



GL Hearn

Part of Capita Real Estate

Methodology Statement: Greater Birmingham & Black Country HMA Strategic Locations Study

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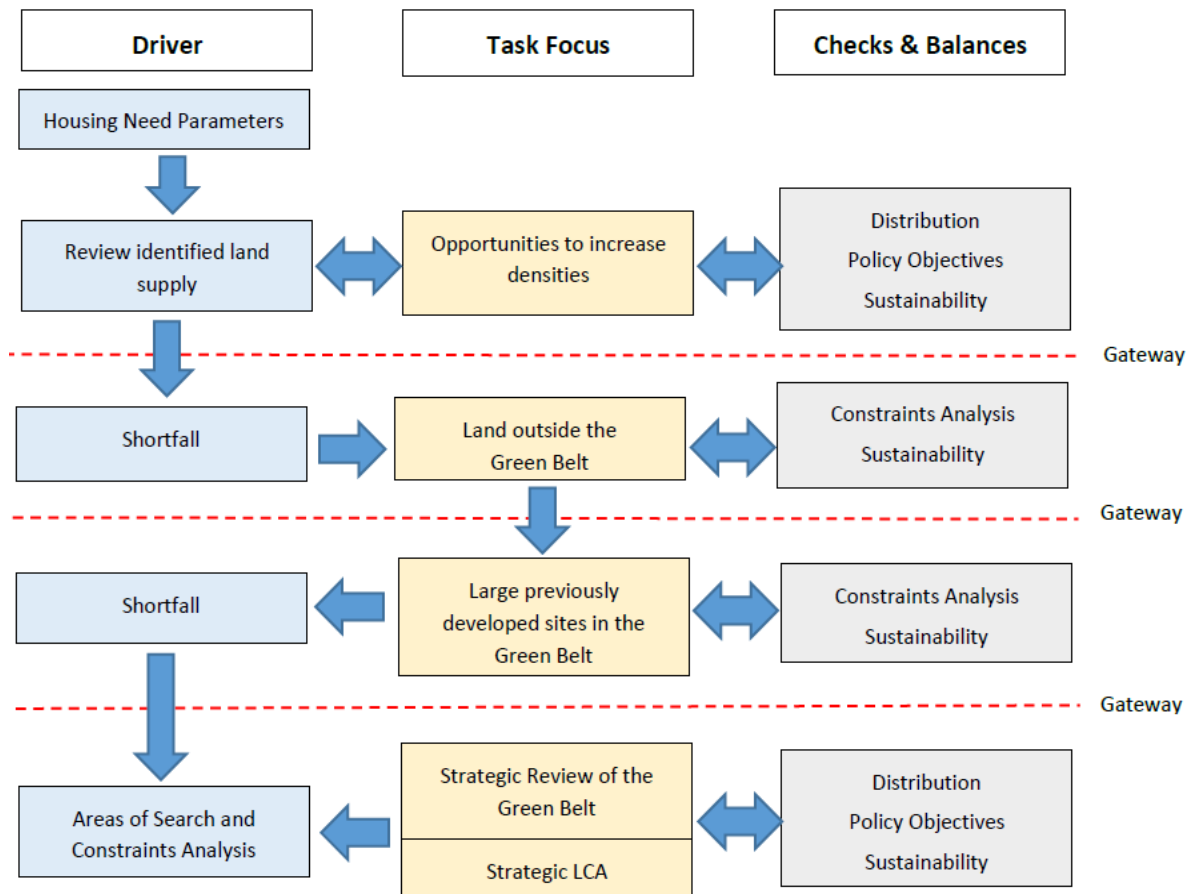
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1 INTRODUCTION

