

Examination into the Birmingham Development Plan

Hearing Statement Response to Inspectors matters issues and questions

Matter F: The duty to co-operate in respect of strategic

Redditch Borough Council Hearing Statement

agreed between Redditch Borough Council and Birmingham City Council. It should be noted that there are some things to note from the Redditch inspectors interim conclusions regarding the terminology used (i.e. the words “dealt with”) which would mean that the wording in the Redditch Submission Local Plan below is likely to be subject to amendment.

Borough of Redditch Local Plan No.4 Submission Version 30 th September – 11 th November 2013	Borough of Redditch Proposed Submission Minor Amendments Track Changes (February 2014)
<p>“In addition, Redditch has worked with other Local Authorities, which although are not directly adjacent to Redditch may have strategic matters that have implications for the preparation of the Local Plan. In particular, Redditch Borough Council and Birmingham City Council have jointly acknowledged there is strategic planning matter with regard to Birmingham being unable to accommodate all of its own housing needs. This issue will need to be dealt with during the preparation stage of the next Redditch Local Plan (i.e. the next plan period), or when a review of the development plan may be needed to consider these cross boundary matters. This will be dependent on the outcome of recently commissioned work to understand the issues, and further work on allocations for Birmingham’s growth. The mechanism for dealing with this would be through the Greater Birmingham and Solihull Local Enterprise Partnership (LEP)”.</p>	<p>1.14 In addition, Redditch has worked with other Local Authorities, which although are not directly adjacent to Redditch may have strategic matters that have implications for the preparation of the Local Plan. In particular, Redditch Borough Council and Birmingham City Council have jointly acknowledged there is strategic planning matter with regard to Birmingham being unable to accommodate all of its own housing needs. <u>As required by the Duty to Co-operate, due consideration will be given, including through a review of the BORLP4 where appropriate, to the housing needs of another local planning authority in circumstances when it has been clearly established through collaborative working that those needs must be met through provision in Redditch.</u> This issue will need to be dealt with during the preparation stage of the next Redditch Local Plan (i.e. the next plan period), or when a review of the development plan may be needed to consider these cross boundary matters. This will be dependent on the outcome of recently commissioned work to understand the issues, and further work on allocations for Birmingham’s growth. <u>With regard to Birmingham City Council, the mechanism for dealing with Birmingham’s unmet housing needs this will be through the Greater Birmingham and Solihull Local Enterprise Partnership (LEP).</u></p>

Appendix 1

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1. As advised at the opening hearing sessions on 16 and 17 June 2014, I am writing to set out my Interim Conclusions in respect of matters O1 and O2 – specifically relating to the Duty to Co-operate, the objective assessment of housing needs and the consideration of additional housing needs arising from the West Midlands conurbation. For the avoidance of doubt, this note does not set out a final view on the soundness of the Plans in respect of these (or any other) matters and is issued without prejudice to the contents of my final reports.
 2. Section 20(5)(c) of the 2004 Act requires that I consider whether the Councils have complied with the duty imposed on them by section 33A in relation to the Plans preparation. Each Council comments on this in its Duty to Co-operate Statement¹. These describe the activities that the Council concerned has undertaken with other bodies in order to maximise the effectiveness of Plan preparation. This includes co-operation between Bromsgrove District Council (BDC) and the Borough of Redditch (RBC): this has taken place to a high degree, as is evidenced most notably by the joint working in respect of meeting housing needs from the Borough of Redditch, as well as by the co-ordination in regard of the submission of the two Plans and the holding of joint examination hearings.
 3. Co-operation has also taken place with other local planning authorities in a wide range of matters that are described in more detail in the above-noted background papers. As discussed below, both Councils have participated in joint working in respect of the evidence base for assessing housing needs – both in the context of the Worcestershire Strategic Housing Market Assessment (SHMA)² (involving all Worcestershire authorities) and the updated evidence base (involving the two Councils and Wyre Forest DC). Co-operation has also taken place between both Councils and Stratford-upon-Avon District Council in respect of cross-boundary employment needs and the Redditch Eastern Gateway proposals³.
 4. Both Councils are members of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) and are involved in the ongoing Joint Strategic Housing Needs Study, which will inform the approach of both Councils towards meeting future needs arising from the West Midlands conurbation.

