Black Country | Plan

Planning for the future of the Black Country

Black Country

Urban Capacity

Review

December 2019

Black Country Urban Capacity Review - December 2019

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1. Introduction

1.1 The current Black Country Core Strategy (2011), and associated development plan documents, identify where the majority of the development needs of the Black Country[1] will be accommodated up to 2026. A key priority for the current Core Strategy was to focus development into a series of strategic growth corridors and centres and to promote a brownfield first strategy, since all identified needs could, at that time, be accommodated within the urban area. The urban area is that part of the Black Country which does not fall within the Green Belt as shown on Map 1.

1.2 A review of the Core Strategy (now to be called the Black Country Plan) is now underway. The review will consider the up-to-date housing and employment needs of the area over a longer period, to ensure that the new Plan provides for the needs of the area for at least 15 years from the anticipated adoption year.

1.3 As part of this review, the Issues and Options consultation (2017) set out the updated need figures for housing and employment across the Black Country up to 2036. The Issues and Options consultation highlighted that accommodating identified development needs up to 2036 would be challenging and, in order to plan for growth over this longer period, it would be necessary to consider a review of Green elt boundaries across the Black Country. In addition, the West Midlands Combined Authority has published ambitious growth targets for the wider region in its Strategic Economic Plan.

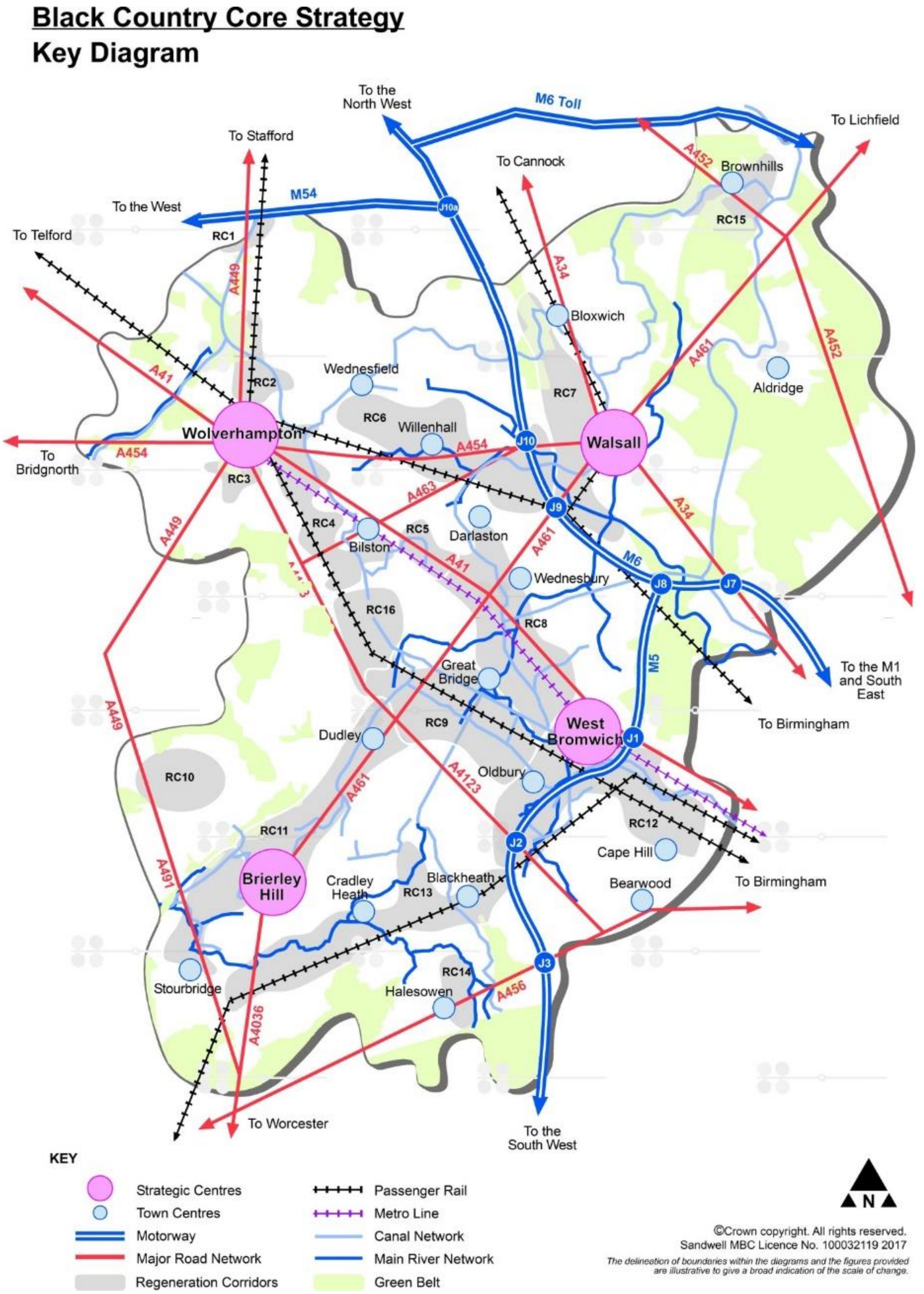
1.4 This report sets out the current position, using best available evidence and information, regarding the need for and supply of land for housing and employment in the Black Country over an extended Plan period - up to 2038, 15 years from the current anticipated adoption year of 2023. It is being prepared to inform preparation of the Black Country Plan and to meet planning policy requirements set out in paras 136 and 137 of the NPPF regarding the exceptional circumstances for release of land from the Green Belt for development.

1.5 Para 136 of the NPPF states that: "*Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans.*" Para 137 goes on to explain that: "*Before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries, the strategic policy-making authority should be able to demonstrate that it has examined fully all other reasonable options for meeting its identified need for development.*", in particular: "*whether the strategy: (a) makes as much use as possible of suitable brownfield sites and underutilised land; (b) optimises the density of development … including whether policies promote a significant uplift in minimum density standards in town and city centres and other locations well served by public transport.*"

1.6 This report reviews current assumptions about the supply of land for housing and employment development across the Black Country. It uses current available evidence to seek to maximise delivery in the urban area by reviewing previous assumptions – for example in relation to densities - with a view to optimising opportunities to identify any further additional potential development capacity across the urban area. Ultimately it provides 'potential urban capacity' figures

[1] The Black Country comprises: Dudley, Sandwell, Walsall and Wolverhampton

which demonstrate how far the development needs of the Black Country up to 2038 can be accommodated within the urban area.



Map 1 Black Country Core Strategy Key Diagram

1.7 It will be necessary to continue to review and update information and assumptions in the Urban Capacity Review report as the Plan preparation progresses. Further work will take place to continue to develop evidence to support the Plan preparation process, as set out in Appendix 1. Further updates to the UCR will therefore be made when new evidence is available and also when housing and employment monitoring information is updated on an annual basis. The next update to the UCR will take place in 2020, to accompany the Draft Plan due to be published for consultation in autumn 2020.

Duty to Co-operate

1.8 The Black Country Authorities will continue to work with neighbouring Local Authorities via established Duty to Co-operate meetings on this and other key strategic planning issues, to discuss and agree how development needs across the wider area could be accommodated.

1.9 A key example of this co-operation is a suite of ongoing partnership work which has taken place to address the housing needs of the Greater Birmingham and Black Country Housing Market Area[2] (GBBCHMA). This commenced with the joint commissioning of a GBBCHMA Strategic Housing Needs Study (2014/2015), which reviewed and identified the emerging housing need and supply across the GBBCHMA. This Study identified a shortfall of at least 37,600 homes across the HMA up to 2031, the majority arising in Birmingham as reflected in the adopted Birmingham Development Plan (2017), which has an end date of 2031. The GBBCHMA Strategic Growth Study (2018) updated need and supply figures and estimated a shortfall of 28,150 homes up to 2031, plus an additional shortfall of 32,700 homes over the period 2031-36, across the HMA. This Study also identified potential strategic locations where growth could be accommodated to help meet this shortfall – considering Green Belt, landscape and other technical planning issues at a strategic scale.

1.10 These Studies have been supplemented by a GBBCHMA Housing Need and Housing Land Supply Position Statement (Sept 2018), which sets out the position on housing need and supply up to 2031 relating to the HMA, as of April 2017. This Statement concluded that, following formal commitments from some neighbouring authorities towards the unmet need and a significant increase in housing capacity identified in Birmingham, the shortfall across the HMA up to 2031 had been reduced to 10,696 homes. The Black Country figures used in the Position Statement are taken from 2017 SHLAAs and are now out of date. The 2019 Urban Capacity Review Report (and subsequent updates) will feed into future updates to the Position Statement and other documents produced by the HMA authorities.

1.11 The Black Country Authorities will also continue to engage with neighbouring local authorities over employment land provision. A key element of the existing Black Country Core Strategy is reliant upon the provision of strategic employment sites

[2] The GBBCHMA comprises: Birmingham, the Black Country authorities, Bromsgrove, Cannock Chase, Lichfield, part of North Warwickshire, Redditch, Solihull, South Staffordshire, part of Stratford-upon-Avon and Tamworth

in South Staffordshire District to contribute towards meeting needs arising in the Black Country and which cannot be met within the administrative area.

2. Summary of Current Evidence

2.1 Housing Need and Supply

2.1.1 This section of the report provides current information on housing need and housing land supply in the Black Country authorities. This is an update of the information provided in the Housing Background Report produced to support the Black Country Core Strategy review - Issues and Options Report. It demonstrates the efforts that are being undertaken to maximise the potential supply that might be provided from previously developed and other brownfield land within the existing urban area. It provides an updated estimate of the scale of this important element of the supply.

2.1.2 The description of the supply is broken down into two parts. This first part describes the current identified supply, the majority of which covers the existing BCCS period up to 2026. It details current sources of evidence and explains the assumptions and allowances that have been made when calculating this supply. The second part (in section 3) describes potential additional sources of supply up to 2038 which will be tested as part of the evidence which will feed into the Draft Plan for consultation. Current housing evidence, including the Strategic Housing Land Availability Assessments (SHLAA) and the Strategic Housing Market Assessment (SHMA), can be viewed in full on the Black Country Plan website at https://blackcountryplan.dudley.gov.uk/t2/ . All of the Black Country SHLAAs were updated in 2019 and inform this report.