- 1.1 This Methodology Statement sets out our intended approach to undertaking a Strategic Growth Study covering the Greater Birmingham and the Black Country Housing Market Area. Our approach is shaped through a number of work streams which deal with housing need, housing land supply, the Green Belt and market capacity and deliverability. The focus is ultimately on interrogating land supply, in the context of housing need/ growth options and considering strategic spatial options for future development.
- 1.2 We recognise that our team is not starting from scratch. There is a considerable volume of evidence which exists, from PBA's work on the Strategic Housing Needs Study; through to detailed work which authorities have undertaken on SHLAAs and Green Belt Reviews. The Study will therefore build on this, whilst providing an independent and strategic review of both land supply and the Green Belt.
- 1.3 An interrogation of the supply which can be accommodated in urban areas and on land which falls outside of the Green Belt is needed; as well as consideration of options for increasing urban/ brownfield supply.
- 1.4 The Study provides an opportunity to consider a sustainable pattern of development balancing homes and jobs, and delivering growth in locations which can maximise use of sustainable modes of travel, whilst minimising environmental harm. It also needs to consider practical delivery issues – in terms of the scale and pace of development which can be accommodated in potential locations, taking account of current or proposed commitments and the market characteristics/ strengths.
- 1.5 This Methodology Statement sets out the four main work streams and the methodology associated with each:
- Section 2 – Housing Need
 - Section 3 – Reviewing Land Supply
 - Section 4 – Green Belt Review
 - Section 5 – Market Capacity and Deliverability

1.6 Figure 1 summarises the principal study relationships which will lead to identifying areas of search for strategic development, which will then be taken forward for detailed consideration as part of individual local plan processes.

Figure 1: Phase 2 Study Relationships



2 HOUSING NEED

- 2.1 The PBA Stage 3 Study (August 2015) outlined a need for 207,100 homes across the Birmingham Housing Market Area (HMA) between 2011-31, based on the 2012-based Sub-National Population Projections (SNPP) with an indexed 'partial return to trend' headship rate based on the 2008- and 2011-based Household Projections (as the 2012-based Household Projections had not at that time been released) and allowance for vacant homes.
- 2.2 PBA subsequently checked the analysis against the 2012-based Household Projections (with no adjustments) which indicated a similar level of housing provision (210,500 homes) but with some differences in distribution.
- 2.3 The PBA Study's approach was to use these projections as a consistent baseline, and leave adjustments – where appropriate – to support economic growth, affordable housing and market signals to more local-based assessments.
- 2.4 PBA's conclusions that no adjustments are warranted for Unattributed Population Change (UPC) or to 2012-based headship rates have been endorsed through the Birmingham Development Plan examination.
- 2.5 Conclusions have also been drawn on OAN through other recent local plan examinations, in Bromsgrove & Redditch; Lichfield; Tamworth; Stratford-on-Avon; and Dudley for example.
- 2.6 The Housing White Paper outlines the Government's intention to identify a new, standardised methodology for calculating housing requirements; with the intention that it will consult on this initially, and then publish a new approach – probably in Autumn 2017 - alongside a revised NPPF (NPPF2).
- 2.7 Against this context, there is little benefit seeking to undertake an extensive level of detailed work and modelling to understand housing need at this point.
- 2.8 GL Hearn's proposed approach therefore envisages work to be clear about the housing need parameters; and to provide an updated baseline position. We will present demographic-based scenarios (for the HMA and individual local authorities) based on:
- 2014-based Sub-National Population and Household Projections; and
 - A 10 Year Migration Scenario
- 2.9 The latter in particular reflects evidence that there has been some 'recessionary effect' of the recession/ housing market downturn on migration flows from cities to surrounding areas, and as the SNPP is based on trends from 2008/9 to 2014 it is potentially influenced by this.

