

# **Memorandum of Understanding relating to the delivery of a proportion of the projected unmet housing need arising from the Greater Birmingham & Black Country Housing Market Area in Birmingham City Council and North Warwickshire Borough Council**

## **Parties to the Memorandum**

1.1 The Memorandum is agreed by the following Councils:

- Birmingham City Council
- North Warwickshire Borough Council

## **Purpose**

- 2.1 This Memorandum of Understanding (MoU) seeks to agree the proportion of housing need from the Greater Birmingham & Black Country Housing Market Area (the HMA) that can be accommodated in Birmingham City Council and North Warwickshire Borough Council.
- 2.2 This MoU establishes a framework for co-operation between the signatory authorities with respect to the delivery of housing for the period 2011-2031. It is framed within the Localism Act 2011 and the duty to cooperate set out in Section 110. This sets out the way in which the local authorities will consult one another and work together on matters which affect more than one local authority area in a constructive, actively and on-going basis.
- 2.3 It is agreed that for plan making purposes there is a primary Housing Market Area (HMA) comprising Birmingham, the Black Country and the nine neighbouring local authorities as defined in the PBA Study<sup>1</sup> and the GL Hearn / Woods study<sup>2</sup> as shown in the plan below.
- 2.4 The majority of the housing shortfall emanates from Birmingham although there are other authorities who are unable to meet their own housing need including Tamworth Borough Council. The Birmingham Development Plan was adopted in January 2017 and confirms that the City can accommodate a maximum of 51,100 dwellings against a housing need of 89,000. The planning Inspector on the Birmingham Development Plan has endorsed Birmingham City Council's approach to working with other authorities on meeting the housing shortfall, and the active role of the Council in promoting appropriate provision in Local Plans in the HMA.
- 2.5 Paragraph 47 of the NPPF expects local planning authorities to identify specific deliverable sites or broad locations for growth for 15 years. There is clear evidence that current housing commitments in the HMA are not sufficient to meet housing need over the period 2011-31, as required in paragraph 47 of the NPPF. In response to this, the MoU sets out how signatory authorities will attempt to address their objectively assessed housing need (OAN) and then, where possible, deal with any HMA shortfall.