Housing Need

2.1.3 The existing BCCS housing targets for each Black Country authority for the period up to 2026 are set out in Table 7 of the BCCS. When the BCCS was adopted, the established process was to take into account historic completion rates when calculating future targets. Although the SHLAAs do compare housing supply against BCCS targets, new Government guidance issued in 2017/18 states that if a Plan is more than 5 years old (which applies to the BCCS), the new national standard methodology should be used for calculating 5 year housing land supply and for developing new Plans.

2.1.4 Government guidance requires Local Authorities to determine the local housing need figure for their area. The Plan preparation process should then test the deliverability of this housing need figure within the Local Authority area. The local housing need figure for the Black Country is calculated by summing the national standard method figure for each individual authority. This method uses 2014-based ONS household projections and affordability ratios which are updated annually. **The housing need figure is currently 3,761 homes per annum which equates to 71,459 homes over the period 2019-38**. It should be noted that, when the Draft Black Country Plan reaches publication stage (reg 19) in 2021, the per annum figure used will be slightly different and the period used will be 2020-38, as the new method applies only to future years. A key aim of the

Black Country Plan is to plan to meet all of this housing need within the Black Country and, if this need cannot all be accommodated within the Black County, to work with other Authorities to see if they can accommodate any of the unmet Black Country need.

Housing Supply

2.1.5 The current identified housing supply in the Black Country is described in the Strategic Housing Land Availability Assessments (SHLAAs) produced by each of the four local authorities. The purpose of a SHLAA is to identify all sites in a Local Authority area which are suitable for housing and which are deliverable over the next 5 years[3] or developable[4] over the Plan period. Each SHLAA includes a trajectory to show how delivery is expected to be phased annually up to the end of the current BCCS period (2026) and beyond, to meet the needs of the new Plan up to 2038.

2.1.6 The identification and assessment of potential housing sites for inclusion in the current SHLAAs has followed Government guidance, best practice, sustainability principles and the spatial strategy of the current BCCS. This means that sites follow a "brownfield first" principle, and mainly comprise sites with planning permission, allocations on surplus occupied employment land and other sites in the growth network. The list of sites is updated annually in order to continue to identify development sites in the urban areas and to focus development into the right places.

2.1.7 The current SHLAAs include, as far as possible, every identifiable site within the urban area which is both suitable for housing and realistically deliverable or developable, including brownfield and greenfield sites. This includes sites under construction, sites with planning permission and sites allocated in adopted Local Plans. It also includes any other sites which are currently considered to have housing capacity, including both vacant and occupied sites. Only where a site has a realistically implementable permission for an alternative, non-housing use will it be removed from the list of SHLAA sites. An on-going "call for sites" in each authority ensures that this list of sites is accurate and up-to-date, reflecting market intelligence and land-owners' intentions. This has been supplemented by the Black Country "call for sites" exercise carried out during 2017-19 to inform the BCP review.

2.1.8 The SHLAA reports for the four authorities and a map showing the current SHLAA sites for the Black Country authorities – both suitable and unsuitable – can be viewed on the Black Country Plan web site at https://blackcountryplan.dudley.gov.uk/t2/p3/. Map 2 illustrates the distribution

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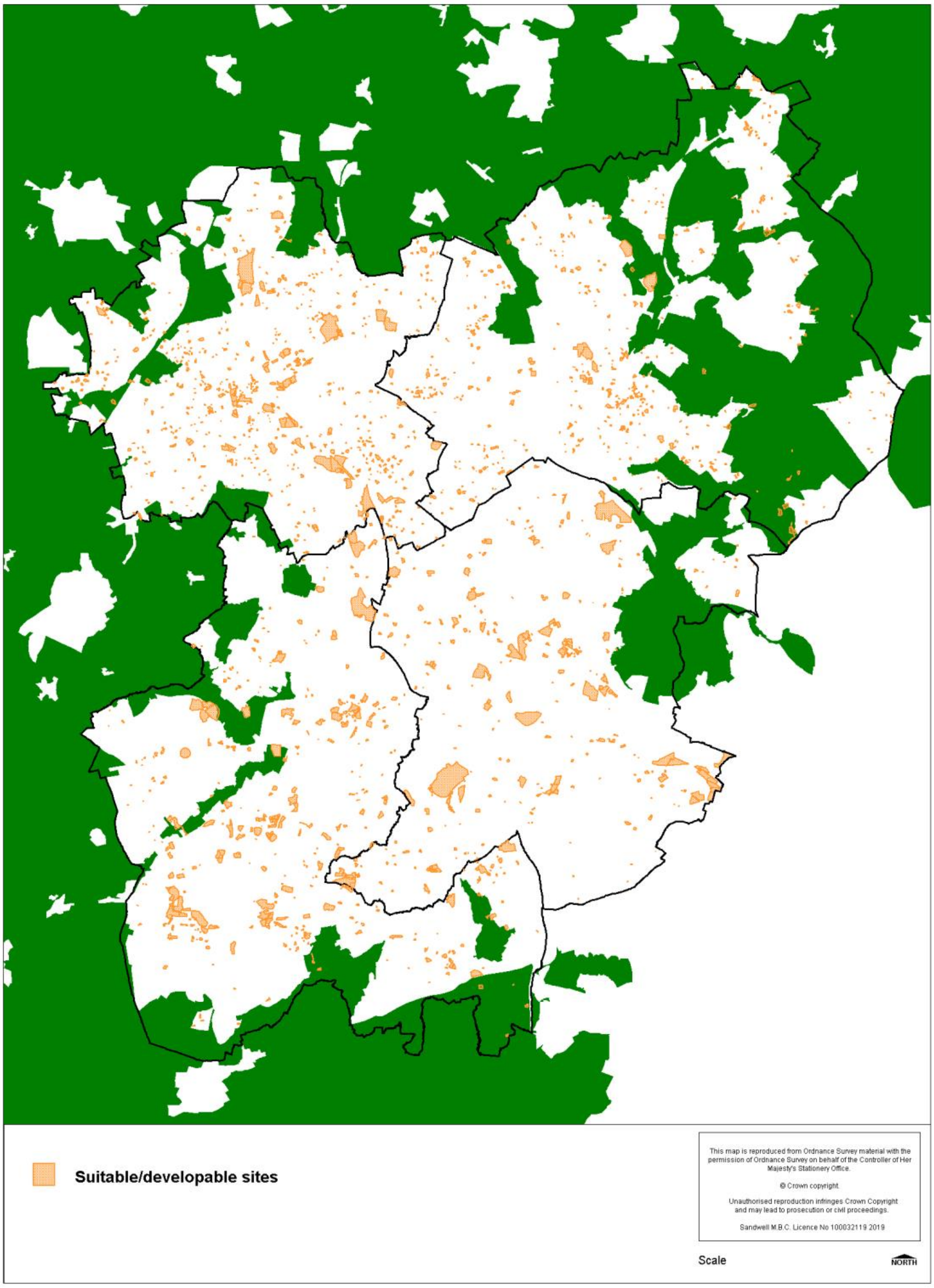
[3] The NPPF states that sites considered deliverable "… should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years."

[4] The NPPF defines developable sites as those "in a suitable location for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged"

of suitable SHLAA sites across the Black Country. The brownfield SHLAA sites also form the basis of each authority's Brownfield Land Register (Part 1).

Map 2 Strategic Housing Land Availability Assessment (SHLAA) sites suitable for housing within the Black Country (Green Belt shown in green)



2.1.9 The assessment of housing land supply in the SHLAAs also includes an allowance for "windfalls". This is to account for currently unidentified sites that may come forward over the Plan period. The main element of the windfall allowance is small sites of 9 homes or less, which are usually too small to allocate in the Black Country. These windfall allowances are included as past trends demonstrate that windfalls comprise a significant element of the Black Country housing supply. Further information is provided below.

2.1.10 A number of assumptions and allowances underlie the current housing supply set out in the BCCS and current SHLAAs. These are set out below.

Discount Rates

2.1.11 Discounts were applied to some sources of housing supply in the BCCS to allow for potential non-implementation during the plan period. A discount rate of 10% was applied to sites which were commitments in 2009 (including permissions and allocations) and a discount rate of 15% was applied to unidentified sites that were expected to come forward within the regeneration corridors or freestanding employment sites, given these sites had not yet been identified and were expected to be subject to multiple constraints on delivery.

2.1.12 These discount rates were examined independently by the BCCS Inspector and accepted as reasonable. As set out in the footnote to Table 1 below, all SHLAAs now reflect this level of discount - the capacity of sites not yet under construction has been discounted by 10%, and the capacity of allocated sites on surplus occupied employment land has been discounted by 15%.

Demolitions

2.1.13 The BCCS assumed that nearly 6,900 homes would be demolished up to 2026 as part of housing renewal schemes across the Black Country, with half of these predicted to take place during 2016-26. The replacement rate assumed for these sites was 52% overall, therefore it was assumed that housing renewal would remove 3,340 homes from the housing supply by 2026.

2.1.14 Only a small number of anticipated schemes, totalling 1,374 demolitions, have taken place since 2009 and large-scale housing renewal programmes have largely now come to an end. In addition, replacement rates on schemes which have taken place have typically been higher than expected. The current position on projected demolitions and replacement rates is reflected in individual SHLAA reports.

Density

2.1.16 BCCS Policy HOU2 and the associated Table 8 expect all sites of 15 homes or more to achieve a density of 35 dwellings per hectare (dph), net of open space and major roads. 35 dph generally relates to a development with a mix of house sizes and no flats. The Policy also requires developments of 60 dph or more (which generally have a majority of flats) to be located within strategic or town centres, and for other high density developments (45-60 dph) to have good access to residential services by foot or public transport.

2.1.17 For Site Allocations Documents (SAD), Area Action Plan (AAP) allocations, and sites in SHLAAs that do not yet have planning permission, this density guidance is used to calculate the potential number of dwellings that could be accommodated on each site, unless there are additional particular local factors that also need to be considered.

2.1.18 In particular, where there is no detailed information available, surplus occupied employment sites have an assumed density of 35 dph gross, which is the equivalent of 41 dph net assuming an 85% net developable area. This was found to be the average on such sites taking into account open space, buffers, main roads and other constraints. An assumed density of 50 dph gross has been used for highly accessible locations, in line with assumptions made in the BCCS.

