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Black Country | Plan

Planning for the future of the Black Country

HOUSING ENVIRONMENT EMPLOYMENT TRANSPORT

Black Country Urban Capacity Review Update

May 2021

Dudley Metropolitan Borough Council
Sandwell Metropolitan Borough Council
Walsall Council
City of Wolverhampton Council

Contents

Section One - 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.

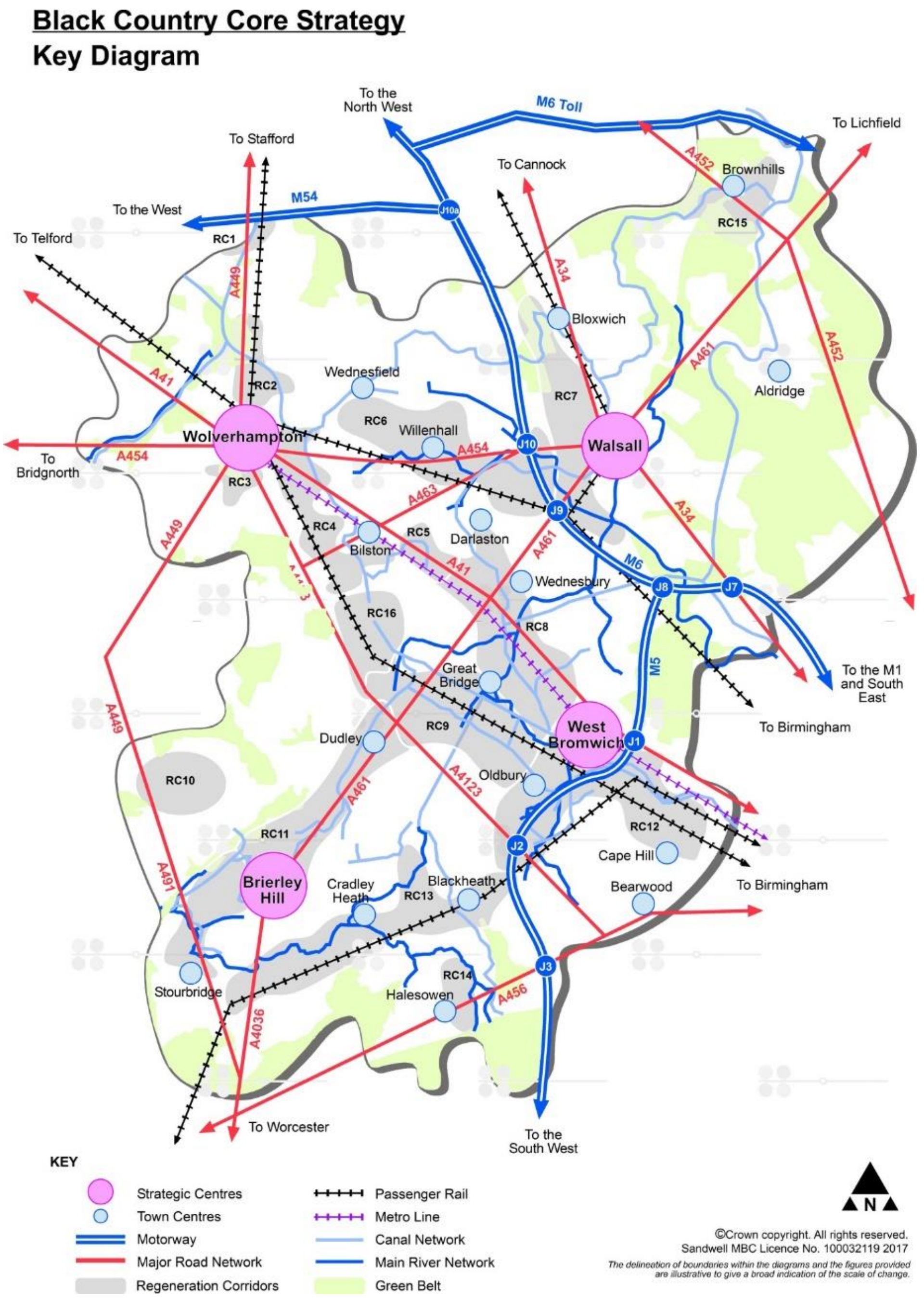
1.3 As part of this review, the Issues and Options consultation (2017) set out the updated need figures for housing and employment across the Black Country up to 2036. The Issues and Options consultation highlighted that accommodating identified development needs up to 2036 would be challenging and, in order to plan for growth over this longer period, it would be necessary to consider a review of Green Belt 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 position, using best available evidence and information, regarding the need for and supply of land for housing and employment in the Black Country from April 2020 to March 2039, the end of the Black Country Plan period and 15 years from the anticipated adoption year of 2024. Changes have been made to the UCR Update 2019 to reflect new evidence on need and supply, some of which has come forward since April 2020. It has bee prepared to inform the 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] The Black Country comprises: Dudley, Sandwell, Walsall and Wolverhampton

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 which demonstrate how far the development needs of the Black Country up to 2039 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. This update to the UCR has taken place during early 2021, to provide evidence to accompany the Draft Black Country Plan due to be published for consultation in summer 2021. The next update of the UCR will take place in early 2022, to provide evidence to accompany the Publication (Reg 19) Black Country Plan due to be published in summer 2022.

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 (July 2020), which sets out the position on housing need and supply up to 2031 relating to the HMA, as of April 2019. 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 for the period 2011-31 had been reduced to 2,597 homes. The Black Country figures used in the Position Statement are taken from 2019 SHLAAs and are now out of date. This Urban Capacity Review Report (and subsequent updates) will feed into future updates to the Position Statement and other documents produced by the HMA authorities.

[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

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

Section Two - 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 2039 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/p4/ . All of the Black Country SHLAAs have been updated 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 4,004 homes per annum which equates to 76,076 homes over the period 2020-39**. This is based on 2020-30 household projections and new 2020 affordability ratios which were published in 2021, and also reflects the 35% uplift to the Wolverhampton housing need figure introduced by changes to the method made in December 2020.

2.1.5 It should be noted that, when the Draft Black Country Plan reaches publication stage (reg 19) in mid 2022, the per annum housing need figure used will be updated and the time period used for housing purposes for the Plan will be changed to 2021-39, as the standard method applies only to future years and the most recent housing data available will be for end of March 2021. Again, when submission stage is reached in early 2023, the per annum housing need figure used will be updated and the time period used for the Plan will need to be changed to 2022-39. From submission onwards the housing need figures and time period used for the Plan will not change, in accordance with para 008 of the NPPG.

2.1.6 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

2.1.7 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 2039.

2.1.8 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.

2.1.9 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

[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"

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 2017-20 to inform the BCP review.