¹ Document refs. CDB2.8 and CDR1.3

² Document ref. CDB7.2a/CDR7.5a. (In some cases, the same document has different references in the two examination libraries.)

³ See Memorandum of Understanding, document ref. M02/1c.

local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur⁵.

9. The PPG explains that this exercise is an objective assessment of need based on facts and unbiased evidence and that constraints should not be applied to the overall assessment of need, such as limitations imposed by the supply of land for new development, historic under performance, viability, infrastructure or environmental constraints. Such considerations should be addressed at a later stage when developing specific policies⁶. As such, a clear distinction must be drawn between the objective assessment of housing needs and the eventual determination of a Local Plan housing requirement.
10. In the present examinations, both Councils accepted at the relevant hearing that the terminology in their housing needs evidence does not fully align with the advice in the PPG, which was published very shortly before the Plans were submitted for examination. This has led to the Councils' evidence bases. Specifically, the Councils have now dissociated themselves from the conclusions in their letter to me dated 4 April 2014⁷

subsequent May 2012 Annex in respect of Redditch¹⁰) and the North Worcestershire Housing Need (NWHN) report¹¹. The latter document comprises a report by Amion consulting (which was not available at the time of the May 2012 Annex) attached as an appendix.

14. The housing needs assessment that underpins the Plans as submitted is broadly derived from work undertaken in 2012 as set out in the SHMA and the additional Redditch annex. I

evidence to support the assumptions made in scenario SS2 and a high degree of sensitivity in the model to changes in those assumptions.

17. The SWDP ~~by~~ concerns are shared by a number of representors in the present examinations and are generally accepted by the two Councils. Such concerns led the Councils to commission the NWHN report, which the Councils consider to now represent a more up-to-date and robust assessment of housing needs in their respective areas. In summary, the Councils consider that the updated evidence base has resulted in a reduction in the objectively assessed housing needs for both areas. At the relevant hearing session, they stated that the overall needs totals are considered to be 6,390 dwellings for Bromsgrove and 6,090 dwellings for Redditch over the above-noted 19 year per-

respective areas fall within a wider market area that includes the West Midlands and that the Worcestershire HMA is not perfectly defined¹⁴. I agree with them that such definition is not an exact science and, moreover, that it is clear from both the SHMA and the NWHN report that relationships beyond the county boundary have been considered. As discussed below, a specific sensitivity scenario (SS4) was applied to address the potential for an increased level of in-migration from the conurbation taking into account expected high levels of economic growth and population increase. Furthermore, the principle of providing for UXX]h]cbU' \ci g]b[hc a YYh h\Y Wcbi fVUh]cb] needs has also been accepted. Given the practical difficulties of extending the SHMA to cover the substantial number of local planning authority areas which relate to Bromsgrove and Redditch in terms of migration and travel to work data, I therefore agree with both Councils that the approach to HMA definition is both pragmatic and robust.

21. A third concern, raised by a representor, relates to the headship rates that have been adopted in the NWHN report. This adopts an [cdh]cb 7ĐWta V]bUh]cb, k \]W Udd`]Yg 7@ &\$%%-based headship rates up to 2021, reverting to the 2008-based rate of change thereafter. This method was endorsed by the SWDP Inspector in his October 2013 Interim Conclusions paper. While it is argued that circumstances have since changed and that (in summary) this assumption is too conservative, it seems to me that the stance that he adopted, and that has been followed in the NWHN report, remains justified. Specifically, it is important to note that the 2011-based projections were interim and applied to only a 10 year period.

22. The 6,390 net dwellings figure that represents BD7] current assessment of housing needs for Bromsgrove is the output of a new core scenario (SN

from the West Midlands conurbation. I have seen no substantive evidence to justify adopting a higher uplift figure. To my mind it represents a prudent adjustment to the base scenario.