Windfall Allowances

2.1.19 The complex nature of the Black Country means that it will never be possible to identify through the Local Plan process every potential housing site that may come forward in the future. Supply from unidentified sites which may come forward in future is generally referred to as a windfall allowance. Government guidance accepts this approach.

2.1.20 The current BCCS included a windfall allowance for small sites of less than 15 homes. This allowance was supported by the Core Strategy Inspector's Report, which states at para 54: "*In a largely built up area, such as the Black County, we accept that such an allowance is appropriate and locally justified in relation to guidance…*". This allowance accounted for just under 6% of total housing land supply in the BCCS, or 418 homes per year across the Black Country.

2.1.21 At this time (2011) national policy did not allow for windfalls to be taken into account in the 5 year supply, which reduced the average rate per annum. Para 70 of the NPPF now allows LPAs to make an allowance for windfall sites as part of anticipated supply where there is "… *compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends."*

2.1.22 In general, site allocations across the Black Country are now ten homes or more, and the national definition of major developments is ten homes / 0.5 ha or more. It is also important, in the context of the Black Country Plan review, to standardise approaches to housing supply across the sub-region. Therefore, it was agreed from 2015/16 onwards to apply a common definition for small windfall sites across the Black Country of nine homes / 0.25 ha or less. Such sites are not normally large enough to be allocated as development sites in local plans – but they are accounted for in SHLAAS, making up around 640 homes per annum of supply from the mid-2020's onwards.

Surplus Occupied Employment Land

2.1.23 The BCCS expected that a large proportion of the land for housing required over the Plan period would be provided through the redevelopment of surplus occupied employment land – land which was not anticipated to be suitable or needed for employment uses but which could be suitable and developable for housing. This approach was based on both employment land evidence, which indicated that there would be a large surplus of low quality employment land over the Plan period, and historic trends, which evidenced the widespread closure and release of factory sites for housing across the industrial core of the Black Country since the industrial decline of the 1970s.

2.1.24 BCCS Table 7 sets out the requirement for around 25,000 homes to be brought forward on surplus occupied employment land by 2026 - around half of this to be located in Sandwell. BCCS Appendix 2 set out broad locations (Regeneration Corridors and free-standing employment sites) where housing allocations on occupied employment land were expected to be made through preparation of Site Allocation Documents (SADs) and Area Action Plans (AAPs). Given the multiple constraints likely to affect such sites, a discount rate of 15% was applied to the supply from such allocations, meaning that around 29,400 homes would need to be allocated to deliver 25,000 homes in practice.

2.1.25 Following adoption of the BCCS, detailed evidence was prepared to support SADs and AAPs across the Black Country, sufficient to identify specific housing allocations in the identified broad locations. Progress made on achieving the 29,400 home target is set out below:

- The Dudley Development Strategy allocates 116 ha of land on 36 occupied employment sites for 3365 homes. Of these, 20 homes (on 0.5 ha) are now complete and 193 homes (on 4.5 ha) have planning permission as of 2019.

- The Walsall SAD does not allocate any occupied employment land for housing up to 2026. However, it does make reference to 75 ha of land on occupied employment sites which are classified as "consider for release" with potential to come forward for housing by 2026. These potential sites are not included in housing land supply calculations as there is no certainty that they are developable.

- The Sandwell SAD and West Bromwich AAP allocate 311 ha of land on 127 occupied employment sites to be redeveloped for 10,541 homes by 2026. However, 12 of these sites, totalling 51 ha and providing 1471 homes, were subsequently removed from the housing land supply because there had been investment by the existing occupiers indicating their intention to remain on the sites concerned and they were therefore judged to be not developable/deliverable. Of the remainder, 578 homes (14 ha on 7 sites) are now complete and 510 homes (23 ha on 10 sites) have planning permission as of 2019.

- Wolverhampton Area Action Plans and Heathfield Park Neighbourhood Plan allocate 39.5 ha of land on 17 occupied employment sites for 1297 homes by 2026. Of these, 81 homes (on 1.5 ha) have planning permission and are under construction as of 2019.

2.1.26 In summary, Black Country housing allocations on occupied employment land originally totalled 15,203 homes on 467 ha of land – which was significantly below the BCCS target of 29,400 homes. This is because the detailed evidence available when preparing SADs and AAPs did not support the allocation of sufficient suitable sites for housing.

2.1.27 Since these sites were allocated through the adoption of Local Plans during 2013-17, only 598 homes have been completed and an additional 684 homes have secured planning permission. 51 ha (1471 homes) of sites in Sandwell have also subsequently been removed from the housing land supply because there had been investment in the sites concerned and they were therefore judged to be not developable/deliverable. This clearly demonstrates the multiple constraints which typically affect such sites. These constraints include: business relocation logistics and costs; fragmented land ownership and high land assembly costs; high land remediation costs due to former mining and contamination; and low market values. Such constraints are widespread across the remaining 372 ha of allocation sites.

2.1.28 In response to these delivery and viability challenges, a range of policy tools and funding mechanisms are being deployed, primarily through the Black Country Local Enterprise Partnership (BCLEP) and West Midlands Combined Authority. These include the £150m Black Country Land and Property Investment Fund (LPIF) and the West Midlands Housing Deal Land Fund of £100m focussed on the Walsall to Wolverhampton Corridor. These funding mechanisms are time limited and on their own are not capable of addressing the viability gap associated with the delivery of the totality of the sites outlined in para 2.1.27 above, as recognised by the WMCA Land Commission in their 2017 Final Report. The Black Country Authorities will therefore continue to engage with Government, WMCA, the BCLEP and other public sector delivery agencies to secure additional support to assist with the delivery of key development opportunities.

2.1.29 Preparation of SADs, AAPs and SHLAAs, as well as monitoring and analysis of actual housing delivery achieved since 2011, has prompted a review of BCCS assumptions on the release of surplus employment land for housing through the Black Country Plan review.

2.1.30 Evidence presented in the Issues and Options Report to support the Black Country Plan review highlights that, in recent years, rather than a surplus of employment land across the Black Country, there is now a need for a net increase in employment land over the new Plan period. This could require the retention of more of the existing employment land that might have been expected previously to be released for housing. The Black Country Economic Development Needs

Assessment (EDNA) Stage 1, summarised in section 2.2, provides detailed information on the need for and supply of employment land.

2.1.31 During 2019, further detailed evidence has been progressed to support the Black Country Plan review in the form of the Black Country EDNA Stage 2 and the Black Country Employment Area Review (BEAR). The BEAR and EDNA2 will be published alongside the draft Plan in 2020 but the fieldwork and analysis is largely complete. This work is providing a comprehensive review of the quality and long term sustainability of the Black Country's employment areas for continued employment use and the extent to which occupied employment sites currently allocated for housing should continue to be allocated for redevelopment.

2.1.32 The BEAR is based on detailed fieldwork and engagement with occupiers and landowners to establish their current intentions for employment sites and future business needs. This work provides key evidence to inform what position the Black Country Plan should adopt on the protection and retention of existing employment areas up to 2038 and which of the existing housing allocations involving the redevelopment of employment land should be deleted, with those sites retained for employment activity.

2.1.33 The BEAR work has shown that many of the occupied employment sites currently allocated for housing are home to businesses which have either invested in their premises and/or intend to remain in situ in the long term, and specifically throughout the new Plan period. This, coupled with the strategic need to plan for a net increase in employment land, strongly suggests that these sites should be retained for employment uses and current housing allocations deleted through the Black Country Plan review. The impact of the BEAR work to date on housing land supply is summarised in Table 1.

Table 1 – Impact of Employment Land Evidence (EDNA / BEAR) on Housing Land Supply

Local authority **Total homes (gross ha's / no. of sites)**	**Housing allocations on occupied employment land included in 2018 SHLAA housing supply**	**Loss of homes on occupied employment land resulting from EDNA / BEAR**	**Remaining suitable / developable housing allocations on occupied employment land included in 2019 SHLAA housing supply**
Dudley	3152 (111 / 31)	-583 (18 / 2)	2569 (93 / 29)
Sandwell	7982 (223 / 98)	-5852 (166 / 79)	2130 (57 / 19)
Walsall	0 (0)	0 (0)	0 (0)
Wolverhampton	1216 (38 / 16)	-691 (23 / 8)	525 (15 / 8)
Black Country	**12,350 homes (372 ha / 145 sites)**	**- 7,126 homes (207 ha / 89 sites)**	**5,224 homes (165 ha / 56 sites)**

2.1.34 The overall effect of this work is to reduce the 12,350 homes (undiscounted) of suitable and developable housing allocations on occupied employment land by 7,126 homes – a significant reduction in housing capacity between 2018 and 2019.

2.1.35 This new evidence has immediate implications for the suitability and developability of specific housing allocation sites. National planning guidance expects all available evidence to be taken into account when determining the list of sites suitable and developable for housing through the SHLAA process. The 2019 SHLAAs have therefore been updated ahead of the formal publication of the BEAR, but the findings of the BEAR have been used in the review of the individual sites.

Comparing Housing Need and Housing Supply

2.1.36 Table 2 summarises the key housing supply figures set out in the four local authority SHLAAs, and Appendix 2 provides a detailed housing trajectory for each authority, taken from the 2019 SHLAAs.