2.1.10 The SHLAA reports for the four authorities, including links to relevant maps, can be viewed on the Black Country Plan web site at https://blackcountryplan.dudley.gov.uk/t2/p4/t2p4c/. The brownfield SHLAA sites also form the basis of each authority's Brownfield Land Register (Part 1). The 2020 SHLAAs have been supported by a Black Country SHLAA Stakeholder Panel that met in early 2021.

2.1.11 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.

2.1.12 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

2.1.13 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. These discount rates were examined independently by the BCCS Inspector and accepted as reasonable and were used in the Black Country SHLAA reports for 2018 and 2019.

2.1.14 To ensure discount rates are based on rigorous evidence, during 2020 an exercise was undertaken to assess the likely lapse rate of planning permission sites over the anticipated Black Country Plan period of 17 years (2022-39). Only City of Wolverhampton Council has consistent housing monitoring records extending for sufficient years to conduct this exercise. The analysis was applied to all sites of 10 homes or more entering the supply as planning permissions (rather than allocations) between 2001 and 2004. Of the 1246 homes granted permission on 33 sites in Wolverhampton during 2001-4, 1197 (96%) had been completed within 17 years. Therefore, it can be concluded that

10% is too high a discount to apply to sites with planning permission in the existing supply – the vast majority of which have gained planning permission within the last three years. As a result of this exercise, for Black Country 2020 SHLAA reports, the discount rate applied to sites with planning permission and not yet under construction has been reduced to 5%.

2.1.15 These discount rates reflect likely lapse rates and the acknowledged delivery difficulties on sites within the urban area, and particularly on occupied employment land sites.

Demolitions

2.1.16 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.

2.1.17 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

2.1.18 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.

2.1.19 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.

2.1.20 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

2.1.21 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.

2.1.22 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.

2.1.23 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."*

2.1.24 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 557 homes per annum of supply from the mid-2020's onwards.

Surplus Occupied Employment Land

2.1.25 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.

2.1.26 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.

2.1.27 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 133 ha of land on 44 occupied employment sites for 4336 homes. Of these, 20 homes (on 0.5 ha) are now complete and 193 homes (on 4.5 ha) have planning permission as of 2020.

- 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. Of these, 578 homes (14 ha on 7 sites) are now complete and 510 homes (23 ha on 10 sites) have planning permission as of 2020.

- Wolverhampton Area Action Plans and Heathfield Park Neighbourhood Plan allocate 43.5 ha of land on 19 occupied employment sites for 1305 homes by 2026. Of these, 81 homes (on 1.5 ha) have been completed as of 2020.

2.1.28 In summary, Black Country housing allocations on occupied employment land originally totalled 16,182 homes on 488 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.

2.1.29 Since these sites were allocated through the adoption of Local Plans during 2013-19, only 679 homes have been completed on former employment land and an additional 703 homes on occupied or former employment land have secured planning permission. 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 allocation sites.

2.1.30 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 and Wednesbury to Brierley Hill Corridors. 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.

2.1.31 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.

2.1.32 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.

2.1.33 During 2019 and 2020, 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 2021 but the BEAR fieldwork and analysis is now complete. This work provides 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.

2.1.34 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 2039 and which of the existing housing allocations involving the redevelopment of employment land should be deleted, with those sites retained for employment activity.

2.1.35 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 (excluding completions/ permissions)**	**Loss of homes on occupied employment land resulting from EDNA / BEAR**	**Remaining suitable / developable housing allocations on occupied employment land included in 2020 SHLAA housing supply**
Dudley	4123 (128 / 39*)	-2443 (86 / 22) Split sites: -456 (8 / 5)	1224 (34 / 17)
Sandwell	9453 (274 / 110)	-7290 (224 / 84)	2163 (50 / 26)
Walsall	0 (0)	0 (0)	0 (0)
Wolverhampton	1224 (42 / 18)	-785 (24 / 13)	439 (18 / 5)
Black Country	**14,800 homes (444 ha / 167 sites)**	**- 10,974 homes (342 ha / 124 sites)**	**3,826 homes (102 ha / 48 sites)**

* Five of these sites were subsequently split

2.1.36 The overall effect of this work is to reduce the 14,800 homes (undiscounted) of suitable and available housing allocations on occupied employment land by 10,974 homes – a significant reduction in housing capacity compared to when the allocations were made.

2.1.37 This new evidence has immediate implications for the suitability and availability 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 available for housing through the SHLAA process. The 2020 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

2.1.38 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 2020 SHLAAs.

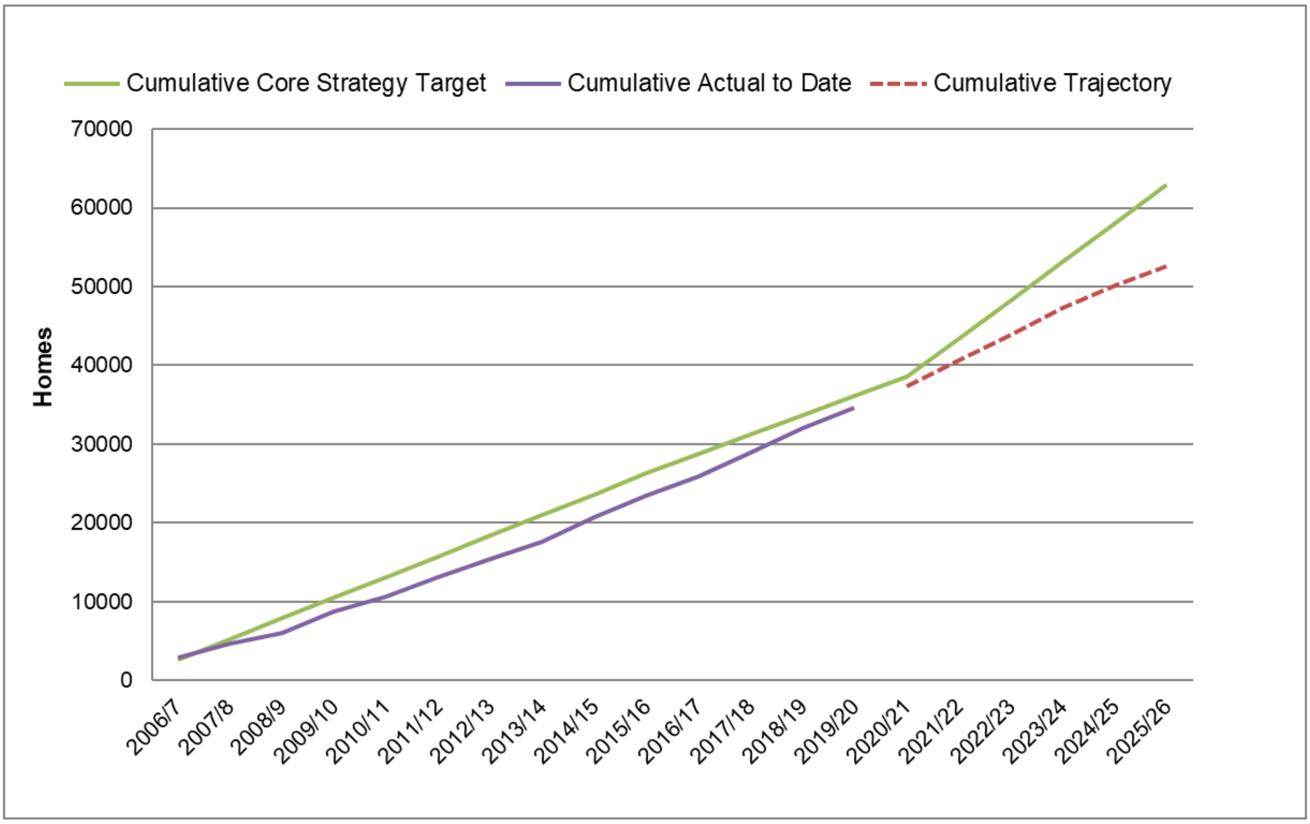
Table 2 Summary of Black Country Housing Supply as of April 2020

