering need. The Inspector clarified that:

***“In my view, counting dedicated student cluster flats as part of the housing supply is only justified in the context of this Core Strategy if appropriate consideration has also been given to the assessment of the need for student accommodation over the plan period. Otherwise, any increase in purpose-built accommodation would count as contributing to housing supply whilst not meeting the needs for which the housing requirement was identified”.*** Paragraph 2.8

10. Therefore to justify counting student accommodation against housing need as part of the Plan making process, a full assessment of student housing need is required over the plan period.
11. In turning to the Council's evidence at paragraph 6.9 of its 2014 SHLAA (EXAM 6) the Council sets out that while student accommodation is included within DCLG's household projections as single person households, the Council's SHMA (H2) states further at paragraph 7.3 that student accommodation is ***“a special case”*** and that ***“it is important to note that for the calculation of the housing needs assessment model student households are excluded [RPS emphasis]”***.
12. The Council has therefore acknowledged that the need for student accommodation is a ***“special case”*** and that when estimating the growth of the population and general housing needs (upon which to base its Plan housing requirement) it is appropriate not to include the need for student accommodation within it. To do so would be calculating student accommodation growth as a natural component of population growth, rather than treating it as it should be, associated with institutional growth linked to economic expansion plans or reductions of educational providers.
13. It therefore appears that within the evidence presented by the Council, its housing need assessment model has rightly excluded the student need component of housing growth to determine the overall non-student housing need. However, it is then seeking to count the supply of 1,568 student dwellings against non-student housing need. To do this is incorrect and will replace the supply of general non-student housing within the City for which there is an excessive level of need. The Council's approach is also contrary to the position stated by the Inspector of the Bath and North East Somerset Local Plan Examination and ***“count as contributing to housing supply whilst not meeting the needs for which the housing requirement was identified”***, i.e. non-student accommodation.
14. In order to count housing supply from student accommodation, the authority therefore needs a clear understanding of not only the level of student households in the City, but also the manner in which that existing student population will grow or decline over the Plan period. The Council identifies in paragraph 7.3 of the 2012 SHMA that 8,239 student households exist in Birmingham. However, against this it provides no evidence on how that student sector exists, expands or contracts with each year's university intake, or how the universities and colleges in the City expect that position to change particularly in light of national policy of student educational fees etc. The Council instead takes a crude approach and sets out the existing student population is estimated at 8,239 without reference to

how this will change over the Plan period, and then in the SHLAA sets out that there is an additional 1,568 student cluster / studio apartments contribute to supply in the SHLAA (paragraph 6.11 of the 2014 SHLAA refers).

15. These two factors do not and cannot correlate.

*Recommended Solution to be sound*

16. The Council has excluded student need from its housing need assessment model, but has identified that there is an upcoming supply of 1,568 student dwellings. It also states (paragraph 6.12 of the 2014 SHLAA) that this is a conservative approach and significantly undercounts the number of students being accommodated as this is just related to cluster accommodation. The SHLAA identifies (paragraph 6.8 refers) that if all existing planning permissions (cluster accommodation and halls of residents) are counted it has circa 4,100 bed spaces. Therefore there is the potential that student accommodation of up to 4,100 spaces could be counted against housing supply for non-student housing need.

17. The solution is therefore presented in the Bath and North East Somerset Plan examination in that the Council cannot count student accommodation supply in the absence of an understanding of the housing needs of students. The Council cannot therefore count 1,568 dwellings within its forward supply as this is not a supply associated with the housing needs assessment model of the City.

**Question 3: Is policy TP27 justified in requiring infrastructure to be put in place before new housing is provided?**

18. **Response:** The Council is entirely within its rights to structure a policy that sets out that infrastructure should be in place before new housing is provided. The policy is entitled 'The Location of New Housing' and its intention is that development is located where infrastructure is in place or can be provided in advance of development.

19. In support of this policy, the Council has expressed an intention to ensure that infrastructure is in place to support the growth of the City through one of its Strategic Objectives in paragraph 3.5(11) of the Plan. Policy TP27 is therefore justified in principle against the Strategic Objectives of the Plan of seeking infrastructure provision in advance of housing being delivered.