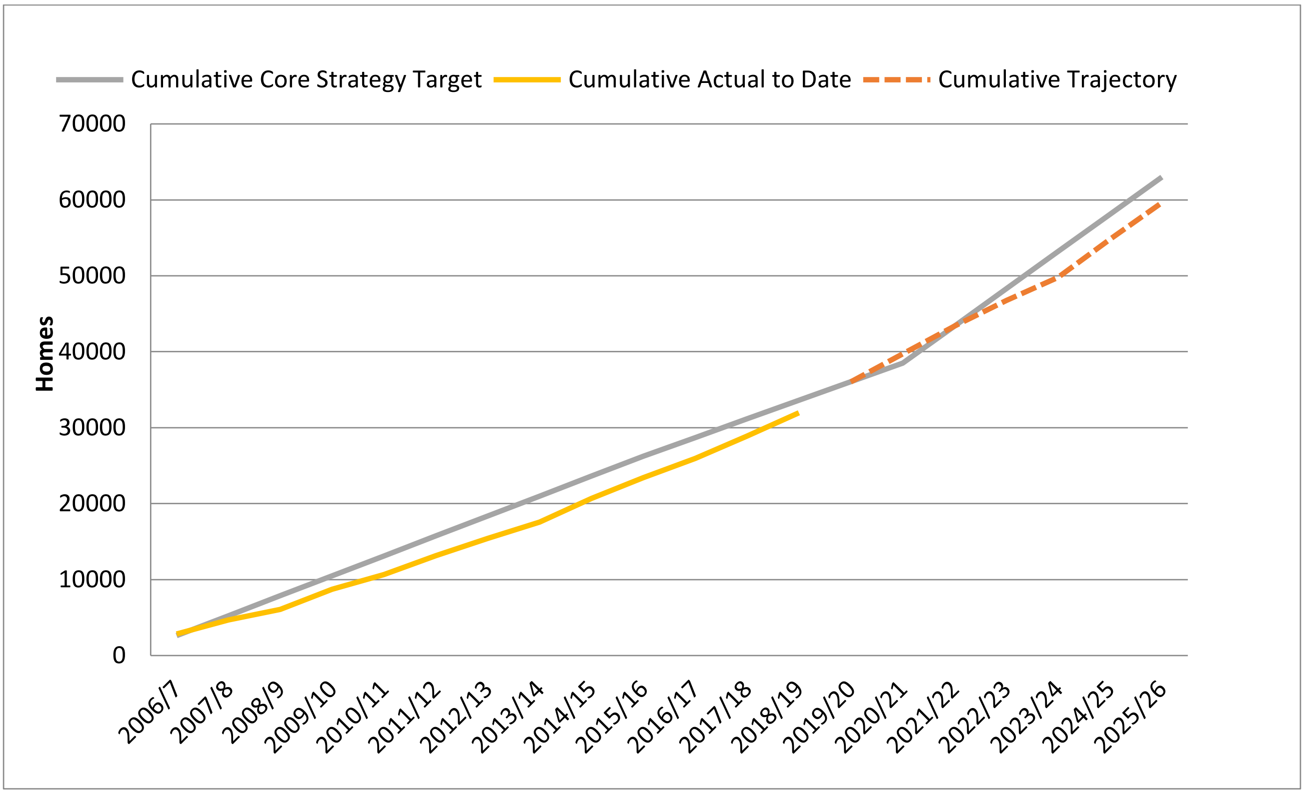
Table 2 Summary of Black Country Housing Supply as of April 2019

	Net housing completions 2006-19	Housing supply* 2019-26	Housing supply* 2026-38	Core Strategy housing target 2006-26	Total housing supply 2006-26	Local Housing Need 2019-38	Total housing supply 2019-38
Dudley	7,943	10,125	3,425	16,127	18,068	11,913	13,550
Sandwell	9,539	4,852	5,560	21,490	14,391	28,044	10,412
Walsall	8,137	5,468	2,291	11,973	13,605	17,214	7,759
Wolverhampton	6,348	7,224	3,226	13,411	13,572	14,288	10,450
Black Country	**31,967**	**27,669**	**14,502**	**63,001**	**59,636**	**71,459**	**42,171**

* From identified sites, broad locations and windfall allowances. The capacity of sites not yet under construction has been discounted by 10%, and the capacity of developable allocated sites on occupied employment land has been discounted by 15%. A small (<10 homes / 0.25 ha) windfall site allowance based on average completions for 2014-19 has been applied from start dates which vary depending on local circumstances, up to 2038

2.1.37 The SHLAAs assess progress made against existing BCCS housing targets (para 2.1.3) and also compare existing supply to current local housing need (para 2.1.4). Graph 1 compares the Black Country housing trajectory against combined BCCS housing targets for the period 2006-2026. Graph 2 compares the Black Country housing trajectory against combined local housing need for the period 2019-38.

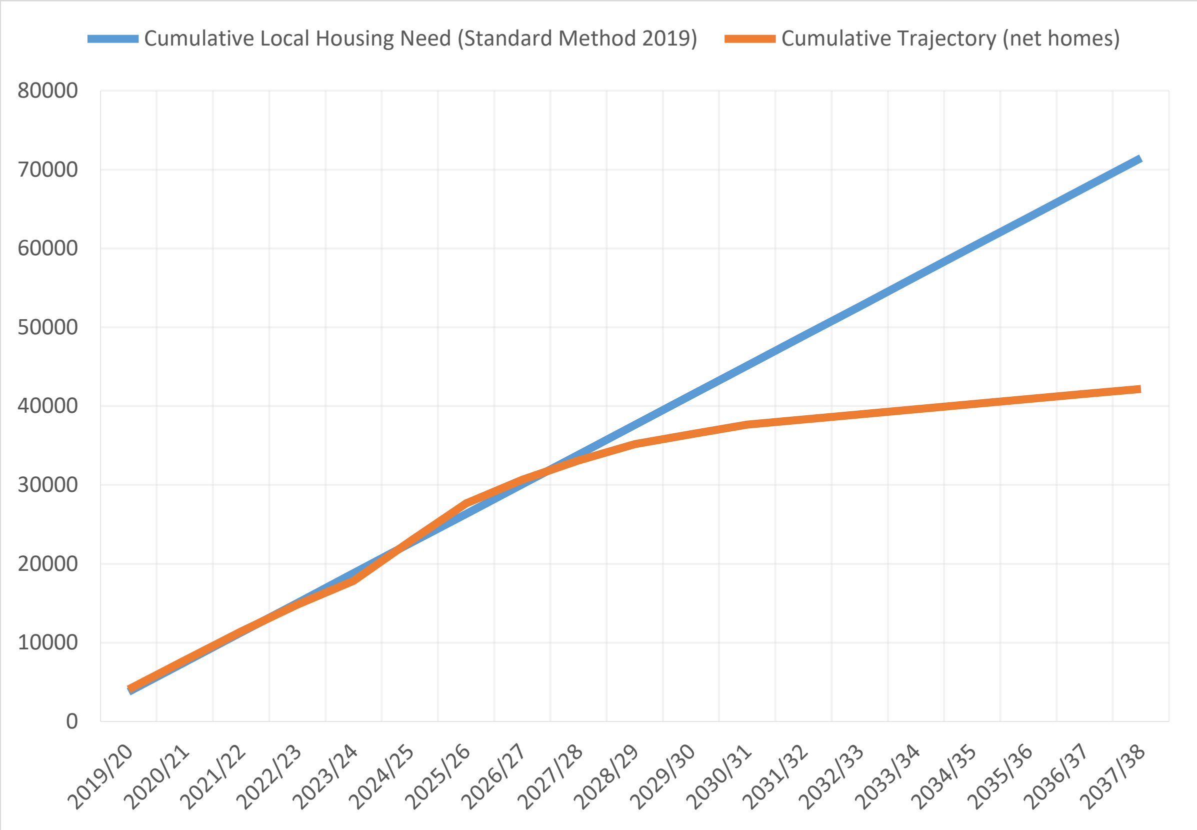
Graph 1 Black Country Housing Trajectory compared to Black Country Core Strategy (BCCS) Targets: 2006-26



2.1.38 Graph 1 shows that, for the first time, housing land supply has fallen below that required to meet the housing targets set out in the existing BCCS up to 2026. For the Black Country as a whole there will be an under-supply of 3364 homes at 2025/26 - 11% of the remaining target of 31,018 homes. The under-supply emerges in 2022/23. The main reasons for this change from over-supply to under-supply are the loss of supply on occupied employment land and the re-phasing of sites beyond 2026 to reflect realistic delivery timescales, in line with Government guidance on deliverability.

2.1.39 In terms of performance against BCCS targets by authority, Dudley has a surplus of 1940 homes, Walsall has a surplus of 1630 homes, Wolverhampton has a surplus of 160 homes and Sandwell has an under-supply of 7,100 homes.

Graph 2 Black Country Housing Trajectory compared to Local Housing Need (2019): 2019-38



2.1.40 Turning to the housing need and supply position for the new Black Country Plan, Graph 2 shows that **local housing need will outstrip housing supply in 2027/28, with the gap widening until there is a total shortfall of 29,288 homes in 2037/38**. This shortfall represents 41% of the total need for 71,459 homes over the period 2019-38.

2.2 Meeting Employment Land Needs

2.2.1 The NPPF requires the planning system to support sustainable economic growth to create jobs and prosperity, meet global competition and deliver a low carbon future, and requires local authorities to plan proactively to meet the development needs of businesses and support a modern economy.

2.2.2 The Black Country Plan will set out a clear vision and strategy to reflect these aims and make provision for local and inward investment to meet needs over the longer Plan period.

2.2.3 An Economic Development Needs Assessment (EDNA) was prepared for the Black Country during 2016-17. This built upon and updated a number of regional and sub-regional employment land studies completed since the adoption of the Core Strategy in 2011:

- the West Midlands Strategic Employment Sites Study;
- the Black Country and South Staffordshire sub-regional High Quality Employment Land Study; and
- the Black Country and Southern Staffordshire Regional Logistics Sites Study

2.2.4 The EDNA provided an assessment of employment land requirements over the review period, the suitability of the existing Core Strategy and the appropriateness of the associated policies. The work identified a number of growth scenarios based on a range of potential economic outcomes.

2.2.5 **In order to accommodate the level of growth associated with the most likely growth scenario, the EDNA recommended that the review should plan for up to 800 ha of additional land to meet the needs of the Black Country for the period 2016-36** within the B1(b), B1(c), B2, B8 use classes and other ancillary uses appropriately located within industrial employment areas. This requirement has been recalculated to reflect the 2038 end date for the Plan. The updated employment land need is now 870 ha.

2.2.6 This figure of 870 ha is recommended in the EDNA to be the most appropriate as it represents around 590 ha of land as a 'basic' requirement, informed by past trends (of 26ha per annum), for the Black Country industrial sector to keep functioning, plus approximately 280 hectares of land for growth (12.5ha per annum) in the industrial sector to provide for the growth of existing businesses, enhanced productivity, to provide a range of sites to meet inward investment needs and reflect the employment forecasts associated with the economic growth aspirations of the Black Country as set out in the West Midlands Combined Authority Strategic Economic Plan in particular i.e. a "past trend plus some growth" scenario.