	Net housing completions 2006-20	Housing supply* 2020-26	Housing supply* 2026-39	Core Strategy housing target 2006-26	Total housing supply 2006-26	Local Housing Need 2020-39	Total housing supply 2020-39
Dudley	8,717	4,600	6,464	16,127	13,317	11,989	11,064
Sandwell	10,040	3,308	5,202	21,490	13,348	27,873	8,510
Walsall	8,752	4,973	2,834	11,973	13,725	16,568	7,807
Wolverhampton	7,166	5,098	5,002	13,411	12,264	19,646	10,100
Black Country	**34,675**	**17,979**	**19,502**	**63,001**	**52,654**	**76,076**	**37,481**

* From identified sites, broad locations and windfall allowances. The capacity of sites with planning permission but not yet under construction has been discounted by 5%, the capacity of developable allocated sites 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 2010-20 has been applied from start dates which vary depending on local circumstances, up to 2039

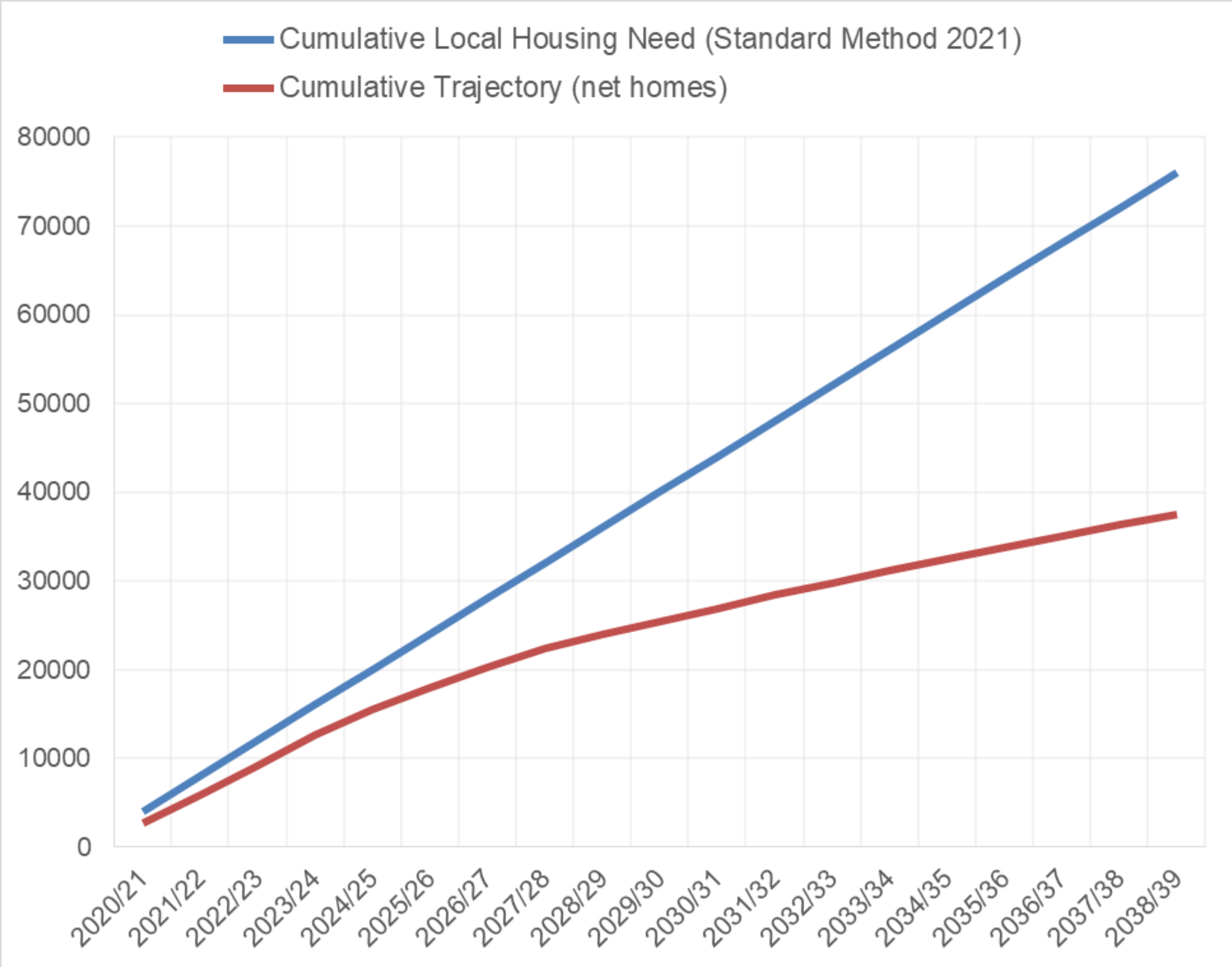
2.1.39 The SHLAAs assess progress made against existing BCCS housing targets (para 2.1.3) and also compare existing supply to current local housing need (para 2.1.4). Graph 1 compares the Black Country housing trajectory against combined BCCS housing targets for the period 2006-2026. Graph 2 compares the Black Country housing trajectory against combined local housing need for the period 2020-39.

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



2.1.40 Graph 1 shows that 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 10,347 homes at 2025/26 - 37% of the remaining target of 28,325 homes. The under-supply is continuous throughout the Plan period. The main reasons for the increased under-supply since 2019 are the further 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.

Graph 2 Black Country Housing Trajectory compared to Local Housing Need (2020): 2020-39



2.1.41 Turning to the housing need and supply position for the new Black Country Plan, Graph 2 shows that **local housing need outstrips housing supply from 2020/21 onwards, with the gap widening until there is a total shortfall of 38,595 homes in 2038/39**. This shortfall represents 51% of the total need for 76,076 homes over the period 2020-39.