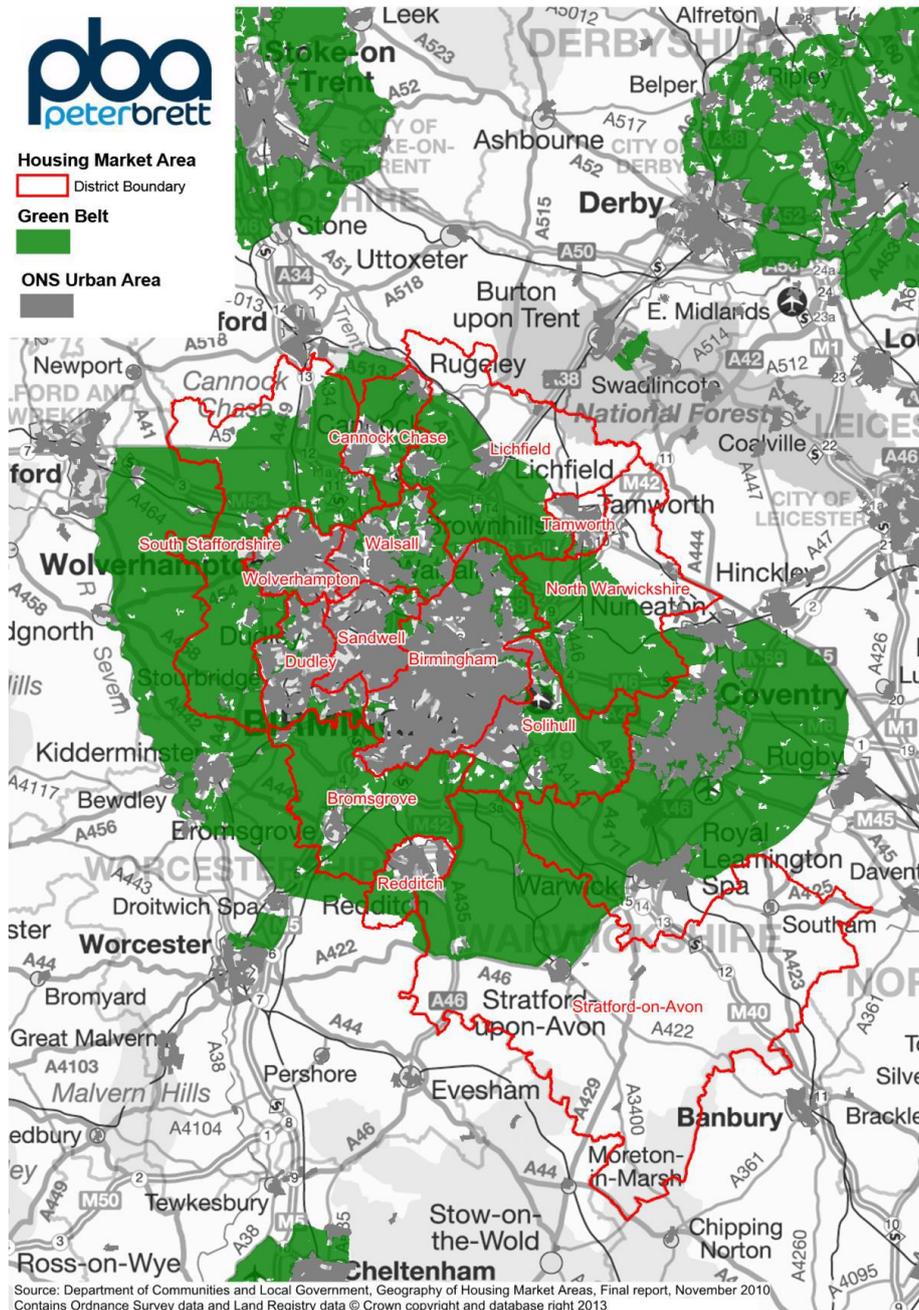
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Greater Birmingham and Solihull LEP Black Country Local Authorities Strategic Housing Needs Study Stage 3 Report (Peter Brett Associates, August 2015)

<sup>2</sup> A Strategic Growth Study into the Greater Birmingham and Black Country Housing Market Area (GL Hearn Woods February 2018)

- 2.6 Birmingham City Council and North Warwickshire Borough Council understand the importance of seeking to meet housing need across the HMA. Not to do so could put at risk the future economic prosperity of the West Midlands and worsen housing affordability.



### 3 The Agreement

3.1 It is agreed that:

1. The Strategic Housing Needs Study Stage 3 Report (August 2015) by PBA identified a demographic need for 207,100 additional homes across the HMA between 2011 and 2031, with a shortfall in supply of 37,572 homes (18% of total need).

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- 2 The GL Hearn / Woods Study which updates the PBA Study extends the work to 2036. The report in summary finds that there is a shortfall of some 60,855 dwellings made up of 28,150 dwellings up to 2031 and a further 32,700 dwellings shortfall between 2031 and 2036.
  2. The common baseline established through the strategic Housing Needs Study (SHNS) suggests that the adopted North Warwickshire Plan is providing an additional 620 dwellings over and above its own OAN.<sup>3 4</sup> It is agreed that this makes a contribution to meeting the HMA wide shortfall. This provision provides for the 500 dwellings up to 2029 the Borough Council has already agreed to deliver for Tamworth BC. The remaining 120 units will also contribute towards the identified shortfall in the Tamworth Local Plan 2016. To avoid any double counting any further requirement from Tamworth will be considered as part of the wider GB HMA figure.
  4. At its Local Development Framework Sub Committee meeting on 3 August 2016, the North Warwickshire Borough Council agreed to aspire to deliver an additional 3,790 dwellings through a new Local Plan. It is agreed that the resultant additional growth over and above local requirements contributes towards to the wider HMA shortfall.
  5. It is agreed between the signatory authorities that 3,790 dwellings is the maximum uplift in housing that could be accommodated in North Warwickshire Borough Council as supported by paragraph 9.67 of the GL Hearn / Woods Study which states:

“The analysis in Table 63 shows that there are particular constraints to introducing further residential land supply in North Warwickshire, which is already planning in its emerging Local Plan to deliver housing growth of 1.8% pa. 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 in North Warwickshire.”
  6. The delivery of the 3,790 will be dependent on the provision of and timely delivery of infrastructure. Birmingham City Council will work with the Borough Council and other partners such as the LEPs in particular Greater Birmingham and Coventry & Warwickshire LEPS) and the Combined Authority to ensure that this can and is provided.
  7. In addition to housing North Warwickshire is providing for employment needs to ensure balanced growth. This means that employment provision above that

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<sup>3</sup> Greater Birmingham and Solihull LEP Black Country Local Authorities Strategic Housing Needs Study Stage 3 Report (Peter Brett Associates, August 2015)

<sup>4</sup> The Coventry and Warwickshire Updated Housing Needs and Employment Forecasts Study: GL Hearn, (August 2015) established that an additional 47 dwellings per annum (920 in total 2011 – 2031) were needed in North Warwickshire support economic growth. A subsequent report to the Coventry, Warwickshire and South West Leicestershire Shadow Economic Prosperity Board (September 2015) set out an MoU for the distribution of housing within the Coventry and Warwickshire HMA; this also considered the Greater Birmingham and Black Country HMA given the overlap. A pro rata distribution based on migration and commuting flows, suggests the following (2011 – 2031):

620 dwellings make a contribution to the GB&BCHMA

320 dwellings make a contribution to the C&WHMA

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required for their own housing needs must be considered to be providing for a wider than local need.

8 The review of the Green Belt as part of the Local Plan preparation process within North Warwickshire has been carried out in line with an agreed set of principles, to ensure there is consistency of evidence and approach.

9 The regeneration of urban areas within the HMA is important to the economic and social vitality of the wider HMA. Each local authority will ensure the most efficient use of land, and particularly of brownfield land, is promoted when delivering housing across their area. In doing so density assumptions should be appropriate, justified and deliverable.

10 Each signatory authority is committed to ongoing cooperation and engagement by both officers and members in planning to meet the housing needs of the HMA and will ensure that the commitments in this MoU are reflected in policy wording in their respective Local Plans.

#### **4 Limitations**

4.1 For the avoidance of doubt, this Memorandum shall not fetter the discretion of any of the Councils in the determination of any planning application, or in the exercise of any of their statutory powers and duties, or in their response to consultations, and is not intended to be legally binding but shows clear commitment to collaborate and intent to meet the housing needs of the HMA under the Duty to Co-operate.

#### **5 Liaison**

5.1 Member level representatives of the signatory authorities will meet as a minimum yearly or more frequently when appropriate, in order to:

- Monitor the preparation of Local Plans across the signatory authorities and discuss strategic issues emerging from those plans.
- Agree amendments to the MOU, if necessary.

#### **6 Monitoring**

6.1 Annual monitoring of Local Plan targets and site allocations will be carried out by a HMA monitoring group to ensure that sufficient deliverable and developable housing land is allocated to meet HMA housing needs up to 2031.

#### **7 Review**

7.1 The MoU will be reviewed no less than every five years but will also be reviewed when:

- 1) new evidence emerges that renders this MOU out of date e.g. Government household projections
- 2) a signatory authority or associated authority changes its position in relation to the its housing figures;
- 3) a signatory authority does not meet the timetable for Local Plan review and this is considered to materially affect achievement of the MoU objectives.

7.2 With the creation of the Combined Authority there are now discussions taking place as to its role and how it can assist the delivery of housing across the HMA. This work may mean that this MoU will need to be updated.

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**Signatories**

*Ian J. Maxey*

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**Signed on behalf of Birmingham City Council  
Waheed Nazir, Strategic Director of Economy**

**Date:** 13/3/18

**Signed on behalf of North Warwickshire Borough Council  
Steve Maxey, Assistant Chief Executive & Solicitor to the Council**

**Date:**

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