2.2.7 Employment land completions during 2016-19, including 22ha on sites within South Staffordshire, have provided 75 ha of additional employment land towards meeting Black Country needs, reducing the Plan requirement to 515 ha against the baseline requirement, or 795 ha (equating to 25ha per annum) against the most likely growth scenario. In the first instance, additional land to meet the remaining need should be accommodated within the existing Growth Network and other parts of the urban area. It is anticipated that 232 ha of land is either currently available or is likely to come forward within the Black Country itself. This is made up of sites which are currently vacant and opportunities for the intensification and redevelopment of existing under-utilised employment areas.

2.2.8 **The 'gap' between anticipated need and existing and future Black Country land supply is therefore up to 283 ha against the baseline requirement, and 563 ha against the most likely growth scenario, as shown in Table 3 below**. This is a Black Country wide requirement, and the review will need to guide the distribution and phasing of this new supply.

Table 3 Black Country employment land need and supply 2016-38 (all figures in ha)

Growth scenario	Requirement	Completions 2016/17-2018/19*	Supply April 2019	Gap
Baseline	590	75	232	283
Most likely	870	75	232	563

* includes 22ha at i54 South Staffordshire but contributing towards meeting Black Country needs

2.2.9 The Black Country Plan review should provide for a portfolio of employment sites capable of meeting a variety of investment needs. These include needs for locally and sectorally focused investment needs which provide jobs and are important to the functioning of industrial areas. However, **it is evident that there is a particular shortage of large and accessible high quality investment sites available in the short term.** There remains a specific need for large scale, rail-based logistics provision to serve the Black Country, and in the absence of any suitably large sites within the administrative area, the proposed West Midlands Interchange located at Four Ashes in South Staffordshire has the potential to satisfy some or most of this need. Discussions with South Staffordshire Council on this issue are ongoing and will continue under the Duty to Co-operate work.

2.2.10 The EDNA suggests that the BCP should continue to safeguard a wide range of sustainable local employment areas and promote the recycling of brownfield land within them, as well as recognising the potential for a number of large industrial sites to be more intensively used. However, even in the context of the need to plan for a net increase in employment land to 2038, there may be some existing employment areas which currently have low levels of occupancy, are unlikely to be 'fit for purpose' to meet future needs and could be considered for redevelopment to alternative uses, especially housing. These redundant employment areas which are suitable for housing could make a very limited contribution towards meeting housing land requirements, subject to overcoming significant viability issues. This potential source of housing supply was considered under the Strategic Options set out in Part 4 of the Issues and Options Report and is being tested through the BEAR as summarised in paras 2.1.32-2.1.33.

3 Identification of Potential Additional Capacity

3.1 Potential Changes to Housing Supply

3.1.1 For the purposes of this Review, existing policies, allocations and assumptions have been reviewed in order to test whether additional potential capacity for housing development can be identified in the urban areas across the Black Country. For the purposes of this Review it has been necessary to make some new working assumptions, which are detailed below.

Review of Existing Housing Allocations

3.1.2 As part of the Black Country Plan preparation, all housing and employment allocations in existing Plans which fall outside Strategic Centres will be reviewed. This will include a review of density assumptions in line with the new density policy in the emerging BCP (see below). As detailed in paras 2.1.30-2.1.35 above and reflected in current SHLAAs, new evidence prepared to support the Black Country Plan review has resulted in the removal of suitable / developable status from a significant number of existing housing allocations on surplus occupied employment land. These sites will be de-allocated through the Black Country Plan review process.

Demolitions

3.1.3 Dudley Council's 10 year housing asset management strategy (October 2019) has identified that there are around 2,500 properties (some 12% of the Council's stock) that are considered not viable and are red-flagged for review for strategic investment, de-investment or demolition. Whilst precise demolition estimates are not known or approved at this time, it is possible that there will be some demolitions over the next 10 years, and potentially replacement homes on demolition sites, which will need to be factored into future SHLAAs. This is likely to result in an overall loss in housing capacity.

Potential to Amend Discount Rates

3.1.4 As outlined above, the BCCS applied a 10% discount rate to commitments and a 15% discount to occupied employment land. Current SHLAA figures reflect the discounts applied in the existing BCCS. This is consistent with the Greater Birmingham and Black Country HMA Strategic Growth Study (GL Hearn), February 2018. This also concluded that a discount of 15% for sites without planning consent is appropriate in the Black Country, reflecting the significant proportion of the land supply on occupied employment land with delivery challenges.

3.1.5 The Study applied only a 5% discount to sites with planning consent, however it is considered that the continued application of a 10% discount to such sites is appropriate in the Black Country. This is considered to be a reasonable assumption. The Study itself concludes that: "*These discounts are for the purposes of assessing supply in this report and should not be considered to prejudge what allowance is made for non-implementation in individual local plans or authorities'* *land supply assessments.*" Therefore, it is not proposed to apply any further changes to discount rates at the present time, in the absence of further evidence on deliverability and viability of the Black Country Plan, as required by the NPPF.

3.1.6 However, it is acknowledged that preparation of the BCCS began during the recession of 2008, when it might be expected that the potential supply identified would have taken some time to come forward. In addition, the extension of the period that the Black Country Plan will cover to 2038 will provide more time to develop problematic sites and identify alternative funding sources. More information is now available on identified sites, and an increased range and quantum of external funding is now available, which could reduce the need for discounting.

3.1.7 The removal of a significant proportion of the most constrained residential allocations on occupied employment land from the supply (as set out in paras 2.1.22-2.1.31) could also reduce the amount of discounting required. However, significant constraints still affect the remaining supply on occupied employment land and, indeed, other housing allocations. The Viability and Delivery Study to be commissioned in early 2020 to support preparation of the Draft Plan will help to assess the likely impact of these factors and recommend appropriate discount rates to be applied. Therefore, discount rates will be revisited when the Urban Capacity Review is updated in 2020, to support preparation of the Draft Plan, in the light of up-to-date delivery and viability evidence.

Potential to Increase Densities

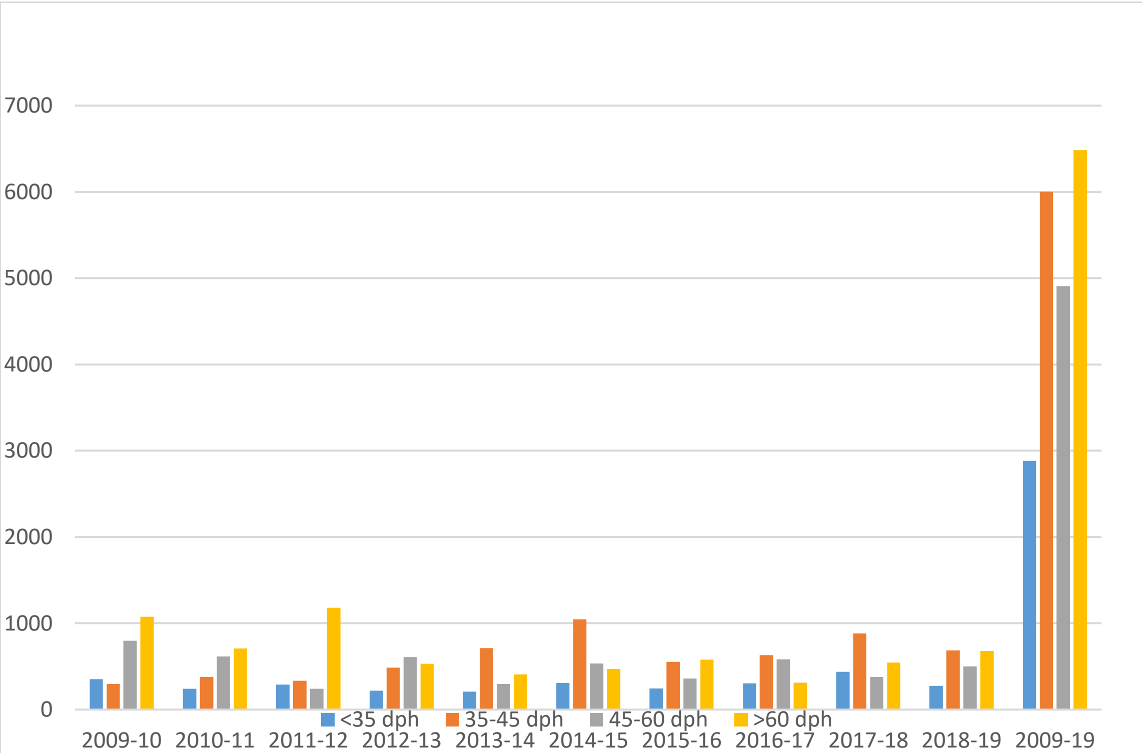
3.1.8 One of the ways to maximise housing delivery is to test previous assumptions regarding densities on sites. In the Black Country, a minimum density of 35 dwellings per hectare (dph) has been assumed on allocated sites, as required by BCCS Policy HOU2. Higher densities of over 60 dph are required for sites in centres.

3.1.9 The GBBCHMA Strategic Growth Study reviewed density assumptions on existing identified sites across the wider Housing Market Area with a view to increasing densities of future developments where possible. This excluded sites with planning consent. Based on the analysis undertaken the Study concluded that: "*it would be reasonable to assume minimum densities of 40 dph are achieved in the conurbation (Birmingham and the Black Country urban area), with minimum densities of 35 dph in other parts of the HMA. This approach would yield an additional supply of 13,000 dwellings, principally over the period to 2031*" (para 1.33). In particular, the Study concludes that, for sites of 200+ homes: "*in areas such as … the Black Country there are total gains of … 1,000 dwellings … when using 40 dph as a minimum*" (para 6.42), and "*At 40 dph, the contribution from small sites in the Black Country increases by around 3,000 dwellings based on the available evidence*" (para 6.48). It should be noted that the conclusion for smaller sites, which make up the majority of housing supply, was based on a sample of sites only. Therefore, the Study concludes that increasing the minimum density of all sites without planning consent to 40 dph through an immediate change in planning policy could generate 4,000 further homes in the Black Country.

3.1.10 The Study also concludes that: "*Given what has been achieved historically and the Government's drive to increase densities particularly in town centres and areas of strong public transport accessibility, we consider that a minimum density threshold of 40 dph should be applied within the Birmingham and the Black Country urban area, given that this constitutes the main urban area in the HMA and is that area in which an unmet housing need principally arises. Applying this threshold within the Black Country urban area could potentially result in additional supply, subject to further localised testing*" (para 6.52). Therefore, it is important that this Report addresses the issue of localised testing of the impact of increasing minimum densities to 40 dph.