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, taking into account past completions and the desired economic situation for the area for the future, the EDNA recommended that the review should provide for up to 800ha (based on around 40ha per annum) of land for industrial uses** (within the B1(b), B1(c), B2, B8 use classes) and other ancillary uses appropriately located within industrial employment areas. This requirement was recalculated to 870ha for the ‘most likely’ scenario, and 590ha for the baseline scenario up to the 2038 end date for the Plan. The demand requirement is being updated to support the draft BCP extended Plan period up to 2039, and having regard to the implications of the CV-19 recession.

2.2.6 This figure of 870 ha was recommended in the EDNA to be the most appropriate as it represents around 590 ha of land as a ‘baseline’ requirement, informed by past trends (of around 26ha per annum), for the Black Country industrial sector to keep functioning, plus approximately 280 hectares of land for growth (around 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 Over the period 2016/17-2019/20, 73.8ha of employment land has been built-out within the Black Country, and a further 28ha on the i54 site in South Staffordshire, identified in the adopted BCCS as contributing towards needs arising with the Black Country. Total completions against the 2016-38 target are therefore 101.8ha, reducing the Plan requirement to 488ha against the baseline requirement, or 768 ha against the most likely growth scenario.

2.2.8 Existing Local Plan sites can provide some 179ha on 55 sites with a further 21.8ha on 41 sites with planning permission for employment development. Additional capacity will be provided by small currently vacant 'windfall' sites which are not allocated as development sites in the Local Plans, and through the recycling and redevelopment of underused existing employment premises. There is currently 3.2ha of land on sites of less than 0.4ha with planning permission for employment development based on permissions granted over the four year period since 2016, and rolling this forward over the Plan period 2016-38 could provide a minimum of around 14.4ha of land (3.2ha x 4.5 'blocks' of the current four year time period). These sources of land (Local Plan allocations, sites with planning permission and small windfall sites) could therefore provide some 215.2ha towards the 2038 target. The impact of recycling and redevelopment is currently being assessed and will be incorporated into the next update of this Report. Going forward, and 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. This will be made up of sites which are currently vacant and opportunities for the intensification and redevelopment of existing under-utilised employment areas. In total, completions 2016-20 and the sources of supply outlined above provide 317ha of land towards the 2038 target.

2.2.9 **The 'gap' between anticipated need and existing Black Country land supply is therefore up to 273 ha against the baseline requirement, and 553 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 2016/17-2019/20*	Black Country Local Plan allocations Apr 2020	Sites with planning permission Apr 2020	Small site windfalls	Gap
Baseline	590	101.8	179	21.8	14.4	273
Most likely	870	101.8	179	21.8	14.4	553

* includes 28ha at i54 South Staffordshire but contributing towards meeting Black Country needs

2.2.10 The Black Country Plan review should provide for a portfolio of employment sites capable of meeting a variety of investment needs. These include large ‘strategic’ sites and also sites which can meet needs for locally and sectorally focused investment needs which provide jobs and are important to the functioning of industrial areas. The supply of strategic sites has been significantly enhanced following the granting of the Development Consent Order for the West Midlands Interchange in May 2020. This site will provide up to 743,200 square metres (sq m) of new rail-served and rail-linked warehousing allowing the region’s important logistics industry to grow. The Black Country authorities have commissioned research to determine what proportion of the site could be apportioned to meet Black Country needs and therefore to contribute towards the employment land target. The findings of this work will be set out in the next update of this Report.

2.2.11 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.

Section Three - 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.

Demolition Programmes

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. This may result in an overall loss in housing capacity but is subject to a wider community engagement consultation to establish priorities. To date, 323 demolitions are programmed to take place, with over half already delivered and the remainder on site and to be demolished during 2021. These have been factored into the 2020 SHLAA along with the potential housing replacement. It is possible that further demolitions will be undertaken over the next 10 years and this will be factored into future SHLAAs as and when information becomes available.

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, with the exception of sites with planning permission and not yet under construction, for which the discount has been reduced to 5% in light of evidence as set out in para 2.1.12. 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 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 2039 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 2.1.25-2.1.37) 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 which is underway to support preparation of the Draft Plan will help to assess the likely impact of these factors. Therefore, discount rates will be revisited to support preparation of the Draft Plan, in the light of up-to-date delivery and viability evidence.

Potential to Increase Densities

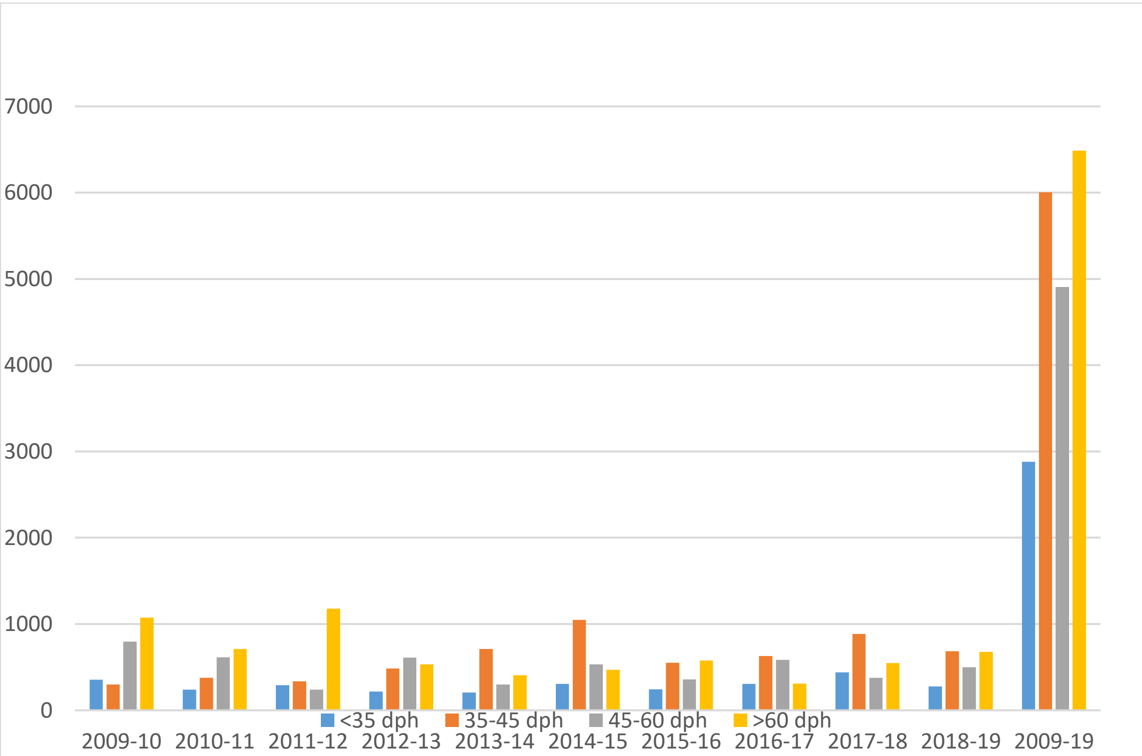
3.1.8 One of the ways to maximise housing delivery is to test previous assumptions regarding densities on sites. In the Black Country, a minimum density of 35 dwellings per hectare (dph) has been assumed on allocated sites, as required by BCCS Policy HOU2. Higher densities of over 60 dph are required 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 density rates across the Black Country was undertaken in 2019 and the results are presented in Figure 1. The analysis was 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 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 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 2024.