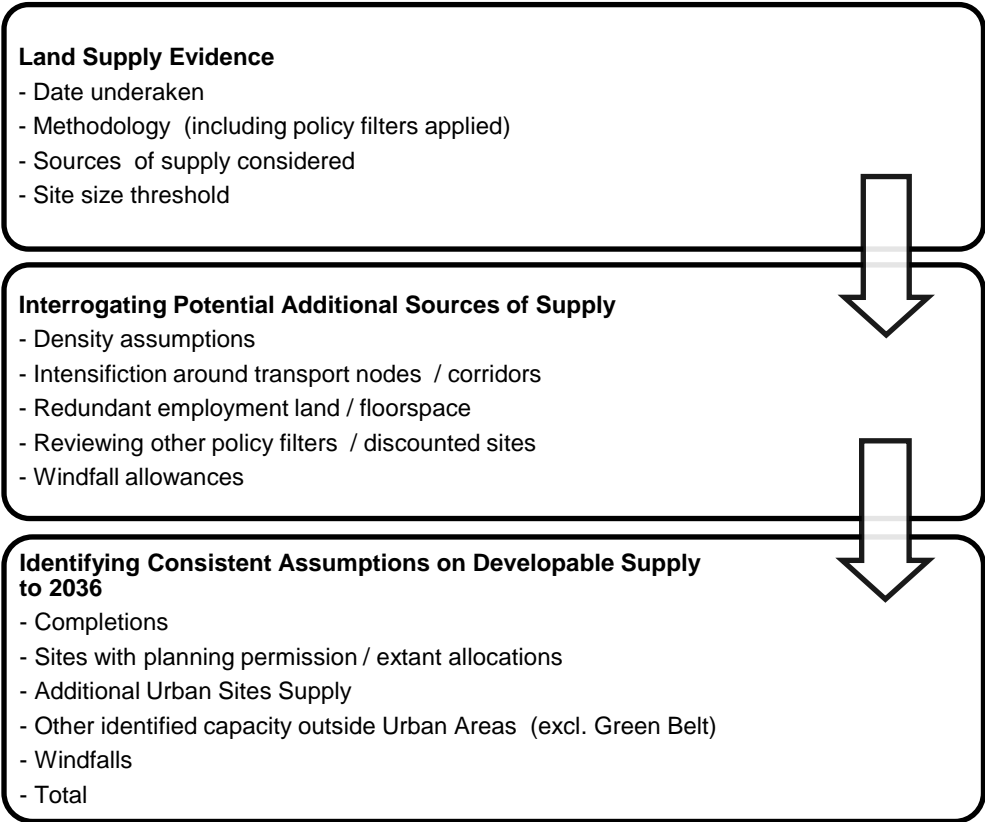
- 2.10 The Combined Authority's ¹Strategic Economic Plan sets out targets to:
- Raise GVA to the national average by 2026, and to 5% above by 2030;
 - Create 504,000 new jobs 2013-30 (Economy Plus Scenario); and
 - See population growth of 542,000 and delivery of 214,620 homes to achieve this.
- 2.11 This scenario compares to trend-based economic growth of 168,000 jobs (2013-30). It is clear that the higher scenarios would result in significantly higher housing need. However, these scenarios are aspirational.
- 2.12 Indicative modelling of the implications of these economic scenarios on housing need for the HMA will be provided with the focus being on considering, across the Greater Birmingham HMA as a whole, how the interaction between housing need and different scales of jobs growth works.
- 2.13 This Workstream will therefore provide an **updated demographic baseline** and an understanding of the **potential housing provision which would be needed to support the SEP Scenarios**. This will provide a basis for instance for considering how many and what scale of strategic growth locations might need to be taken forward to support different levels of economic performance.

¹ Combined Authority geography is different to that of the Housing Market Area

3 REVIEWING LAND SUPPLY

3.1 The second workstream seeks initially to get a clear fix on the level of existing identified supply; and ensure that this has been assessed on a consistent basis. Across 14 local authorities there are likely to be differences in how land supply has been assessed, and the assumptions applied in doing so. However consistency and a level of independent scrutiny will be important if /when it comes to decisions about the distribution of development.

3.2 We will work with each local authority to review the land supply evidence to provide a consistent baseline position. The chart below provides our proposed framework for this.



3.3 GL Hearn will carry out an initial desk-based interrogation of existing evidence; and then undertake joint work with partners to interrogate the potential to identify additional developable land on land outside of the Green Belt.