3.1.11 A review of historic and current density rates across the Black Country has been undertaken and the results are presented in Figures 1 and 2. The analysis has been carried out for sites of 15 homes or more only, as these are the sites subject to density controls under BCCS Policy HOU2. In addition, density on smaller sites tends to be limited by site specific constraints, such as access and amenity, and consequently would not be appropriate to include.

Figure 1 Net Density of Completions on Sites of 15+ homes: 2009-19



3.1.12 Figure 1 shows the density distribution of the 20,279 homes completed on sites of 15 homes or more over the period 2009-19, which is summarised below:

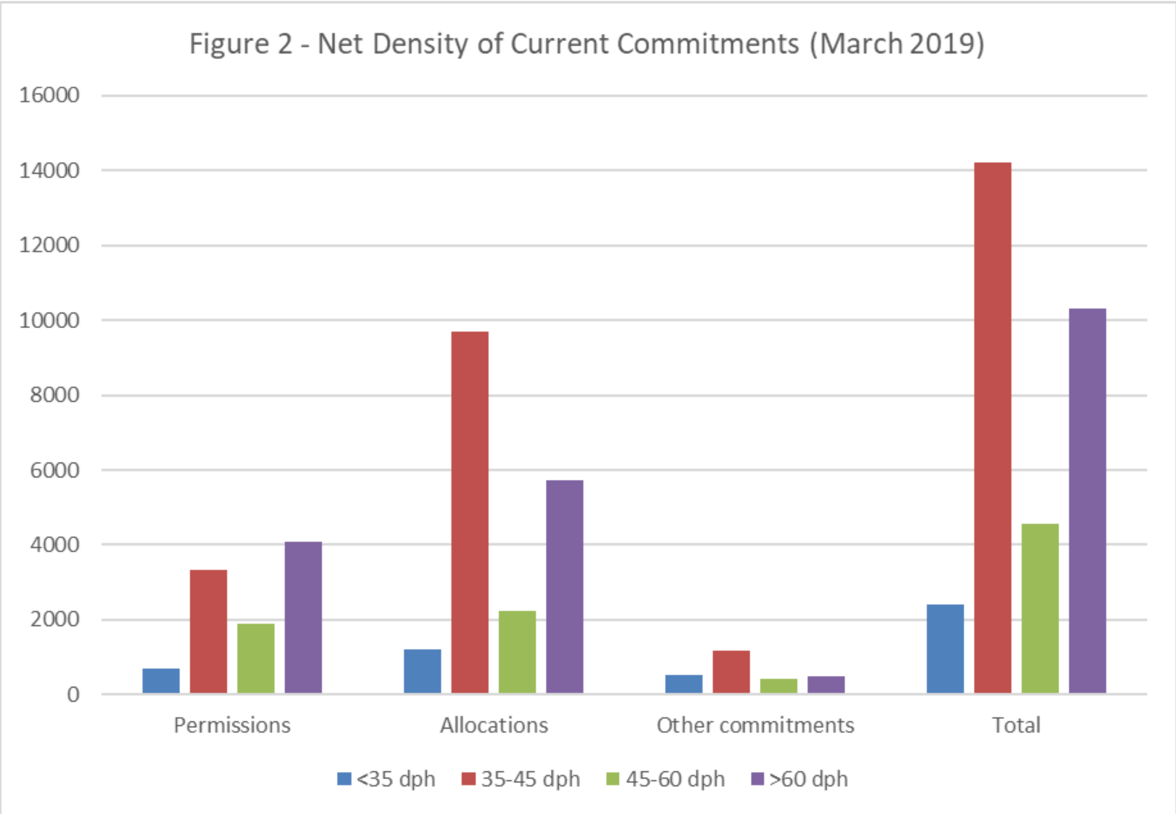
<35 dph	35-45 dph	45-60 dph	>60 dph	Total
14%	30%	24%	32%	100%

1,807 (9%) of these completions were on sites within Strategic Centre or Town Centres - the majority of these built at net densities of over 60 dph (majority flats). This is a far smaller number than anticipated in the BCCS. In particular 2,306 homes in Brierley Hill Strategic Centre which were expected to be allocated and completed by 2016 have not taken place.

3.1.13 Figure 1 shows a bulge in >60dph / flatted housing at the beginning of the period, reflecting the end of the housing boom, followed by a reduction in 2012/13, reflecting the delayed effects of the recession and corresponding reduced demand for flats. This is accompanied by an increase in 35-45 dph housing over time, reflecting a return to house-led developments following the recession. However, 2015/16 shows the return to a more even distribution.

3.1.14 The proportion of lower density developments (of under 35 dph) has remained broadly steady, at an average / current level of 14% of total completions. These sites divide into two categories. Those sites which were subject to some kind of constraint, typically listed building, conservation area or other local character, are typically 15-25 dph. Other sites not subject to constraints tend to be 30-35 dph.

3.1.15 Figure 2 shows the density distribution of committed sites of 15 homes or more, as of March 2019 - in line with current SHLAAs.

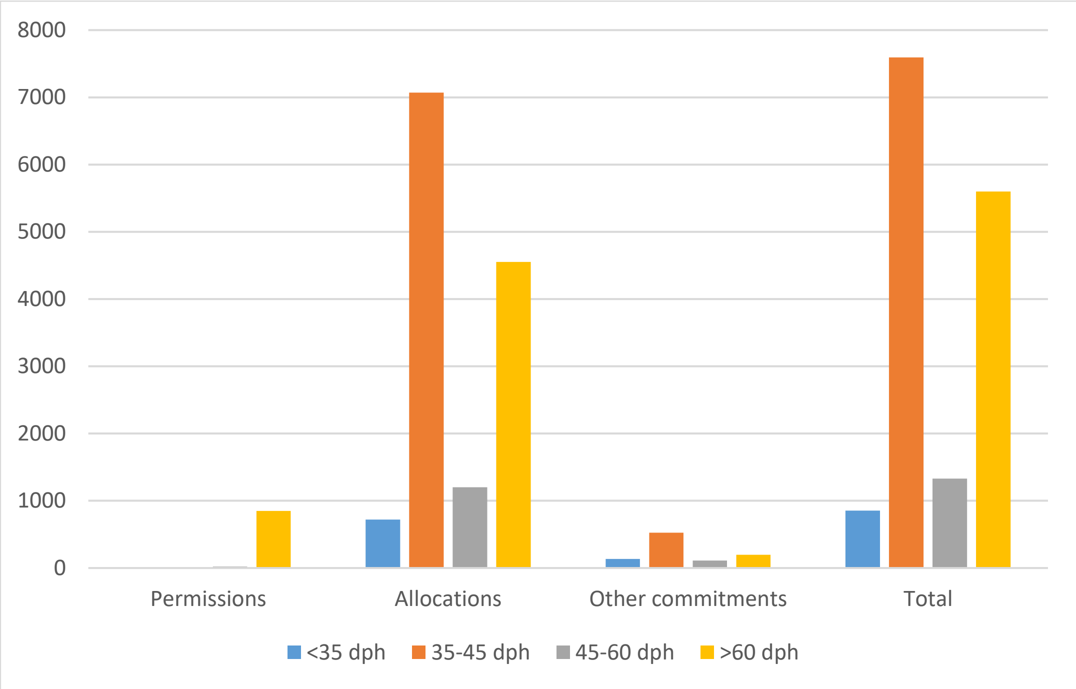


3.1.16 The density distribution for all sites is as follows:

<35 dph	35-45 dph	45-60 dph	>60 dph	Total
8%	45%	14%	33%	100%

3.1.17 However, it is not possible to increase the density of sites with a current planning permission. If current density policies were changed through the Black Country Plan and subsequent Local Plan reviews, by increasing the minimum density for sites of 15+ homes from 35dph to 40dph, this could generate further potential capacity on allocations and other commitments. However, this would apply only to sites which are developable beyond 2024, given the Black Country Plan adoption date of 2023.

Figure 3 Net Density of Current Commitments Developable 2024 Onwards (March 2019)



3.1.18 Figure 3 shows the density distribution of committed sites of 15 homes or more, which are developable from 2024 onwards. There are 7,595 homes on allocated and other commitment sites with an assumed density of 35-45 dph which are developable from 2024 onwards. If all of these sites had a density of 35 dph, increasing their density to 40 dph would generate an additional capacity of around 1,085 homes. In addition, there are 856 homes on sites of less than 35 dph. If all of these sites had a density of 30 dph and were not constrained by other factors, such as local character, increasing density on these sites by 10 dph would generate an additional 285 homes.

3.1.19 **Therefore, increasing the minimum density policy through the Black Country Plan review from 35 to 40 dph for sites of 15+ homes could give rise to a maximum additional supply of 1,370 homes**. Table 4 indicates how the maximum density uplift would be distributed across the four authorities. This total is substantially less than the 4,000 homes estimated in the GBBCHMA Strategic Growth Study (see para 3.1.4 above). This is because a more detailed analysis of up-to-date data has been possible at the Black Country level.

Table 4 Indicative Distribution of Maximum Density Uplift Across the Black Country

Authority	Maximum Density Uplift
Dudley	587
Sandwell	676
Walsall	0
Wolverhampton	107
Black Country	**1370**

Potential to Allocate Further Surplus Occupied Employment Land for Housing

3.1.20 The Issues and Options report suggested an option to re-allocate up to 300 ha of additional occupied employment land for housing, equating to approximately 10,400 additional homes. However, work which has taken place during 2018/19, including the EDNA, the BEAR and a more up to date understanding of constraints, challenges and viability for residential end use, strongly indicates that there is very limited potential for allocation of further surplus occupied employment land for residential use.

3.1.21 Furthermore, this re-allocation to housing would impact negatively on the ability of the Black Country to provide sufficient employment land to meet its identified needs, as any employment land 'lost' to alternative uses would need to be replaced elsewhere and added to the land requirement summarised in section 2.2 of this Report. Paras 2.1.22-2.1.31 of this report detail the reasons why up to date evidence from the EDNA and the BEAR has resulted in the loss of 7,126 homes (undiscounted) from housing land supply on such sites. It is therefore considered reasonable at this stage to conclude that no or minimal additional housing supply is likely to arise from this source.