3.1.16 In order to provide maximum clarity on the potential to increase densities on current identified sites in the urban area the emerging draft Black Country Plan policy on housing density and accessibility is set out at Appendix 3 and has been applied to all sites with a capacity of 10+ homes and which are unlikely to have planning permission when the Plan is adopted in 2024. The results of this potential density uplift are provided in individual SHLAA reports and summarised in Table 4 below. As this is a potential uplift only, subject to adoption of the new BCP, the density uplift capacity is not included in current housing supply calculations or housing trajectories.

3.1.17 The emerging new Policy is similar in structure to the existing BCCS Policy HOU2, setting out moderate, high and very high density ranges depending upon reasonable sustainable transport access to key residential services: employment; fresh food; GP services; and schools. However, the minimum density (subject to character constraints) will be increased from 35 to 40 dph, and the moderate / high / very high density ranges will be increased to 40 dph, 45 dph and 100 dph respectively. The current accessibility modelling buffer for

40 dph and 45 dph areas is shown on Map 1 in Appendix 4. An illustration of the application of the modelling to SHLAA sites in part of Wolverhampton is provided in Map 2. The locations of residential services which were used for the modelling exercise are shown on Map 3.

3.1.18 A density uplift assessment has been undertaken of all identified SHLAA sites which are unlikely to have gained planning permission by 2024 and which have an indicative capacity of 10 homes or more. Where the site is located within a Strategic Centre or Town Centre a minimum density of 100 dwelling per hectare (dph), net of open space, major roads and other uses, has been assumed, unless there are character constraints (e.g. listed building, conservation area, low density local character). Where a site is located outside a Strategic Centre or Town Centre a minimum density of 40 dph net has been assumed. This is because, in the majority of cases, improvements to accessibility can be made to ensure minimum access standards apply even where a site falls outside the 40 dph buffer. Where a site falls within the 45 dph buffer, as set out in Map 1 of Appendix 4, a density of 45 dph has been assumed.

Table 4 Distribution of Potential Density Uplift Across the Black Country in accordance with Emerging Draft Black Country Plan Policy on Housing Density

Authority	Potential Density Uplift
Dudley	234
Sandwell	144
Walsall	0
Wolverhampton	98
Black Country	**476**

3.1.19 **Therefore, increasing the minimum density policy through the Black Country Plan review from 35 dph to 40 dph, 45 dph or 100 dph in line with the draft BCP policy and current accessibility modelling could give rise to a maximum additional supply of 476 homes**. 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.

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 2018-20, 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 2.1.25-2.1.36 of this report detail the reasons why up to date evidence from the EDNA and the BEAR has resulted in the loss of 10,540 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 over the Plan period. The four Strategic Centres (Brierley Hill, Walsall Town Centre, West Bromwich and Wolverhampton City Centre) are all covered by Area Action Plans (AAPs) 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. These sites are included in the housing supply figures provided in Table 2. However, the Black Country Plan period extends significantly beyond the end date of existing Area Action Plans, indicating the potential to identify further sites for housing when these Plans are reviewed and rolled forward to cover the period up to 2039.

Table 5 Total Housing Capacity in Strategic Centres as of 2020

Strategic Centre	Total housing capacity as of 2020 (undiscounted, including windfall allowances)
Brierley Hill Town Centre	2804
Walsall Town Centre	937
West Bromwich Town Centre	201
Wolverhampton City Centre	4412*
Total	**8173**

* Excludes 247 homes at Royal Hospital Development Area, which will now fall outside Wolverhampton City Centre Strategic Centre for the purposes of the BCP

3.1.23 The Black Country Plan will therefore set out indicative housing targets for each Strategic Centre. These figures will be based on the most recent information from SHLAAs regarding allocations and other commitments but will also be informed by advice from 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 Centres have an important role to play in accommodating future residential growth in the Black Country, both by 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.

3.1.25 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.

3.1.26 The current vitality and viability of town centres has been tested through town centre 'health checks' which took place during 2019/20. 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 and also help meet housing needs.

3.1.27 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. A masterplan including estimates of housing capacity will be available later in 2021 followed by an Interim Planning Statement. These documents will inform the housing target for West Bromwich Strategic Centre in the BCP. **Current evidence indicates that there is potential for an additional 200 homes to come forward for housing in West Bromwich Strategic Centre.**

3.1.28 The Brierley Hill AAP (2011), which has a lifespan up to 2026, is under review and will be rolled forward to 2039 in parallel with the BCP review. It is proposed that the Issues & Options Report consultation will follow the consultation on the draft Black Country Plan, in Autumn / Winter 2021. 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 final housing target for Brierley Hill Strategic Centre in the BCP. **It is currently estimated that this work could generate an additional housing capacity of approximately 350 homes in Brierley Hill Strategic Centre. This uplift is based on the existing AAP allocations and recent evidence, including the Black Country Centres' Study by Lambert Smith Hampton and the DY5 Enterprise Zone Review by Cushman Wakefield.**

3.1.29 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 was therefore identified in the 2019 revision of Walsall's SHLAA, both in Walsall Town Centre and in the district centres. This capacity is included in Table 5. The impact of the Covid-19 pandemic and the decline in demand for retail floorspace that pre-dated this could free up further capacity for housing on surplus retail sites both in centres and elsewhere, **however this needs to be considered in conjunction with the requirements for land and premises for other town centre uses, therefore further evidence is needed to quantify this.**

3.1.30 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. However, during 2019/20 a number of potential high density housing sites have come forward. These include the potential for 145 flats at the Express and Star site and a masterplan for upwards of 850 flats at Brewer's Yard, adjoining the 25 storey Victoria Hall student complex – these sites are included in the 2020 SHLAA. Above existing identified capacity, there has been a recent planning application for mixed use conversion of the Beattie's site including 306 flats and there is identified potential for change of use from office to residential of c. 300 flats in the St John's Square area and c. 100 flats in and around Queen Street, and in the Birch Street area.