24. Scenario SS4 suggests an overall need figure of 6,840 dwellings (net) for Bromsgrove District over the above-noted period. This scenario is not linked to any particular Local Plan policy or outcome. Bearing the above factors in mind, it seems to me that SS4 represents a more robust demographic-led assessment of likely housing needs within Bromsgrove District than the SNPP-2010 scenario. Its output is not dissimilar to the 6,980 net dwellings figure (derived from the 2012 SHMA) h\Uh Zcfa g h\Y VUg]g cZ h\Y D`Ub [g \ci g]b[fYei]fYa Ybh
25. Nevertheless, concerns have been expressed by the development sector that the SS4 figure is itself an inadequate representation of actual housing needs. These concerns fall into two broad areas, regarding lack of reference to, first, economic evidence and, second, market signals and affordability. I deal with each in turn.

Economic Evidence

26. Demographic evidence from household and population projections should form the starting point for assessing housing needs¹⁷. However, the Framework requires that the assessment of housing should take full account of relevant market and economic signals¹⁸. As the PPG makes clear¹⁹, employment trends should be taken into account. Specifically, plan makers should make an assessment of Spe -athdlearaJETBT1 0 0 12916.34 438.0pl deal2(e)us(ng)6(e) - 8m[.(ond)4(,)5()]

28. Scenario SS3 (average case) suggests a net need of 9,760 dwellings within Bromsgrove over the above-noted period. BDC does not accept that this figure represents an objective assessment of housing need. Its arguments are set out in the 2010 Statement of Reasons²⁰. In summary these are: compliance with national guidance; recognition of Bromsgrove District's role in the Green Belt; the need for a balanced plan; and the need to address the needs of the local community.
29. I have set out the relevant national policy guidance position above. Employment trends should be taken account: however, no analysis of such trends is included within either the SNPP-2010 or SS4 scenarios. Sole reliance on either of these scenarios gives an inadequate picture of the implications of projected changes in the labour market.
30. There is some overlap between the population growth in the West Midlands conurbation. BDC states that population growth in the District has continued almost entirely due to inward migration from the conurbation, particularly from Birmingham (figures are provided in appendices to the Matter O1 statement). BDC considers that there is no reason to suggest that this pattern will not continue over the Plan period, with people continuing to seek housing within Bromsgrove District whilst maintaining employment in the conurbation. It is argued that forward with p

40. Drawing the above together, I consider that sole reliance on either of the demographic-

47. At the hearing, BDC stated that it is unwilling to seek a substantial increase in h\Y D`Ub@ overall housing requirement in order to ensure that identified affordable housing needs are met. I do not intend to comment on this matter now

This is a three stage study: it was stated at the hearing that phases 1 and 2, which are respectively a stock-take of the existing evidence base (phase 1) and an assessment of housing requirements, housing capacity and the identification of any shortfall or surplus (phase 2), have now been completed. However the outcome of this work has yet to be made public. The third phase, which is dependent upon the outcome of the first and second stages, will identify spatial options for accommodating any shortfall. Ten potential outcomes are suggested in the GBSLEP Spatial Plan for Recovery and Growth Consultation Draft³⁶.

54. The present position is therefore that both the scale of any housing shortfall and its distribution within the wider sub-region are yet to be determined.

55. Notwithstanding this uncertainty, the BDP recognises³⁷ that there may be a need to assist the City of Birmingham in achieving its housing target. Policy BDP4.2 commits BDC to undertake a Local Plan review including a full review of the Green Belt in advance of 2023. In addition to identifying land to help deliver the objectively assessed housing needs of the West Midlands conurbation within the current plan period (to 2030), the policy also requires the identification of land to deliver approximately 2,400 dwellings as part of the housing needs of Bromsgrove District. This represents the intended 7,000 dwelling target³⁸.

56. This approach has attracted a significant level of objection from the development sector. Some representors consider that it renders the plan unsound to an extent that the examination should progress no further until the Green Belt Boundary Review (GBBR) is carried out. Others seek amendments to ensure that such a review is undertaken immediately following adoption. However, as already noted, the scale of housing development arising from the needs of the West Midlands conurbation has yet to be determined. Although a representor has tabled an alternative sub-regional housing study³⁹, I attach this limited weight in part because the sub-regional Development Plan (which is the focus of the study) has yet to be examined. As such, the scale of any unmet need remains unclear. Furthermore, I am not aware that the methodology that the study assigns to the calculation and distribution of any housing shortfall has been accepted by any of the local planning authorities concerned.