3.4 We will undertake a review of options for increasing urban densities within the HMA. This has already been explored to some degree as part of the development of the Birmingham Development Plan and the Black Country Core Strategy, and we will re-visit this work taking advice from planning officers within the HMA Authorities, particularly Conservation Officers who can provide insight into the implications of increasing suburban densities, for example. The issue also has a wider

sustainability angle and we will explore the implications of 'town cramming' in respect of service provision and transport infrastructure.

- 3.5 The emphasis will be on sensitivity testing land supply assumptions, seeking to ensure consistency between density assumptions which have been applied by local authorities across the HMA; and considering what potential there is to increase supply within urban areas through appropriate 'densification' particularly in areas with high public transport accessibility (as promoted in the Housing White Paper). Density assumptions must however be realistic, and feedback from stakeholder engagement will be important here.

Additional Sites outside the Green Belt

- 3.6 The consultancy team will also consider what potential additional supply could be identified and brought forward on land which hasn't been previously identified as deliverable/ developable for housing, and which is outside the Green Belt. We note that there needs to be several layers to the analysis here, including:
- Engaging with the West Midlands Land Commission's findings, and the work which it has been undertaking to interrogate further how further development land could be identified and brought forward;
 - Engaging with the Government Property Unit and local partners to understand progress of the One Public Estate programme and the development potential it could yield;
 - Working with local authorities to explore the potential which could be yielded through other brownfield land, the proactive use of CPO to assemble land, or estate regeneration schemes;
 - Looking at the potential for greenfield development, including through urban extensions and garden settlements, which aren't in the Green Belt. To support this it will be necessary to use GIS mapping to overlay strategic environmental designations and consider landscape capacity at a strategic level.
- 3.7 We will use GIS mapping to plot strategic development constraints as proposed to be included within NPPF2 (see Housing White Paper, p79) and overlay opportunities.
- 3.8 Nationally significant strategic constraints are defined as: Areas of Outstanding Natural Beauty; Flood Zone 3, Special Areas of Conservation², Special Protection Areas, Sites of Special Scientific Interest, National Nature Reserves, Regionally Important Geological Sites, Ancient Woodland, Safety Safeguarding Zones, Scheduled Ancient Monuments, Registered Historic Parks and Gardens, Green Belt, Ground Instability. These will be relevant to identifying areas of search for strategic development beyond the Green Belt (and within the Green Belt).
- 3.9 This will be used to consider the potential for additional strategic development on non-Green Belt sites, including the potential for new garden villages and sustainable urban extensions; and growth