3.1.31 A mix of new factors are now impacting on land uses in the City Centre, including the successful completion of the Wolverhampton Railway Station Interchange and an increase in public sector intervention and investment to deliver office and residential, but also changes to the retail market, accelerated by the Covid-19 pandemic, which are releasing new sites. Regeneration of the City Centre is being delivered through various funding mechanisms and regeneration schemes. For example, the Future High Streets Fund is a £15.7million scheme providing major works that focus on 15 ha covering the Victoria Street, Bell Street, Cleveland Street, Fold Street and public realm around the Civic Halls area of the City Centre. This will involve new investment in public realm and events space, helping to boost the evening economy and unlock a wider package of investment, maximising the creation of new jobs, delivery of new city centre homes, a hotel, event zone and green public space improvements. **Therefore, current evidence indicates that there is potential for an additional 750 homes to come forward for housing in Wolverhampton Strategic Centre.**

3.1.32 Therefore, at the current time, whilst awaiting completion of the Centres Study and more detailed evidence on the capacity of West Bromwich and Brierley Hill, it is possible to conclude that there is likely to be potential for conversion / redevelopment of floorspace in Strategic Centres for different centre uses, including housing. It is recognised that existing retail trends, accelerated by the impact of Covid-19, and recent national planning guidance changes, such as the introduction of new use-classes including commercial, business and service uses, may provide potential for additional housing supply in the Strategic Centres in particular. Therefore, a rigorous and consistent approach, based on up-to-date evidence, will be taken to generate realistic and deliverable housing targets in the draft BCP for each Strategic Centre, which will be supported / tested through the review of AAPs covering these areas. This evidence includes the Viability and Delivery Study, which will test the viability and deliverability of housing in Strategic Centres. 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 c. 1300 homes in total, which would represent a significant 16% uplift on the current figures provided in Table 5.**

3.1.33 There is some uncertainty regarding the future of centres in the light of:

- the impact of the C-19 pandemic, including on vacancy rates, and demand for residential provision of sufficient unit sizes with good access to public open space
- national planning guidance changes regarding commercial, business and residential uses; and
- how these factors could influence future residential provision in centres

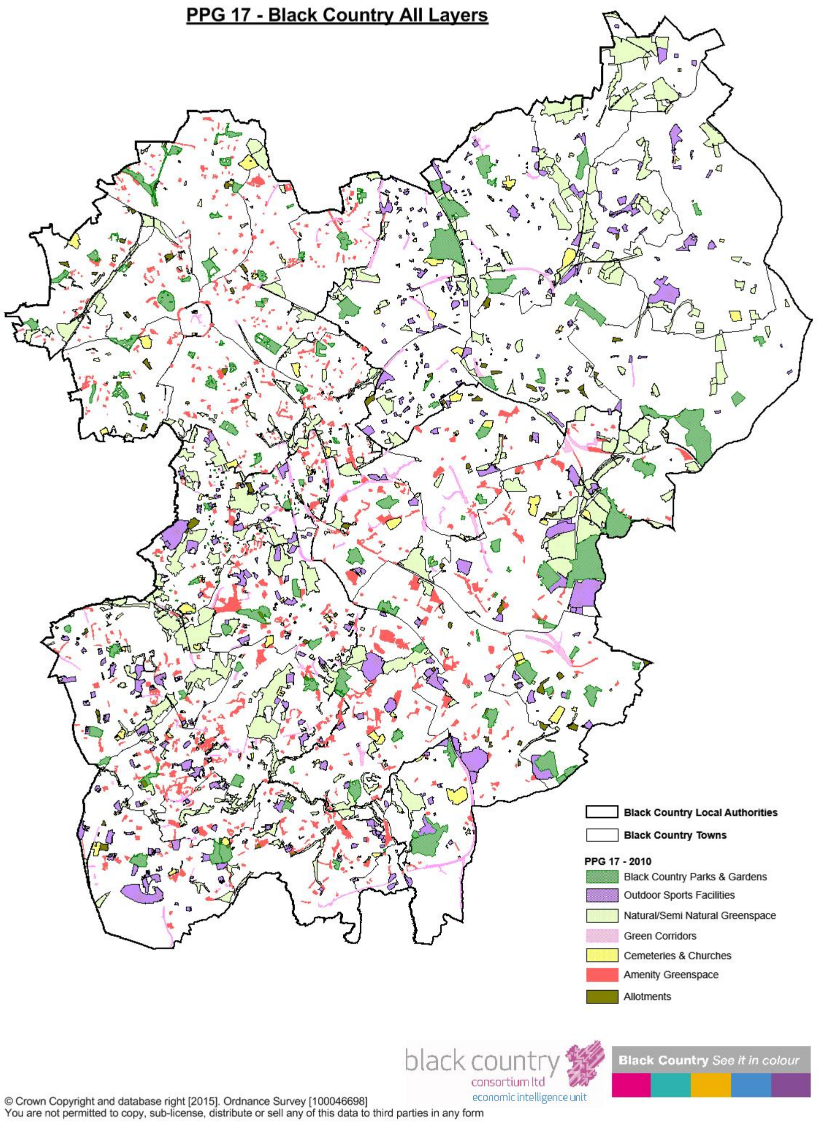
Town, District and Local Centres appear to have been more resilient during the pandemic with the focus of essential shopping being conducted locally. There is also uncertainty about how the recovery will influence the future shape of centres, particularly the return to high street shopping and the nature of office working, for example the Ministry of Housing, Communities and Local Government recently announced it will create its second headquarters in Wolverhampton. The BCLAs are in the process of updating capacity modelling and analysing the extent to which further floorspace can contribute to residential delivery over the Plan period. However, given the scale of the existing housing capacity set out in Table 5, the significant % increase in capacity identified in para 3.1.32, and the element of future uncertainty outlined above, it is unlikely that this work will significantly increase housing capacity.

Other Sources

3.1.34 There may be potential to release limited areas of surplus open space within the urban area for housing in some areas. However, updates to existing Open Space Assessments and Strategies, including the emerging Walsall Open

Space Assessment, have now been substantially completed and confirm that most existing open space should be retained. Therefore, 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 minimal additional potential housing sites are likely to be identified on urban open space across the Black Country, and any that are will make little impact on housing land supply.

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



Summary

3.1.35 The potential changes to housing supply likely to arise from the sources covered in this section are summarised in Table 6. 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. **This potential additional capacity of 1,776 homes could reduce the existing shortfall of 38,595 homes up to 2039 (as set out in para 2.1.41) to 36,819 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	?	?	? (minimal)
Density Increases			X (476 homes)
Occupied Employment Land			X (minimal)
Strategic Centres			X (1300 homes)
Other Sources			X (minimal)

Table 7 Black Country Potential Housing Shortfall 2020-2039

(no. homes)	**Existing housing supply 2020-39 (as of 2020)**	**Potential supply from density uplift**	**Potential extra supply from Strategic Centres (max est.)**	**Existing housing supply (2020) plus potential**	**Local Housing Need 2020-39**	**Potential shortfall 2020- 2039**
Dudley	11,064	234	350	11,648	11,989	341
Sandwell	8,510	144	200	8,854	27,873	19,019
Walsall	7,807	0	0	7,807	16,568	8,761
Wolverhampton	10,100	98	750	10,948	19,646	8,698
Black Country	**37,481**	**476**	**1,300**	**39,257**	**76,076**	**36,819**

* notional figures only

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 215ha, and the 'gap' between need and supply is between 273ha and 553ha.