Strategic Centres

3.1.22 The Strategic Centres are not included in the review of existing allocations (see para 3.1.2) but provide a potential source of new housing supply. The four Strategic Centres (Brierley Hill, Walsall Town Centre, West Bromwich and Wolverhampton City Centre) are all covered by Area Action Plans and contain a significant number of housing allocations, sites with planning permission for housing, and other sites suitable and developable for housing, as set out in Table 5 below. These are included in the housing supply figures provided in Table 2.

Table 5 Total Housing Capacity in Strategic Centres as of 2019

Strategic Centre	Total housing capacity as of 2019 (undiscounted, including windfall allowances)
Brierley Hill Town Centre	2836
Walsall Town Centre	937
West Bromwich Town Centre	643
Wolverhampton City Centre	4556
Total	**8972**

3.1.23 The Black Country Plan will set out indicative housing targets for each Strategic Centre. These targets will be based on the most recent information from SHLAAs regarding allocations and other commitments but will also take into account the results of the Centres Study currently underway to support the BCP review, and also more detailed information currently being prepared for West Bromwich and Brierley Hill.

3.1.24 Sandwell MBC are currently carrying out a review of the potential for development within West Bromwich Strategic Centre, including housing development beyond existing housing allocations and commitments. An interim West Bromwich planning statement is due to be published for consultation in summer 2020 and a masterplan including estimates of housing capacity will be available in early 2021. These documents will inform the housing target for West Bromwich Strategic Centre in the BCP. **It is currently estimated that this work will generate an additional housing capacity of 500-1000 homes for West Bromwich Strategic Centre.**

3.1.25 The Brierley Hill AAP, which extends to 2026, is under review and will be rolled forward to 2038 in parallel with the BCP review. As part of this process, the identified housing allocations will be reviewed and the capacity of the AAP area to accommodate further housing will be assessed. This work will inform the housing target for Brierley Hill Strategic Centre in the BCP. **It is currently estimated that this work will not significantly change the existing total housing capacity of Brierley Hill Strategic Centre.**

3.1.26 The Walsall SAD and the Walsall Town Centre AAP were adopted in January 2019. Neither the SAD nor the AAP cover the five district centres of Walsall (Aldridge, Bloxwich, Brownhills, Darlaston and Willenhall). The Walsall Town Centre AAP gives priority to main town centre uses and does not allocate specific sites for housing, other than two small sites. However, the AAP encourages residential uses in the town centre, in particular as part of mixed uses and through the use of upper floors. Potential additional housing capacity has therefore been identified in the 2019 revision of Walsall's SHLAA, both in Walsall Town Centre and in the district centres. **Therefore, it is unlikely that any further housing sites will come forward within Walsall Town Centre or the five district centres.**

3.1.27 Wolverhampton City Centre AAP (2016) sets out detailed housing and mixed use allocations for all available development land within Wolverhampton City Centre and land to the south. The AAP makes an allowance for housing to come forward on sites which may potentially include housing and also includes a windfall allowance for upper floor conversions in line with recent trends. **Therefore, it is unlikely that any further housing sites will come forward within Wolverhampton City Centre.**

3.1.28 Centres have an important role to play in accommodating future residential growth in the Black Country, particularly the role they have to play in both creating more capacity and enhancing rates of delivery. However, before considering the potential for residential development, it should be noted that town centres are still the key source of employment and the focus for retail, leisure, commercial and civic uses in the Black Country. Residential-led mixed-use development offers one route to both re-shape town centres and provide additional housing. However, a flexible approach needs to be adopted to identifying opportunities to accommodate residential growth. Given the constraints on delivering complex developments of this type, not least site assembly, the response is likely to require a high degree of stakeholder collaboration, especially between the public and private sectors.

3.1.29 Mid-rise and high-rise residential housing typical in Town Centres is suitable for smaller households that can be accommodated in 1-2 bed properties. Arguably these households are slightly more transient in long-term housing needs and perhaps seek to maximise the benefit of central urban locations with good access to shops and leisure facilities. From a viability perspective demand from these households for urban locations is greater than from family households and therefore, in comparative terms, values for 1-2 bed properties outweigh values for 3 bedroom properties. Family sized units are difficult to deliver in high density schemes, due in part to their requirements for private amenity space.

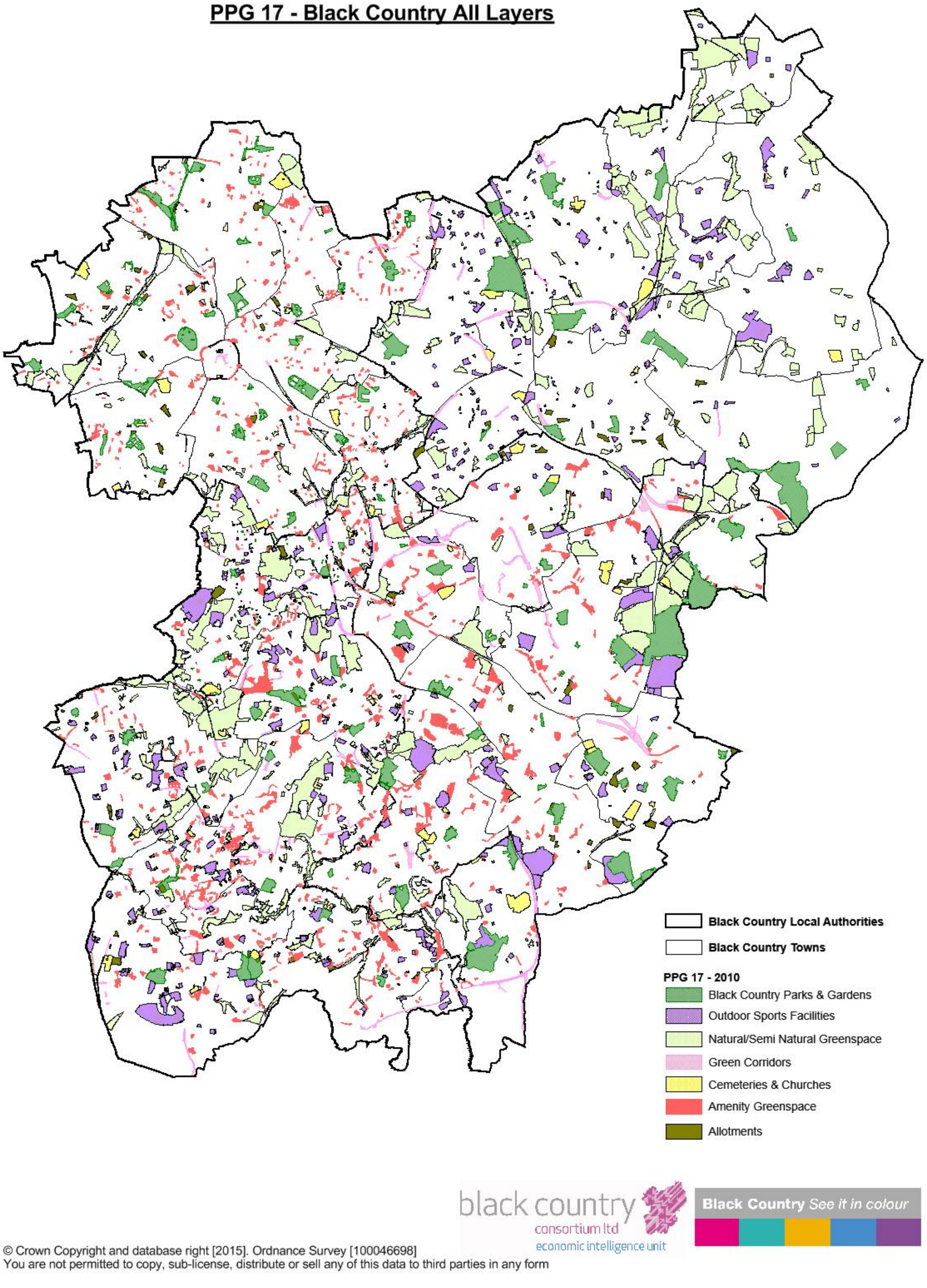
3.1.30 The current vitality and viability of town centres will be tested through town centre 'health checks' taking place during 2019/20. This will help with the review and updating of floor space requirements for the various town centre uses. Such factors as vacancy rates, retail offer, retail rents and levels of vacant existing office stock, together with levels of public transport accessibility and future planned transport improvements will assist in identifying any potential increased residential capacity in centres. As a result, the Black Country Plan will be able to encourage flexibility and diversification of centres (including through residential provision) and, together with SHLAAs, will facilitate helping contribute to meeting housing needs.

3.1.31 At the current time, whilst awaiting completion of the Centres Study and more detailed evidence on the capacity of West Bromwich and Brierley Hill Strategic Centre, it is possible to conclude that there is likely to be some potential for re-allocation of floorspace in Strategic Centres for different centre uses, including some potential additional housing supply. Whilst it is anticipated that this will be positive in terms of meeting more needs, **the amount of additional capacity is likely to be limited to no more than 500-1000 homes in total.**

Other Sources

3.1.32 There may be potential to release limited areas of surplus open space within the urban area for housing in some areas. Updates to existing Open Space Assessments and Strategies should be completed by early 2020, to quantify this potential. However, this source is unlikely to generate a significant amount of housing. This is because all of the Black Country authorities currently have an open space quantity standard which equals or exceeds current levels of provision, and this position will be exacerbated as the population is projected to increase over the new longer plan period. Therefore, releasing significant amounts of open space for housing would result in significant under-provision of open space in existing residential areas. It is therefore considered reasonable at this stage to conclude that no or minimal additional potential housing sites are likely to be identified on urban open space across the Black Country.

