



Draft Sandwell Local Plan Regulation 18 consultation

Urban Capacity Appraisal

November 2023

Contents

Introduction.....	3
National Policy.....	3
Background.....	4
West Midlands Combined Authority Study – Brownfield Land.....	4
Need	5
Supply - Sandwell Strategic Housing Land Availability Assessment (SHLAA)	6
Discount Rates.....	7
Demolitions	7
Density.....	7
Potential for Density Uplift.....	8
Windfall Allowances	8
Surplus Occupied Employment Land.....	9
Employment Land Needs.....	10
Potential changes to housing supply.....	11
Review of current allocations.....	11
Demolition programme	11
Potential to Amend Discount Rates	11
Potential to Increase Densities.....	12
Potential to Allocate Further Surplus Occupied Employment Land for Housing.....	12
West Bromwich	12
Other centres.....	13
Other sources	13
Local Plan Site Assessment Report.....	14
Basic assumptions	14
Site assessment	14
Assessment process.....	16
Call for Sites	16
Outcome of site assessment work	17
Conclusion	18

Introduction

1. The purpose of Sandwell's Urban Capacity Appraisal (UCA) is:
 - to provide an understanding of the potential residential development land capacity of Sandwell,
 - to identify the amount of housing land / sites available to support the delivery of the Sandwell Local Plan (SLP), and
 - to establish its realistic urban capacity.

The UCA is a key piece of evidence informing the local plan.

2. The UCA uses information available from existing capacity assessments including the Strategic Housing Land Availability Assessment (SHLAA) 2022 and Employment Development Needs Assessment (EDNA) 2023 in assessing a site's development potential and capacity yield.
3. The UCA does not allocate individual sites for development and the inclusion or exclusion of a site from assessments does not mean it will be successfully allocated or subsequently achieve planning consent. It is a theoretical exercise that cannot establish the absolute urban housing capacity of Sandwell to 2041 but will indicate a potential urban housing capacity that is then subject to the application of policy and the outcome of other evidence gathering. The UCA itself is a technical exercise, not a statement of policy.
4. This report reviews current assumptions about the supply of land for housing and employment development across Sandwell. 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 that demonstrate how far the development needs of the borough up to 2041 can be accommodated within its urban area.

National Policy

5. The National Planning Policy Framework (NPPF) places a great emphasis on the efficient use of urban land – it is a key component of sustainable development and is also an important priority for local people when faced with the potential loss of open / green spaces. The purpose of the Urban Capacity Appraisal is to provide evidence that helps to reduce the need for development on current green spaces or beyond Sandwell's urban areas as far as possible. The suitability, availability and achievability of a potential site will inform whether the site is considered deliverable/developable:
 - To be considered deliverable, sites for housing 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.
 - To be considered developable, sites should be 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
6. Consistent with the NPPF, the National Planning Practice Guidance (NPPG) acknowledges the advantages of carrying out land assessments for housing and economic development as part of the same exercise so that sites may be allocated for the use that is most appropriate. The NPPG states that land availability assessment should:
 - Identify sites and broad locations with potential for development;

- Assess their development potential;
 - Assess their suitability for development and the likelihood of development coming forward (the availability and achievability).
7. In line with the duty to co-operate the NPPG requires local planning authorities to work with other local planning authorities within the relevant housing market area or functional economic market area when assessing availability of land. Key stakeholders should be involved from the earliest stages of preparation including, amongst others; developers, land promoters, local property agents and local communities.
 8. The NPPG requires plan makers to be proactive in identifying as wide a range of sites as possible, including existing sites that could be improved, intensified or changed. Sites that have policy constraints should also be included. However, constraints should be clearly set out and tested, with conclusions drawn on whether constraints can be overcome.
 9. The assessment of suitability of sites for development should be guided by the development plan, emerging plan policy and national policy, as well as market and industry requirements. The NPPG notes that when assessing sites against the adopted development plan, regard should be had to how up-to-date the plan policies are. Sites in existing development plans, or with planning permission, will generally be considered suitable for development although it may be necessary to assess whether circumstances have changed which would alter their suitability.