² Including the 15km Zone of Influence in relation to the Cannock Chase SAC

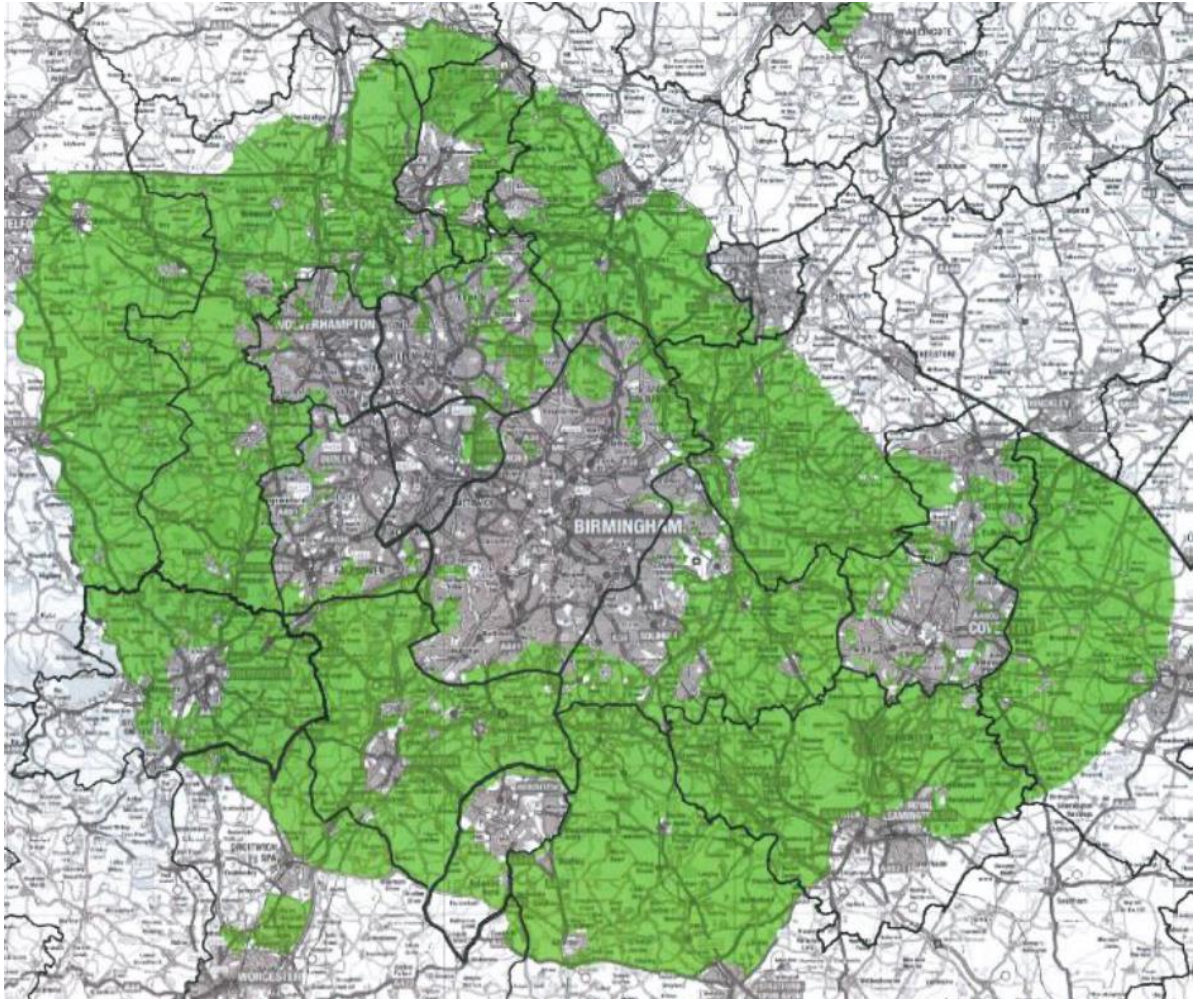
along key public transport corridors. The analysis will consider not just the theoretical potential of locations, but their sustainability.

- 3.10 Where new strategic development locations are identified outside of the Green Belt, sustainability, impact on landscape character and transport will be taken account of as relevant considerations. In addition, we have included provision for high-level analysis to identify the potential development yield. This will take into account the land requirements for other uses (services, employment, education, open space etc.).
- 3.11 The Study is intended to provide an input to the development of local plans. Further work will be undertaken in testing the potential for strategic development beyond the Green Belt by local authorities through their respective local plan processes, which will include engagement and further work with statutory bodies as necessary. Local authorities should also continue to engage strategically and work together moving forward to develop solutions based on the outcomes of this study.
- 3.12 This task overall will involve an initial desk-based review of land supply; a series of meetings and workshops and additional strategic analysis to consider additional supply potential – including taking account of the Land Commission Report recommendations; and preparation of a section within the report which draws this together to provide a view on the likely land supply position within urban areas, on sites already identified, and additional potential beyond the Green Belt.