³⁶ See para 47 of document ref. M02/1.

³⁷ For example at BDP para 8.25.

³⁸ In addition, policy BDP4.2 requires the identification of safeguarded land for the period 2030-40 to meet the needs of Bromsgrove District and adjacent authorities based on the latest evidence.

³⁹ Barton Willmore for the Church Commissioners: Birmingham Sub-Regional Housing Study Part 2 in document ref. M02/13a.

57. As such, it seems to me that it would be clearly premature to initiate a Green Belt Boundary Review until there is greater certainty about full scale of housing provision that will be required. It therefore appears prudent to delay the process until the GBSLEP Joint Strategic Housing Needs Study is concluded. I note that broadly similar conclusions have been reached by Inspectors examining some of the other Local Plans that are potentially affected, including those at North Warwickshire, Lichfield and Cannock Chase Districts.
58. The outstanding shortfall in respect of Bromsgrove District is 666 dwellings, namely the difference between the housing need and the housing supply. I am unable to comment in detail on this figure at the present stage of the examination, as the first uncertainty remains the housing need (see above) and the second uncertainty is the housing supply evidence remains to be examined. However, housing allocations are proposed in the Plan and the shortfall therefore only relates to a proportion of the 7,000 dwelling housing target. Subject to the housing supply during the intervening period (with particular reference to paragraph 49 of the Framework), I see no reason in principle why it is necessary to allocate specific sites for all of this period at the present time would be in excess of 666 dwellings (bchUV`mUh dUfU[fUd\ (+)).
59. In addition, there are advantages in incorporating such an exercise into a single GBBR that can also consider housing needs arising from the conurbation as well as identifying land to be safeguarded for the period 2030-40. Multiple reviews of the Green Belt would be unnecessary (paragraph 83) that Green Belt boundaries should be considered having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period.
60. Nevertheless, I agree with some representors that there is scope for greater clarity to be given about both the timing and scope of the GBBR. These comments have, in part, been anticipated by wording changes suggested by BDC in its pre-submission proposed modifications⁴⁰. However, these could go further. In respect of timing, policy BDP4 could appropriately give greater certainty about the triggers for the GBBR specifically in respect of, first, the outcome of the GBSLEP Strategic Housing Needs Study and, second, the need to ensure that a five year housing land supply is maintained during the intervening period.
61. In respect of the scope of the GBBR, the BDP includes a potential contradiction. While policy BDP4.3 requires the review to follow the approach in the settlement hierarchy, this hierarchy

⁴⁰ Document ref. CDB1.3.

(shown in Table 2 of the BDP) does not include the urban areas that are yet to be considered in this examination and further comments on it at this stage would be inappropriate. However, with regard to the GBBR, paragraph 8.31 of the BDP states that land along the northern boundary of the District that adjoins the West Midlands conurbation will be considered. For reasons of consistency, policy BDP4.3 should be amended to accord with this aim.

62. Subject to (1) the above-noted changes, which would be set out in detail in my final report, (2) the resolution of outstanding matters in relation to the timing and scope of the GBBR, including its approach to meeting future housing needs from the West Midlands conurbation, is in principle effective, justified and consistent with national policy.

63. The approach to meeting any future housing needs arising from the West Midlands conurbation than the BDP. It refers (under the Duty to Co-operate heading) to the issue being dealt with when a review of the development plan may be needed to consider these cross-boundary issues: bearing in mind the anticipated timescale for the GBSLEP Strategic Housing Needs Study. Subject to this change, which would be set out in detail in my final report, and also to the resolution of any outstanding matters (which is yet to be considered), I am satisfied that the approach to meeting future housing needs is in principle effective, justified and consistent with national policy.

64. Pre-submission modifications proposed by RBC⁴¹ refer to a review of BORLP4 if required: in principle this seems to me to be a more appropriate response. However, as with the BDP, greater certainty could be provided about the likely trigger for any such review specifically in respect of the outcome of the GBSLEP Strategic Housing Needs Study. Subject to this change, which would be set out in detail in my final report, and also to the resolution of any outstanding matters (which is yet to be considered), I am satisfied that the approach to meeting future housing needs is in principle effective, justified and consistent with national policy.