Background

10. The Black Country Core Strategy (2011) and the Sandwell Site Allocation and Delivery DPD (SAD) (2012) identified where most of the development needs of Sandwell would be accommodated up to 2026. A key priority for the 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. This relied in part on the assumption that a downturn in demand for current levels of employment / industrial land would see the release of surplus brownfield sites for housing provision. As a result, several such sites were identified in Sandwell and allocated for future housing development.
11. A review of the BCCS was started in 2016 and a revised plan (the Black Country Plan / BCP) was under development until late 2022, when for political reasons work was paused and the BCP was eventually abandoned. To that point, considerable work had been undertaken on housing supply and urban capacity, and much of this data still informs the approach to capacity in the SLP. As a result, Sandwell's UCA continues to use the same assumptions and allowances that were previously applied to the BCP.

West Midlands Combined Authority Study – Brownfield Land

12. As part of the evidence for the BCP, and in response to queries around the capacity of the Black Country to deliver additional housing on brownfield sites, a study was commissioned by the West Midlands Combined Authority that considered the approach to land allocation undertaken by the four authorities, and whether additional brownfield land could be made available given different approaches.
13. The study looked at the four Black Country authorities' current and future needs and land supply and examined in detail its capacity related to the amount of previously-developed land that was available. The conclusions of the study are set out below:

- The approach used to select brownfield sites for development in the BCP was appropriate. The assessment of other brownfield sites that had not been identified in the Plan was also appropriate. The density assumptions used in the Black Country Plan were reasonable. The approach used to identify 'windfall' development – sites that were not specifically identified in the Plan, but that could come forward over the Plan period was appropriate.
 - Some further explanation was required on how the non-implementation rates of some employment land to be developed for housing are calculated. The study suggested a reduction in the non-implementation rate used by the Black Country Authorities would lead to additional capacity. However, the potential capacity to be derived from this in the context of the overall shortfall was unlikely to be significant.
 - Some lower-quality employment sites could be redeveloped for housing using a more interventionist strategy. However, given the challenges of land assembly, viability and the need to support the existing and potential business base of the area, the study acknowledged that the experience gained from the delivery of the current Core Strategy showed that the housing capacity generated from such sites was likely to be limited.
 - The study also acknowledged the key barriers to unlocking challenging sites in terms of landowner / occupier intentions and the lack of viability for re-development that is prevalent across much of the Black Country.
 - The strategic centres were identified as key drivers for growth and locations which offer opportunities for change and repurposing. Opportunities associated with the repurposing of existing vacant and under-utilised commercial floorspace, especially retail, alongside the potential offered by alternative uses of lower quality employment sites and a proactive approach towards mixed-use development could help to drive new residential provision.
 - Furthermore, opportunities for new housing development within the 17 Black Country Tier Two centres should be explored in further detail as part of a refresh of the Black Country Urban Capacity Study.
 - It was anticipated that some additional capacity would be identified through future local plan-related work. However, this would not be sufficient to meet the identified shortfall of some 28,000 homes and 210ha of employment land within the Black Country.
14. This work effectively demonstrated that there was little, if any, additional capacity within the Black Country available to provide additional housing at the scale required to meet the shortfall. This situation has not changed during the preparation of the SLP, as evidenced by the results for new and updated evidence on housing and employment demands and supplies and site assessments.

Need

15. The existing BCCS housing targets for Sandwell for the period up to 2026 were set out in Table 7 of the BCCS. When the BCCS was adopted, the established process was to consider historic completion rates when calculating future targets. New Government guidance issued in 2017/18 states that if a Plan is more than five years old (which applies to the BCCS), the new national standard methodology should be used for calculating five-year housing land supply and for developing new Plans.