4 STRATEGIC GREEN BELT REVIEW

- 4.1 This section of the study will consider the geography of the Green Belt, its strategic functions and potential for contributing to meeting housing demand. The focus is on a strategic review of the Green Belt with a view to identifying areas of search/ broad locations which could potentially accommodate new development.
- 4.2 The focus of this Study is on considering the potential for strategic development – and it should be seen alongside more local Green Belt assessments which may consider more localised boundary changes. It provides a framework for, and is intended to sit alongside, more local Green Belt studies.
- 4.3 This workstream is structured to:
- Progress the Green Belt review to identify areas of search based on performance against Green Belt tests;
 - To then further interrogate the potential of these locations to sustainably accommodate new development through a high level assessment of their sustainability and landscape capacity.
- 4.4 The intention is to identify a number of broad areas of search which could accommodate new development, with an assessment of the broad capacity of these. In doing so it will take account of wider environmental constraints and nationally significant strategic constraints (as identified in paragraph 3.8 above) and relevant sustainability considerations, including public transport accessibility.

Figure 2: West Midlands Green Belt



4.5 Based on the PBA Stage 3 Study it is recognised at the outset that whilst interrogation of urban land supply and that beyond the Green Belt may limit the level of Green Belt land needed, it is highly likely that some land would need to be removed from the Green Belt if housing need is to be met in full; and given the scale of the HMA housing provision shortfall, that strategic changes to the Green Belt are likely to be required through the plan-making process.

4.6 Taking account of the PBA development scenarios and the Housing White Paper, the core elements of the Green Belt Review methodology are to consider development potential in the Green Belt, through:

- Brownfield Sites and Estate Regeneration
- Development around Transport Hubs
- Wider development potential of Green Belt parcels through a Strategic Green Belt Review

Potential of Brownfield Sites

- 4.7 With the assistance of the Project Steering Group, we will identify large developed sites in the Green Belt which could play a role in accommodating development (subject to availability and deliverability). We are currently unsighted as to the scale or location of development which could be delivered through this route, but would apply GIS analysis to test their sustainability performance. In turn, indicative capacity figures can be developed.

Strategic Review of the Green Belt

- 4.8 The Review's approach entails surveying the whole of the study area on an equal basis to ensure a consistent strategic context for any judgements made. It avoids the scoring of individual areas of Green Belt which can present a distorted impression of performance against Green Belt purposes, particularly as part of an approach which relies heavily on professional judgement.
- 4.9 For this study, the scale of the Green Belt within the HMA means that a pragmatic approach has to be undertaken to provide both the context for understanding the locationally-specific character of the Green Belt and where there could be capacity for change. To this end, the following principal steps will be followed:
- Assessing the Green Belt across the whole of the study area using parcels defined by strong permanent boundaries, for this exercise using Motorways/Trunk Roads, A-Roads and railways. It is estimated that around 120 parcels can be identified in this fashion. The potential to group these to provide parcels of a size relevant to a strategic study will then be considered.
 - Describing the character and function of Green Belt in five Sectors across the HMA area (West, North, North East, South East, South).
 - Describing the character and function of component parcels and clusters of parcels in respect of the key functions of containment, separation and setting. Schematic mapping outputs will be provided by these strategic purposes identified in the NPPF. (Note: the purposes of encroachment and regeneration, whilst important are more diffuse in the character, applying across the Green Belt). Where Local Authority Green Belt Reviews have been completed, these will be used to add local detail to the strategic parcels analysed, helping to check and challenge the results of the strategic analysis. No site visits will be undertaken, with analysis undertaken via OS mapping and aerial photography.
 - Indicating where positive use could be made of the Green Belt.
 - Identifying areas for further analysis (Areas of Search), particularly in relation to principal public transport corridors where sustainable development is more likely to be achieved. A schematic mapping output will be provided.
 - In consultation with the Steering Group producing a final Green Belt analysis which serves as the basis for capacity-testing.

Testing the capacity of the Areas of Search to accommodate development in principle and of the scale required and in light of other constraints

- 4.10 The Areas of Search identified through the above work will then be subjected to a strategic Landscape Character Assessment (LCA). This will be undertaken to determine high level analysis of the strength of landscape character (Strength of Character - Strong, Moderate, Weak) and landscape condition (Good, Moderate, Poor). We will use the County-level LCAs to inform the preparation of this analysis, and also will undertake new analysis using OS mapping and aerial photography to establish the landscape context into which new development could, in principle, be introduced.

