

North Warwickshire Borough Council Local Plan Examination
Matter Statement of Birmingham City Council
Matter 3: Housing needs and requirements

This response specifically addresses the following matter questions. Birmingham City Council has no comments on those excluded.

3.1 Is LP strategic objective 2 consistent with policy LP6 and the NPPF 2012 in seeking to provide for the housing needs of the Borough?

1. The North Warwickshire Borough Council (NWBC) revised Local Plan is meeting its own OAN as well as making provision for some of the 37,900 shortfall from the Birmingham Development Plan (BDP). This demonstrates commitment to the Duty to Cooperate as set out in the NPPF.

3.2 In respect of OAHN the LP is based primarily on a Strategic Housing Market Assessment covering CWHMA authorities (the 'SHMA')[CD8/10]. Is the SHMA an appropriate evidence base?

(b) are the findings of the SHMA consistent with those of the GBHMA Strategic Growth Study published in February 2018 ('SGS')[CD8/13A, INSP2]. If not, what are the reasons for any differences?

3. The SHMA and the Greater Birmingham and Black Country (GBBCHMA) Strategic Growth Study (SGS) are not directly comparable documents and cover different geographies. NWBC is party to both studies as it straddles both the GBBCHMA and C&WHMA. For the avoidance of doubt the SHMA identifies the OAN, which is the minimum that NWBC should plan for.

4. The SGS was commissioned by Birmingham City Council on behalf of the fourteen HMA authorities and does not specify an OAN nor does it disaggregate housing figures to district level. Instead, it considers a series of parameters for housing need based on the 2014 demographic projections and then compares this with the latest estimates of land supply. It then proceeds to identify options for dealing with the shortfall.

3.7 The LP housing requirement includes 540 homes redistributed from other authorities within the CWHMA in accordance with a Memorandum of Understanding to that effect (the 'CWHMA MoU') [NWBC4]. The LP also aspires to deliver 3,790 homes redistributed from the GBHMA, 10% of the level of anticipated undershoot over the plan period relative to needs (as established in Birmingham City Council's Local Plan). Is that justified?

(c) Is the level of unmet need predicted to arise in the GBHMA to 2031 evidenced via the SGS consistent with that in the LP and SHMA? If not, why not? What is a robust assessment of likely housing needs arising in the GBHMA that would be unmet by 2031/2033?

5. The position regarding unmet needs is set out clearly in the MOU between NWBC and Birmingham City Council (Appendix D to NWBC4, the Duty to Cooperate Paper). The Birmingham Development Plan was adopted in January 2017 and sets a housing requirement of 51,100 homes (2011-31) against a housing need of 89,000 homes, leading to a shortfall of 37,900 dwellings.

6. The latest evidence provided by the SGS (CD8/23), which as set out in the MOU, indicates a shortfall in supply of 28,150 dwellings to 2031 and a further 32,700 dwellings to 2036 (see CD8/23 Table 2, p16) across the GBBCHMA and not exclusively Birmingham. Not all of the supply evidence, however, has been tested through examination given the different stages of local plan preparation.

3.9 With regard to INSP2, is the LP policy aspiration to deliver 3,790 homes redistributed from the GBHMA robustly evidenced and consistent with the NPPF 2012? If not, how should it be modified?

7. North Warwickshire Borough Council (NWBC) straddles both the Greater Birmingham and Black Country Housing Market Area (GBBCHMA) and the Coventry and Warwickshire Housing Market Area (C&WHMA). There is significant unmet need within the GBBCHMA, primarily but not exclusively from Birmingham. This is confirmed by the adopted Birmingham Development Plan (BDP) as 37,900 dwellings over the period 2011-31. BDP policies PG1 and TP48 state:

8. BDP Policy PG1: Overall levels of growth

Over the Plan period significant levels of housing, employment, office and retail development will be planned for and provided along with supporting infrastructure and environmental enhancements.

- 51,100 additional homes.*
- 2 Regional Investment Sites of 20 and 25 ha and a 71 ha employment site at Peddimore.*
- A minimum 5 year reservoir of 96 ha of land for employment use.*
- About 350,000 sq.m. gross of comparison retail floorspace by 2026.*
- A minimum of 745,000 sq.m. gross of office floorspace in the network of centres primarily focussed on the City Centre.*
- New waste facilities to increase recycling and disposal capacity and minimise the amount of waste sent directly to landfill.*

Birmingham's objectively assessed housing need for the period 2011 to 2031 is 89,000 additional homes, including about 33,800 affordable dwellings. It is not possible to deliver all of this additional housing within the City boundary. The City Council will continue to work actively with neighbouring Councils through the Duty to Co-operate to ensure that appropriate provision is made elsewhere within the Greater Birmingham Housing Market Area to meet the shortfall of 37,900 homes, including about 14,400 affordable dwellings, within the Plan period. Policy TP48 provides further details on this.