Map 3 The Distribution of Different Types of Open Space in the Black Country



Summary

3.1.33 The potential changes to housing supply likely to arise from the sources covered in this section are summarised in Table 6. When the Urban Capacity Review report is updated in 2020 to inform the Draft Black Country Plan figures will be defined for each source. However, **it is clear that potential changes are unlikely to increase housing supply by more than a few thousand homes in total.** Table 7 provides an indication of the potential housing shortfall by authority, over the Black Country Plan period, taking into account the additional potential from density increases and strategic centres only. **This potential additional capacity would reduce the existing shortfall of 29,288 homes up to 2038 (as set out in para 2.1.40) to 26,918 homes.**

Table 6 Potential Changes to Black Country Urban Housing Supply

Source	**Negative Impact**	**Neutral Impact**	**Positive Impact**
Review of Existing Housing Allocations		X	
Demolitions	X		
Discount Rates	?	?	?
Density Increases			X (up to 1370 homes)
Occupied Employment Land			X (minimal)
Strategic Centres			X (500-1000 homes)
Other Sources			X (minimal)

Table 7 Black Country Potential Housing Shortfall 2019-2038

(no. homes)	Existing housing supply 2019-38 (as of 2019)	Maximum potential supply from density uplift / strategic centres	Existing housing supply (2019) plus maximum potential supply	Local Housing Need 2019-38	Potential shortfall 2019- 2038
Dudley	13,550	587	14,137	11,913	- 2,224
Sandwell	10,412	1,676	12,088	28,044	15,956
Walsall	7,759	0	7,759	17,214	9,455
Wolverhampton	10,450	107	10,557	14,288	3,731
Black Country	**42,171**	**2,370**	**44,541**	**71,459**	**26,918**

3.2 Potential Changes to Employment Land Supply

3.2.1 The EDNA Part 1 anticipates a supply of 263 ha of employment land either currently available or likely to come forward within the Black Country to 2036 in locations consistent with the existing Core Strategy. Work carried out since then has revised this land supply figure to 230 ha, and the 'gap' between need and supply is up to 563 ha.

3.2.2 Looking forward, the only additional sources of employment land supply within the Black Country urban area and not identified in the EDNA are:

- Land within the urban area that is currently allocated for development for non-employment uses – in the main housing- but not yet developed for that use. This land is currently either occupied by employment uses and has scope for intensification, or vacant land that could be used for new employment uses in the future.
- Additional employment land within existing employment areas – either through the intensification of existing under-occupied employment sites or land that is either currently vacant or may become vacant over the Plan period.

These are discussed in turn below.

3.2.3 As set out in Table 1, 372 ha of occupied **employment land was allocated for housing** in Tier 2 Plans - Area Action Plans and Site Allocations Documents and considered suitable / developable for housing in 2018 SHLAAs. This land was allocated on the basis of it being assessed to be of low quality, in terms of its sustainability for employment uses in the long term and the future investment intentions of the businesses who occupied it, and formed part of the overall planning strategy of the BCCS in seeking to deliver a net contraction in employment land. The work summarised in paras 2.1.30-2.1.33 has challenged these allocations, and suggests that some of the sites should be retained for employment.

3.2.4 There is likely to be some **additional opportunities for intensification and redevelopment** within existing employment areas that were not identified in the EDNA. However, it is anticipated that any such new sites are likely to be limited and small in scale, contributing up to some 15ha of additional employment land.

3.2.5 In addition to sites within the Black Country, the EDNA also suggested that up to 90ha of **land in South Staffordshire** could contribute towards meeting Black Country employment land needs to 2036. This contribution was based on sites identified in the adopted South Staffordshire District Council Site Allocations Document. However, the 2018 South Staffordshire EDNA suggests that the majority of this land will be needed to meet needs arising in South Staffordshire, and only 20ha of land is 'surplus' to meet needs arising elsewhere. The Black Country EDNA also refers to the potential contribution of the proposed West Midlands Interchange at Four Ashes. This site is 270ha in size and is subject to an application for a Development Consent Order (DCO), submitted by Four Ashes Limited in August 2018. The decision on this application is anticipated in February 2020. The EDNA assumed that if this application is permitted some 30-35% (80-100ha) of land at the site could be counted towards meeting Black Country needs based on Travel to Work Area data. More detailed evidence on the likely source of jobs at this site and the apportionment of land that could be attributed towards meeting Black Country needs is ongoing.

3.2.6 **At this stage, it is anticipated that these additional sources of employment land supply will not provide sufficient capacity to meet the whole of the gap identified in the EDNA Part 1**. The gap will therefore remain significant in scale and cannot be accommodated within the urban areas of the Black Country or existing supply in South Staffordshire.

4. Conclusions

4.1 The Black Country Plan preparation process takes place in the context of updated and increased need for housing, employment and related infrastructure. The economic conditions are improving and the population is growing. At the same time the government continues to pursue new policy measures to ensure that local authorities are delivering growth and sustainable economic development.

4.2 This report has reviewed identified supplies of land and challenged and updated assumptions in order to identify whether any further potential development capacity can be found in the urban areas of the Black Country.

4.3 Section 2 of this report summarises the various sources of housing supply and compares current supply with identified need. The gap between supply and need over the new Black Country Plan period up to 2038 has grown to 29,288 homes. This is partly because new employment land evidence has resulted in the loss of significant housing capacity on occupied employment land. Section 3 considers potential additional sources of housing supply in the urban area to help close this gap, including density increases and sites in Strategic Centres. However, current evidence suggests that these sources are likely to generate no more than a few thousand homes. **Therefore, the identified shortfall – that is the amount of housing need which cannot be accommodated in the Black Country urban areas - remains significant, at around 26,920 homes.** This is despite reviewing all potential sources of housing capacity, making a series of structured assumptions around density and windfalls, and comprehensively exploring the capacity on occupied employment land in the context of up-to-date employment land evidence.

4.4 As detailed in this report, the Black Country EDNA and subsequent updates recommend that the Black Country Plan review should plan for up to 870 ha of additional land to meet the needs of the Black Country for the period 2016-38 within the B1(b), B1(c), B2, B8 use classes and other ancillary uses normally located within employment areas. Completions since 2016, and the existing and anticipated land supply can provide 322 ha with scope for some additional land in South Staffordshire. However, there remains a significant gap that cannot be met by land within the urban area.

4.5 The Black Country Plan review must also have regard to strategic Duty to Co-operate issues – most significantly the current and emerging housing shortfall position across the Greater Birmingham and Black Country Housing Market Area (GBBCHMA), within which the Black Country is located.

4.6 The latest GBBCHMA Housing Position Statement is based on 2017 figures and now needs to be updated in light of the evidence summarised in this UCR Report. The Position Statement does not account for non-implementation discounts applied to housing capacity in local housing land supply calculations. For the Black Country authorities, non-implementation discounts of 10% are applied to most elements of supply to reflect historic rates and an increased discount of 15% is applied to occupied employment sites. Discounts on 2019 sites have taken around 5,000 homes out of the total housing supply. The Position Statement assumes that density uplift will cancel out the impact of such discounts. However, this report explains how the potential supply from increasing residential densities in the Black Country, plus additional sites in West Bromwich Strategic Centre which will be high density, are likely to be only around 2,370 homes compared to discounts of around 5,000 homes. Therefore, in this regard, the Position Statement over-estimates supply by around 2,630 homes.

4.7 The Position Statement also assumes that all existing housing allocations in the Black Country will be developed by 2031, whereas recent employment land evidence indicates that 7,126 homes (undiscounted) on housing allocations on occupied employment land will never be developed. These factors, in combination, mean that the 2017-based Position Statement over-estimates housing supply in the Black Country up to 2031 by around 9,750 homes.

4.8 The Issues and Options Report states that the Black Country has committed to test the accommodation of 3,000 homes beyond local need to help meet the shortfall up to 2031 - the majority of which originates in Birmingham and which exacerbates the challenge for the Black Country. Therefore, even if the gap figure could be met in the urban area of the Black Country, it is likely that there would still be a need, through the duty to co-operate, for the Black Country to look beyond the urban area to test accommodation of at least 3,000 of the wider HMA shortfall.

4.9 In summary, due to the significant need for both housing and employment land across the Black Country over the new Black Country Plan period and the extent of already identified urban sites and limited opportunities for identifying other potential urban land it is not possible to meet all of these needs in the urban areas of the Black Country. The NPPF requires that local authorities meet such needs and therefore new sources of supply must be explored. The Black County Local Authorities will continue to engage positively with neighbouring authorities through ongoing duty to co-operate work and are progressing further detailed evidence to inform the review and how these identified needs could best be met.

4.10 Para 136 of the NPPF states that: "*Once established, Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan.*" Given the urban capacity evidence summarised above, it is reasonable to conclude that the exceptional circumstances necessary to trigger a Green Belt review in the Black Country, in order to meet housing and employment land needs, have been met.

Appendix 1 Evidence to be progressed during 2020

- Finalisation of Black Country Employment Areas Review (BEAR)
- Ecological Site Assessments
- Centres Study
- Retail /Centre Health Checks and Capacity Studies
- Open Space Studies
- Viability and Deliverability Study
- Transport assessments
- Site Assessments

Appendix 2 Black Country Housing Trajectory 2006-38

Housing Completions / Trajectory (net homes)	**Dudley**	**Sandwell**	**Walsall**	**Wolver-hampton**	**Black Country**
2006/7	*760*	*1162*	*616*	*300*	*2838*
2007/8	*542*	*1136*	*-211*	*362*	*1829*
2008/9	*687*	*450*	*-151*	*429*	*1415*
2009/10	*150*	*505*	*1738*	*249*	*2642*
2010/11	*517*	*549*	*826*	*59*	*1951*
2011/12	*597*	*599*	*531*	*730*	*2457*
2012/13	*712*	*712*	*406*	*466*	*2296*
2013/14	*468*	*536*	*710*	*431*	*2145*
2014/15	*718*	*961*	*773*	*677*	*3129*
2015/16	*683*	*558*	*911*	*563*	*2715*
2016/17	*606*	*901*	*460*	*577*	*2544*
2017/18	*712*	*676*	*758*	*796*	*2942*
2018/19	*791*	*794*	*770*	*709*	*3064*
2019/20	1054	733	790	1491	4068
2020/21	1054	234	791	1620	3699
2021/22	1054	406	799	1399	3658
2022/23	1243	823	734	580	3380
2023/24	1243	596	761	408	3008
2024/25	2239	1069	831	863	5002
2025/26	2238	991	762	864	4855
2026/27	576	943	908	580	3007
2027/28	574	905	353	580	2412
2028/29	574	835	103	580	2092
2029/30	189	798	103	165	1255
2030/31	189	754	103	165	1211
2031/32	189	194	103	165	651
2032/33	189	194	103	165	651
2033/34	189	190	103	165	647
2034/35	189	190	103	165	647
2035/36	189	189	103	165	646
2036/37	189	185	103	165	642
2037/38	189	183	103	165	640