16. 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.
17. The local housing need figure for Sandwell is calculated using the national standard method. This method uses 2014-based ONS household projections and affordability ratios which are updated annually. Based on these calculations, Sandwell needs to identify land for 29,773 homes by 2041. The supply of suitable residential land based on the most recent evidence stands at 11,167 homes. There is therefore an unmet need for 18,606 homes.
18. A key aim of the Sandwell Local Plan is to plan to meet Sandwell's housing need within the borough itself and, if this need cannot all be accommodated within Sandwell, to work with other authorities to see if they can accommodate any of the unmet need.

Supply - Sandwell Strategic Housing Land Availability Assessment (SHLAA)

19. The current identified housing supply in Sandwell is described in the Strategic Housing Land Availability Assessment (SHLAA). 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 five years or developable over the Plan period. The 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 2041.
20. The identification and assessment of potential housing sites for inclusion in the current SHLAA 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 borough. The list of sites is updated annually to continue to identify development sites in the urban areas and to focus development into the right places.
21. The current SHLAA includes, 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. A "call for sites" exercise ensures that this list of sites is accurate and up-to-date, reflecting market intelligence and land-owners' intentions. This was undertaken at a Black Country level and carried out during 2017-20 to inform the BCP review.
22. A subsequent Sandwell-focussed call for sites was undertaken in early 2023 as part of the initial Issues and Options scoping exercise that started the SLP review process.
23. The assessment of housing land supply in the SHLAA includes an allowance for "windfalls", as per the work carried out for the BCP. 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 nine homes or less, which are usually too small to allocate in the plan itself. These windfall allowances are included as past trends demonstrate that windfalls comprise a significant element of the overall Black Country housing supply.
24. Planning Practice Guidance suggests that councils should consider all sites and broad locations capable of delivering five or more dwellings. However, it continues that where appropriate, plan makers may wish to consider alternative site size thresholds. Given the large number of identifiable sites within an urban area such as Sandwell, the resources and

time available to complete the SHLAA preclude the collection of detailed information for very small sites. Therefore, smaller sites will be defined as those which could accommodate less than ten homes

25. Several assumptions and allowances underlie the current housing supply identified in the draft SLP. These have been taken from the work carried out for the BCP but have been adapted to reflect Sandwell's requirements:

Discount Rates

26. 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 for the Black Country SHLAA reports for 2018 and 2019.
27. To ensure discount rates were 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). All sites of ten homes or more entering the supply as planning permissions (rather than allocations) between 2001 and 2004 were analysed. In Sandwell, of the 4,030 homes granted permission on 76 sites during 2001-4, 3,886 (96%) had been completed within 17 years. It was concluded that 10% was too high a discount to apply to sites with planning permission in the existing supply, as most of them gained planning permission within the last three years. It was decided that for subsequent SHLAA reports the discount rate applied to sites with planning permission and not yet under construction would be reduced to 5%.
28. The 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

29. 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; it was assumed that housing renewal would remove 3,340 homes from the housing supply by 2026.
30. Only 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 that have taken place have typically been higher than expected. The current position on projected demolitions and replacement rates has been reflected in Sandwell's approach.

Density

31. BCCS Policy HOU2 and associated data suggested that all sites of 15 homes or more would achieve a density of 35 dwellings per hectare (dph), net of open space and major roads. 35 dwellings dph generally related to a development with a mix of house sizes and no flats. The policy also required developments of 60dph or more (mostly flatted schemes) to be located within strategic or town centres, and for other high-density developments (45-60dph) to have good access to residential services by foot or public transport.
32. For subsequent local plan allocations, and sites in SHLAAs that do not yet have planning permission, this density guidance was used to calculate the potential number of dwellings

that could be accommodated on each site, unless there were additional local factors that also needed to be considered. Where no detailed information was available, surplus occupied employment sites had an assumed density of 35dph gross, which was the equivalent of 41dph net assuming an 85% net developable area. This was found to be the average on such sites considering open space provision, buffers, main roads and other constraints.