9. BDP Policy TP48: Monitoring and promoting the achievement of growth targets

The Council will also play an active role in promoting, and monitor progress in, the provision and delivery of the 37,900 homes required elsewhere in the Greater Birmingham Housing Market Area to meet the shortfall in the city. This will focus on:

- The progress of neighbouring Councils in undertaking Local Plan reviews to deliver housing growth to meet Birmingham's needs.*
- The progress of neighbouring Councils in delivering the housing targets set out in their plans.*
- The extent to which a 5 year housing land supply is maintained in neighbouring areas.*

10. North Warwickshire Borough Council (NWBC) sets out in NWBC6 how it has arrived at making a 10% contribution to meeting the Birmingham shortfall based on an analysis of commuting data. This approach is supported by Birmingham City Council.

11. Whilst the NPPF and NPPG set out procedurally how to meet the Duty to Cooperate requirements, they offer little advice as to what methods to use to in apportioning unmet need. There is no one size fits all approach and neither the NPPF nor NPPG require HMA shortfall to be met in full before individual plans within a HMA with a shortfall are examined.

12. The GBBCHMA contains 14 local authorities and 11 local plans. As these are at different stages of adoption, preparation and review, there is not at present an agreed apportionment of the entire shortfall, hence the pragmatic approach taken by NWBC. The NPPG¹, however, does state that:

Such agreements should be as specific as possible, for example about the quantity, location and timing of unmet housing need that one authority is prepared to accept from another authority to help it deliver its planning strategy.

13. The approach taken is consistent with this requirement in that the former has growth ambitions and latter has need that it cannot accommodate within its administrative boundaries.

Justification for scale of growth

14. NWBC is also part of the CWHMA and Coventry too had identified an unmet need which could not be met within its administrative boundaries. A MoU was agreed between the relevant local authorities which apportioned this pro rata based on migration and commuting flows. Such a neat solution cannot be applied to the GBBCHMA as not all authorities have the ability to physically accommodate additional growth; this is demonstrated by the Strategic Growth Study (SGS).

15. For example, Tamworth has a very strong functional relationship with Birmingham, yet it is not capable of meeting its own needs as it has already had to seek assistance from North Warwickshire and Lichfield and has an outstanding unmet need of 500 homes, which intended to be met by NWBC through this plan review. Cannock Chase, which has Cannock Chase SAC associated constraints has strong functional linkages with the Black Country, has also sought assistance from Lichfield. Redditch too has strong functional relationships with Birmingham yet 3,400 of its OAN is being met by Bromsgrove. As is demonstrated by the SGS, there is limited scope for these authorities to accommodate large scale growth.

¹ Paragraph: 016

16. Furthermore, Birmingham has a particularly strong functional relationship with the Black Country. Whilst the evidence is yet to be formally tested, the Black Country Core Strategy Review issues and Options document (July 2017)², suggests a shortfall in capacity for 22,000 dwellings after taking full account of capacity in unconstrained areas. This suggests that it is unlikely to be able to make a contribution to meeting the BDP shortfall.

17. In meeting 10% of the shortfall the plan is exceeding what would be required if it was strictly controlled to its functional relationship but there are sound reasons for this:

- It is not possible for all local authorities within the GBBCHMA to meet the shortfall based on a direct extrapolation of their current functional (commuting and migration) relationship with Birmingham due to acknowledged constraints. If the shortfall is to be met then some local authorities will have to take a larger proportion of the shortfall than their functional relationship suggests. North Warwickshire is one such authority where capacity exists to do so.
- There are other stress points in the GBBCHMA and evidence of local need, which cannot directly be met in Cannock Chase and Tamworth. Tamworth in particular has a very strong functional relationship with NWBC and Birmingham.

Other evidence

18. **Population** growth in North Warwickshire has been lower than the HMA average leading to an ageing population and a relatively low level of population of working age.

19. **Jobs density** is defined as the number of jobs in an area divided by the resident population aged 16-64 in that area. For example, a job density of 1.0 would mean that there is one job for every resident aged 16-64. As is apparent from Table 1, NWBC has the highest ratio of jobs relative to population of any local authority in the GBBCHMA. This implies higher rates of in commuting to NWDC, a trend which is firmly entrenched. On sustainability and economic growth grounds, therefore, there are firm policy reasons for North Warwickshire to plan for above trend population growth.