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 para 2.1.28, 488 ha of occupied **employment land was allocated for housing** in Tier 2 Plans - Area Action Plans and Site Allocations Documents. 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. 44 ha of this land has now been developed or gained permission for housing. For the remainder, the work summarised in paras 2.1.32-2.1.37 has challenged these allocations and suggests that most of these sites should be retained for employment.

3.2.4 There are 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 new allocated sites are likely to be limited and small in scale, contributing up to some 50ha of additional employment land. Further recycled land may also come forward as 'windfalls' over the Plan period as discussed in para 2.2.8.

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. The Black Country EDNA also refers to the potential contribution of the proposed West Midlands Interchange at Four Ashes as discussed in para 2.2.10 above. This site is 270ha in size and the EDNA assumed that some 30-35% (80-100ha of land) at the site could be counted towards meeting Black

Country needs based on the Travel to Work Area. More detailed evidence on the apportionment of land that could be attributed towards meeting Black Country needs is ongoing. Further contributions are being explored through the Duty to Cooperate with neighbouring local authorities who share a physical and / or functional relationship with the Black Country. The **Shropshire** Regulation 19 Local Plan includes a contribution of 30ha towards meeting needs arising in the Black Country.

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.

Section Four - 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 2039 has grown to 38,595 homes, an increase of around 10,000 homes since 2019. Around half of this increase is as a result of further loss of occupied employment allocations during 2020 in light of new evidence, and the remaining half is as a result of changes to the national housing method, which increased Wolverhampton local housing need by 35%. 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 36,819 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 between 590 and 870ha of land to meet the needs of the Black Country for the period 2016-38 within the former B1(b), former B1(c), B2 and B8 use classes and other ancillary uses normally located within employment areas. Completions since 2016 and the existing and anticipated land supply can provide 317ha, with scope for further contributions from land either already consented or allocated in the adopted South Staffordshire Local Plan. 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 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.

4.7 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 Key Evidence to be progressed during 2021 to support the draft Black Country Plan

- Black Country Employment Areas Review (BEAR)
- Black Country Centres Study
- Retail /Centre Health Checks and Capacity Studies
- Walsall Open Space Study
- Black Country Viability and Delivery Study
- Transport Assessments
- Level 2 Flood Risk Assessments
- Site Assessments
- Black Country Infrastructure Delivery Plan

Appendix 2 Black Country Housing Trajectory 2006-39

Housing Comple-tions / 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	*774*	*501*	*615*	*818*	*2708*
2020/21	730	619	146	1177	3115
2021/22	730	346	996	1141	2987
2022/23	730	513	1094	1019	3048
2023/24	907	620	935	949	3327
2024/25	908	606	928	392	2640
2025/26	595	604	874	419	2500
2026/27	595	443	790	387	2307
2027/28	595	377	797	387	2156
2028/29	595	436	277	387	1695
2029/30	596	417	97	331	1441
2030/31	528	463	97	362	1449
2031/32	528	508	97	362	1450
2032/33	528	371	97	362	1388
2033/34	528	358	97	362	1345
2034/35	529	355	97	362	1343
2035/36	360	361	97	425	1243
2036/37	360	434	97	425	1316
2037/38	360	392	97	425	1274
2038/39	362	287	97	425	1171

Appendix 3 Emerging Draft Black Country Plan Policy on Housing Density and Accessibility

Policy HOUx - Housing Density, Type and Accessibility

The density and type of new housing provided on any housing site should be informed by:

1. The need for a range of types and sizes of accommodation to meet identified sub-regional and local needs;
2. The level of accessibility by sustainable transport to residential services, including any improvements to be secured through development, as set out in Table 1;
3. The need to achieve high quality design and minimise amenity impacts, taking into account the characteristics and mix of uses in the area where the proposal is located.

Each authority will aim to provide an overall mix of house types over the plan period, tailored to best meet local and sub-regional needs.

Developments of 10 homes or more should provide a range of house types and sizes that will meet the accommodation needs of both existing and future residents, in line with the most recently available information.

All developments of 10 homes or more should achieve the minimum net density set out below, except where this would prejudice historic character and local distinctiveness:

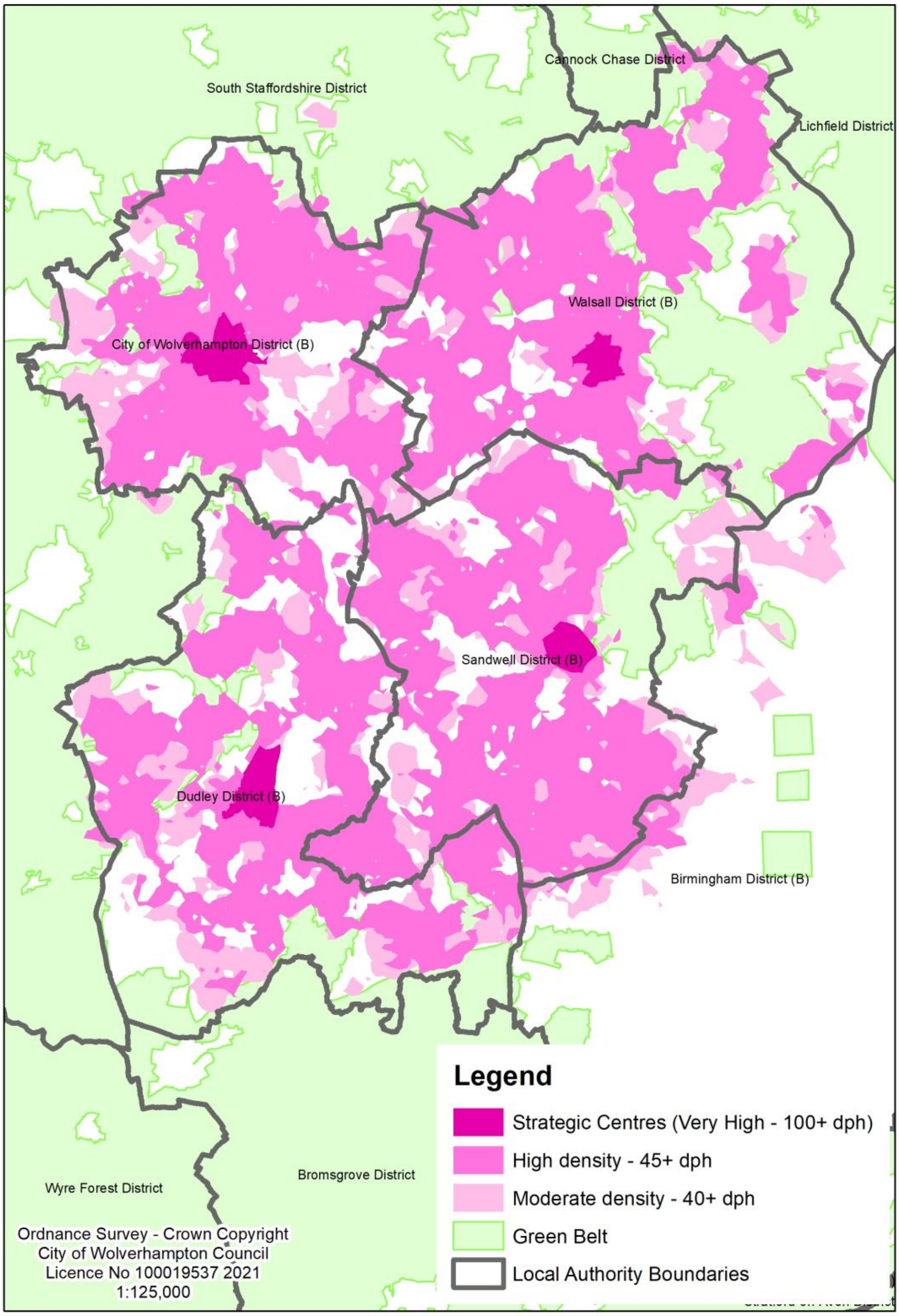
- 100 dwellings per hectare where Table 1 accessibility standards for very high density housing are met and the site is located within a Strategic Centre or Town Centre.
- 45 dwellings per hectare where Table 1 accessibility standards for high density housing are met;
- 40 dwellings per hectare where Table 1 accessibility standards for moderate density housing are met.