Recommendations on Areas of Search

- 4.11 Finally we will summarise the analysis of the study. Specifically, we will identify and report upon:
- Green Belt function – whether development will lead to settlement coalescence, unrestricted sprawl, encroachment into open countryside and adverse impacts to the historic setting and character of settlement.
 - Potential landscape and visual impacts and the extent to which these might be notable in the local setting.
 - Sustainability – including the likelihood of development becoming an integrated part of existing settlement; the potential for access and movement links; opportunities for sustainable drainage and opportunities for other green infrastructure.
 - Other site specific design and planning matters such as the potential for cumulative impacts from one of more developments in the same setting.

Drawing the evidence on Green Belt potential together

- 4.12 In summary, the outputs from this element of the study will comprise:
- A strategic Green Belt Review which provides the basis for directing where development might have the least impact on Green Belt form and function.
 - Testing of the PBA Spatial Development Models to determine where strategic development might best be accommodated.
 - A strategic Landscape Character Assessment of potential areas of search which provides an indication of the likely high level character and condition which will have to be taken into account as part of accommodating development in a particular locality.
 - GIS-based analysis of strategic opportunity areas based on their attributes in respect of sustainability qualities, in particular.
- 4.13 A report drawing together the above will be provided, detailing observations, options and conclusions which provides an evidence base for decision making and further detailed work which may be required.

5 MARKET CAPACITY AND DELIVERABILITY

- 5.1 This Workstream is fundamentally about testing the feasibility of potential strategic growth locations identified through workstreams 2 and 3, in terms of their deliverability; delivery timescales; the ability of the market to support them; and the pace of delivery which could be achieved.

Deliverability Analysis

- 5.2 We are very clear that the realistic development potential (the developability) of potential additional sites – be they brownfield or greenfield – may well be influenced by landowner/ developer intentions; and in particular issues related to development viability and its potential to support development costs and infrastructure provision. Within a Strategic Study there is obviously a limit to the degree of interrogation which can be undertaken of individual sites/ land parcels, but it will be clearly necessary to consider potential show-stoppers; and in broad terms the scale of infrastructure which might be required and how this might be funded.
- 5.3 The greatest potential to fund new strategic infrastructure comes from ensuring that there is a strategic alignment between development growth and infrastructure investment. This is taken forward both in the Land Commission Report and Housing White Paper.
- 5.4 GL Hearn will draw on our commercial expertise to provide high level advice on development feasibility. We are also fully aware of the range of public sector funding programmes which are available to support housing growth, including the HCA's accelerated construction programme; garden villages and towns; resources through the Devolution Deal; WMCA's borrowing powers etc.

Market Capacity

- 5.5 The broader strategic issue associated with deliverability is about market capacity. This task will include an analysis of market signals, and in particular house prices and the relative recovery in sales volumes post-recession in different local authorities/ areas. It will need to consider historical levels of development, and benchmark these in terms of compound growth rates in the housing stock. Our analysis indicates that nationally, stock growth rates vary from between 0.5% - 2.0% pa; with stronger markets able to achieve stock growth of 1.3%+ pa. This kind of analysis and benchmarking will provide a basis for considering for testing the feasibility of different levels of growth in different authorities/ sub-markets within the HMA.

6 OUTCOMES

6.1 The core outcomes expected of the work are:

- Definition of parameters for housing need at an HMA level;
- A clear assessment of residential capacity outside of the Green Belt;
- Advice on how to drive forward housing delivery outside of the Green Belt;
- Clear identification of areas for search for strategic development on land outside of the Green Belt; and Green Belt locations, with guidance on the potential housing capacity of these and indicative infrastructure requirements;
- Guidance on the relative preference which should be ascribed to the identified strategic areas of search, based on sustainability and deliverability considerations.

6.2 The identification of areas of search for strategic development will take into account the relative sustainability of locations. In doing so we envisage that the Study will include broad commentary on (and take into account) the potential for areas of search to accommodate strategic employment development, taking account of the findings of the PBA/ JLL Strategic Employment Sites Study.