² <http://blackcountrycorestrategy.dudley.gov.uk/t1/p3/>

Table 1: Job Density in GBBCHMA 2013 – 2016

Area	2013	2014	2015	2016
Birmingham	0.77	0.78	0.79	0.79
Bromsgrove	0.71	0.69	0.71	0.88
Cannock Chase	0.66	0.65	0.70	0.72
Dudley	0.63	0.64	0.66	0.66
Lichfield	0.82	0.82	0.87	0.91
North Warwickshire	0.99	1.17	1.22	1.27
Redditch	0.75	0.79	0.78	0.76
Sandwell	0.67	0.70	0.72	0.70
Solihull	0.87	0.90	0.96	1.01
South Staffordshire	0.57	0.51	0.59	0.61
Stratford-on-Avon	1.01	1.08	1.09	1.11
Tamworth	0.70	0.69	0.76	0.72
Walsall	0.64	0.65	0.71	0.71
Wolverhampton	0.77	0.70	0.71	0.70

Source: NOMIS

Table 2: North Warwickshire Borough Council: Net migration flows 2012 - 2017

Authority	2012	2013	2014	2015	2016	2017	Average
Birmingham	180	170	220	280	310	370	255
Bromsgrove	0	-10	-10	0	10	10	0
Cannock Chase	10	-10	0	-10	10	0	0
Coventry	10	50	130	60	120	150	87
Dudley	-10	-20	0	0	10	10	-2
Lichfield	-10	-50	-20	-20	-10	-10	-20
Nuneaton & Bedworth	-30	-100	-10	40	20	-20	-17
Redditch	10	10	10	-10	10	0	5
Rugby	10	10	20	-10	20	30	13
Sandwell	10	20	10	0	10	30	13
Solihull	-100	0	170	130	90	180	78
South Staffordshire	0	-20	0	10	10	0	0
Stratford-on-Avon	-10	-10	-20	-10	-10	-10	-12
Tamworth	90	60	60	50	180	330	128
Walsall	20	0	0	0	10	0	5
Warwick	-20	-10	0	10	10	10	0
Wolverhampton	10	0	0	0	10	10	5

Source: ONS

20. **Migration** Table 2 shows net migration flows into NWBC for the period 2012 to 2017 from other local authorities within the GBBCHMA and the C&WHMA. It is clear that the highest flows are from Birmingham and then Tamworth and that these are intensifying. Both authorities are within the GBBCHMA and as set out above have capacity constraints which

mean they cannot meet all of their own needs. There are also lower, but not insignificant flows from Coventry and Solihull.

Delivery

21. Paragraph 154 of the NPPF requires that Local Plans should be *aspirational but realistic* with paragraph 47 requiring that they *boost significantly the supply of housing*. It is in this context that planning judgement is required.

22. In planning for rates of growth that it has not previously achieved NWDC is certainly being aspirational, but this is necessary if the shortfall across the GBBCHMA is to be addressed as this is unprecedented, at least in recent times. In terms of delivery, the SGS notes that this is challenging as it is equivalent to 1.8% growth in stock per annum. It also states that (para 9.67):

Given moderate house prices in the district and the very strong rate of housing delivery proposed, our analysis indicates no effective potential for additional supply to be brought forward for North Warwickshire.

23. This suggests that NWBC has struck the right balance between aspirational and realistic.

Conclusions

24. The BDP identifies a shortfall of 37,900 dwellings over the period 2011 and 2031 and Policy BDP PG1 requires the Council to work with other HMA authorities to accommodate it. Given the size and complexity of the HMA and that plans are at different stages of preparation it has not been possible to fully apportion the entire shortfall and this is not required by the NPPF or NPPG prior to individual plans being submitted.

25. BCC has worked closely with NWBC and fully supports its commitment to meeting 10% of the shortfall (3,790 dwellings). Whilst this may be in excess of what would be required in terms of NWBC's current functional relationship with BCC, this is necessary to meet the shortfall due to constraints in other local authorities in the HMA. Unlike the C&WHMA there is no one size fits all approach.

26. The scale of growth proposed by NWBC is challenging, but is consistent with the NPPF aim to significantly boost the supply of housing. There are also sound economic, social and environmental reasons for NWBC accommodating this level of growth. The SGS reaffirms that this level of growth is challenging and that there is no justification for going beyond it at this stage. It is concluded, therefore, that NWBC has struck the right balance between *aspirational* and *realistic* as required by the NPPF and that no modification is required.

3.10 As set out in NWBC2, the LP plan period is intended to be 2011 to 2033. Examination document CD8/13A sets out annual completions since 2011. The CS target was 175 dwellings annually (excluding 500 from TBC). INSP2 asks that NWBC produce a table setting out annual housing delivery over the last 15 years relative to the development plan target that applied in each. In that context what should the 5YHLS requirement be?

(e) Is there any evidence to indicate that household formation rates may have been constrained by supply across the HMAs previously?

27. The BDP examination found that it would not be appropriate to make adjustments to household formation in drawing conclusions on Birmingham's OAN and there is no evidence to support that the position has changed.