Table 1 Accessibility Standards

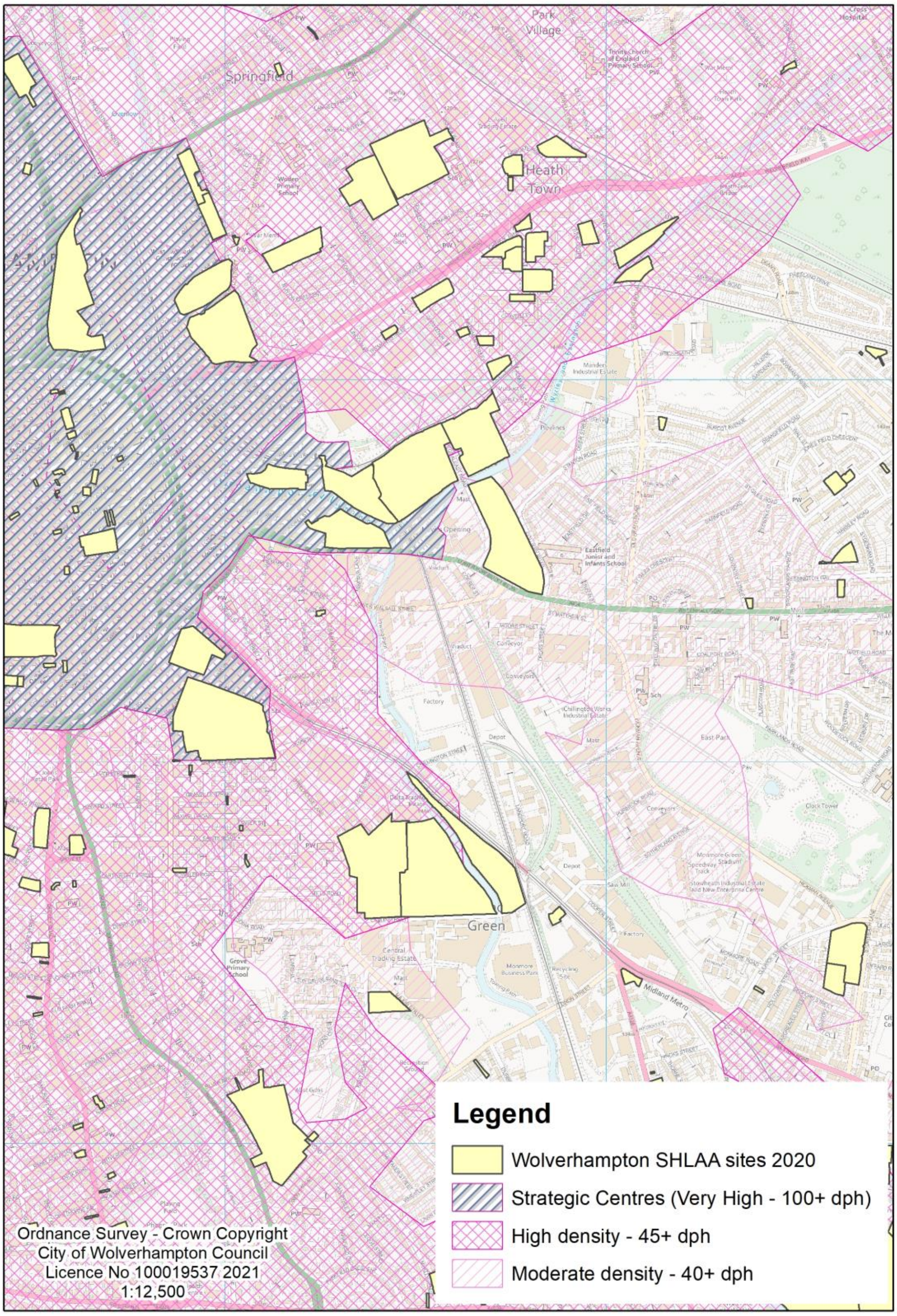
Density (dwellings per hectare net)	**Very High: 100 + Only appropriate within a Strategic Centre or Town Centre**	**High: 45 +**	**Moderate: 40 +**
Indicative proportion of flats	100%	>15%	0 – 15%
Indicative amount of housing suited to families	low	medium	High
Accessibility (by either walking or public transport, unless stated)			
Employment - Strategic Centre or other employment area	20 mins	20 mins	30 mins
Health - Doctor's surgery or Walk-in Centre	10 mins	10 mins	15 mins
Fresh Food - Centre or foodstore	Na	10 mins	15 mins
Education - Primary School (walking distance only)	Na	15 mins	10 mins
Education - Secondary School	Na	25 mins	20 mins

Appendix 4 Accessibility Standards Modelling (2020)

Map 1 Application of Moderate, High and Very High Density Accessibility Standards to the Black Country area



Map 2 Application of Accessibility Standards to part of Wolverhampton



Map 3 Location of Residential Services Used for Accessibility Standards Modelling 2020