20. However, the pertinent point to understanding Policy TP27 is how the remaining policies in the Plan are consistent with Policy TP27 and the Strategic Objective referred to above. Given this is a policy of principle for the identification and location of housing, it is necessary for the remaining policies that identify land and locations for housing to be consistent with it, not the reverse. In this context, if other policies in the Plan are not conducive to providing infrastructure in advance of the housing development, then it is not Policy TP27 that is unsound, but the policies that identify the locations for housing.

21. In examining the Plan it is observed that this inconsistency exists between Policy TP27 and other policies in the Plan, principally those that allocate strategic sites such as the Langely Sustainable Urban Extension (SUE). The delivery of a SUE and other allocations within the City is a considerable challenge, particularly in

light of ensuring that infrastructure is in place in advance of the housing delivery. It is also pertinent that this component of the Plan is the authority's responsibility as part of the Plan making process and not that of the developer. It is therefore the authority's responsibility to ensure that the Plan is deliverable in the context of all its policies and its infrastructure, in particular Policy TP27 and its Infrastructure Development Plan (IDP).

22. Therefore while, Policy TP27 is justified in principle, the subsequent proposals of other policies in the Plan are unsound and undermine the principle of Policy TP27 in that they do not demonstrate how infrastructure will be delivered in advance. This is particularly the case in respect of the Langley Urban Extension Policy at GA5 that requires significant infrastructure requirements to be in place in advance of the housing being delivered. Page 61 of the 2014 Infrastructure Delivery Plan (IDP) refers to the infrastructure requirements, including mitigation to the Motorway and Strategic Road Network. According to Policy TP27, this would need to be undertaken in advance of housing being delivered at Langley SUE, thus it is not clear how this site can contribute to the supply of housing in a timely manner.

#### *Community Infrastructure Levy Implications*

23. The authority has set out that it is proposing to prepare a Community Infrastructure Levy (CIL). This will be necessary in order to fund significant infrastructure provision in the City beyond the S106 deadline of 2015 for combining infrastructure contributions. In this context, the authority must acknowledge that the funding of infrastructure through CIL and S106 processes are entirely different mechanisms. The CIL process is one that detaches liability from a development for Regulation 123 (Community Infrastructure Levy Regulations) infrastructure, whereas S106 retains the liability. Therefore, for Regulation 123 Infrastructure (Appendix 7 of the Council's Preliminary CIL Charging Schedule refers) to be in place in advance of housing being delivered, the liability does not rest with the developer. The liability rests with the authority and the infrastructure provider to ensure that it is in place.
24. In accordance with Policy TP27, this would need to be in place and funded in advance of housing being delivered. At present, it is not clear from the Council's proposals for infrastructure funding through CIL how this will be achieved, particularly for the larger allocations and SUE. Again, this is not deliverability issue in respect of Policy TP27, but of the Council's proposals for the implementation and choice of housing locations against the principles of Policy TP27.
25. It is entirely feasible for infrastructure funding to be in place in advance of development with CIL and local growth funding, however, the mechanisms for this are not apparent within the Birmingham Plan. As such the deliverability of Policy TP27 is seriously questioned through the other policies in the Plan against the principles and objectives of the Plan.

#### *Recommended Solution to be sound*

26. If the Council is proposing for infrastructure to be in place in advance of delivering housing, in its policy for determining the choice of location of development (TP27), then it must firstly fully justify why this is required and secondly identify and allocate sites that are capable of achieving this policy



intent. Reliance on large strategic sites to come forward with all infrastructure up front is unrealistic and undeliverable. Therefore additional land should be released for the delivery of additional sites that can provide early housing delivery with minimal direct infrastructure liability and contribute to the forward funding of strategic infrastructure through CIL.

**Question 4:**

**(a) Are the provisions of policy TP29 adequate to ensure the provision of a mix of housing to meet the needs of different groups in the community?**

**(b) Is the policy sufficiently flexible to ensure its effectiveness?**

27. **Response:** A response to the density component of Policy TP29 is set out in response to Question 5.

**Question 5: Are the density requirements of Policy TP29 justified?**

28. The Council has set out density assumptions in Policy TP29 that seek densities of up to 100 dph in the City Centre, 50 dph in areas well served by public transport and 40 dph elsewhere. RPS has made the Council aware of the deliverability of these assumptions within the SHLAA Developer Panel Process, however, these high level policy requirements are still being pursued and will not be achieved over the Plan period. It appears that the Council has continued to use now out data Unitary Development Plan (UDP) policies rather than adjust to what are entirely different housing market circumstances and policy environment for density requirements.

29. The 2013 Birmingham Annual Monitoring Report (table 3.18 refers) replicated below illustrates the densities achieved over the previous years.

**Table RPSF1: Replication of 2013 AMR Table 3.18**

Density (Number of Dwellings per ha)	Less than 30		30 to 50		Over 50	
Year	No.	%	No.	%	No.	%
2001 – 2002	670	24%	971	36%	1,109	40%
2002 – 2003	375	14%	1,012	37%	1,355	49%
2003 – 2004	221	7%	953	28%	2,169	65%
2004 – 2005	149	5%	1,045	33%	1,987	62%
2005 – 2006	172	4%	1,075	27%	2,753	69%
2006 – 2007	100	3%	630	20%	2,486	77%
2007 – 2008	142	3%	779	20%	3,163	77%
2008 – 2009	93	3%	580	17%	2,731	80%
2009 – 2010	47	3%	505	27%	1,326	70%
2010 – 2011	56	3%	635	33%	1,239	64%
2011 – 2012	134	9%	5880	37%	844	54%

2012 - 2013	269	16%	609	37%	788	47%
<b>Total</b>	<b>2,428</b>	<b>7%</b>	<b>9,374</b>	<b>28%</b>	<b>21,950</b>	<b>65%</b>

30. The above table illustrates that the authority regularly achieved high densities across the administrative area since 2001. This would have been mostly achieved through the housing market delivering apartment style accommodation and the influences of the previous Planning Policy Statement 3 (PPS3) and minimum density requirements. Aside from the housing market being entirely different to that of the early 2000's with respect to apartment style accommodation, there is a notable influence in the above table of the Ministerial Statement<sup>4</sup> in 2010 in respect of the removal of the minimum density requirements of PPS3. Since 2010 with the emergence from recession and the influence of no minimal density policy, there is a significant shift in the Council's density position.
31. The table above sets out that since 2010 densities of under 30dph have increased from being 3% of all developments to being 16%. There has also been a shift within the 40 to 50 dph range with more developments falling within this bracket. Furthermore, the shift in densities is apparently as a result of far fewer developments achieving over 50 dph. It is noted that the Council's table does not demonstrate the level of developments achieving a minimum of 100dph as set out in the Policy.
32. There is clear evidence therefore that the density position in the City is reducing as a result of market conditions and national policy. Old, out-dated UDP based policies therefore have no basis for inclusion in the draft Plan that are not supported by more up to date evidence.
33. It is further noted that the SHLAA uses the saved UDP density policy (and the emerging Policy TP29). While it is acknowledged that the Council has made some assumptions to sites within the SHLAA to vary densities where appropriate on sites that are not in the planning system, this clearly demonstrates that the UDP policies are no more than an aspiration. Furthermore it does not consider fully the comments of the SHLAA Developer Panel. As such the density standards should not be used as proposed.
34. While there is significant concern over the ability of the City to deliver high residential densities of over 100 dph, there is equal concern that the allocations will deliver densities of 40dph, especially with the green infrastructure requirements. Furthermore in observing the 2012 Strategic Housing Market Assessment (SHMA), this sets out in Figure 14.3 that over 50% of the dwellings required to meet its need are three and four bedroom properties. It is unlikely that these will be achieved at such high densities with other policy requirements for development standards contained within the Plan, particularly at densities of over 100 dph in the City Centre.
35. It is therefore not considered that the density assumptions are justified or robust.

<sup>4</sup> The Minister of State, Department for Communities and Local Government, Greg Clark, Ministerial Statement 9 June 2010



*Recommended Solution to be sound*

36. Density levels for housing supply should be set at appropriate levels and what the authority expects to achieve through its SHLAA and analysis of strategic allocations and not set at an arbitrary high level acknowledging that lower densities will be actually delivered.