33. In Sandwell, for the draft SLP housing densities were re-examined on urban sites around transport hubs / nodes and in larger town centres, including the use of tall buildings. Assumed densities have been increased as set out below. Any related capacity gaps in residential services e.g. schools, healthcare, leisure / recreation and infrastructure would be addressed when schemes or masterplans are considered.

Potential for Density Uplift

34. Evidence for the review of the Black Country Plan included an estimate of the potential uplift in housing capacity which could be achieved through adoption of higher densities, these are being explored in the SLP review. In the meantime, a density uplift based on the densities identified in the BCP had been used to understand the likely uplift figure that could be realised and applied to sites of 10+ homes.
35. A density uplift assessment was undertaken of Sandwell's identified SHLAA sites as part of the BCP review. Since that assessment, sites of two or more hectares have had their yield calculated in line with a formula set out in the latest SHLAA¹, which reduced the capacity on the affected sites. These and other sites that are unlikely to have gained planning permission by 2025 and that have a capacity of ten homes or more were then assessed with regards to a density uplift.
36. Where the site is located within West Bromwich Strategic 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 West Bromwich Strategic Centre a minimum density of 40dph net has been assumed. Where a site falls within the 45dph buffer, a density of 45dph has been assumed.

Windfall Allowances

37. The complex nature of Sandwell and the wider Black Country means that it will never be possible to identify every potential housing site that may come forward through the Local Plan process. Supply from unidentified sites that may come forward in future is generally referred to as a windfall allowance. Government guidance accepts this approach.
38. 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.
39. At the time (2011) national policy did not allow for windfalls to be considered in the five- year supply, which reduced the average rate per annum. Para 71 of the NPPF now allows LPAs

¹ Where the expected yield for a site over two hectares had not already been established, the yield was calculated using the following formula: $Yield = Density \times Site\ Area \times Percentage\ of\ the\ site\ which\ is\ developable \times Gross: Net\ Ratio$ (applied to sites over 2 Ha). This was applied because on larger sites more land is required for open space, local services and access. It is anticipated that for sites over two hectares, 75% of the site would be developed, with 25% allowed for supporting infrastructure.

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.*”

40. In general, local plan site allocations across the Black Country are for ten homes or more, in accordance with the national definition of major developments. 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, supplying around 640 homes per annum in the area from the mid-2020's onwards.

Surplus Occupied Employment Land

41. The BCCS originally anticipated that a large proportion of the land supply for housing over the Plan period would be provided through the redevelopment of surplus occupied employment land; this was land that was not anticipated to be suitable or in demand for employment uses, and which could be redeveloped 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.
42. The BCCS set out a requirement for around 25,000 homes to be brought forward on surplus occupied employment land by 2026 - around half of this was to be 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 delivered through subsequent local plans. Given the multiple constraints likely to affect these sites, a discount rate of 15% was applied to the supply of dwellings from them, meaning that around 29,400 homes would need to be allocated to deliver 25,000 homes in practice.
43. Following the 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. The Sandwell SAD and West Bromwich AAP allocated 311ha of land on 127 occupied employment sites to be redeveloped for 10,541 homes by 2026. Of these, 578 homes (14ha on seven sites) are now complete and 510 homes (23ha on ten sites) had planning permission as of 2020.
44. In summary, in the Black Country housing allocations on occupied employment land eventually totalled 16,182 homes on 488ha of land – significantly below the BCCS target of 29,400 homes. This occurred because the detailed evidence that became available when preparing subsequent local plans did not support the allocation of sufficient suitable sites for housing.
45. Since these sites were allocated, through the adoption of local plans during 2013-17, only a comparatively small number of homes have been completed or have secured planning permission in the Black Country. This clearly demonstrates the multiple constraints that 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 allocations.

46. In response to these delivery and viability challenges, a range of policy tools and funding mechanisms were deployed, primarily through the Black Country Local Enterprise Partnership (no longer in existence) and the West Midlands Combined Authority. These included 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 continue to engage with Government, the WMCA and other public-sector delivery agencies to secure additional support to assist with the delivery of key development opportunities.
47. Evidence presented in the Black Country Plan Review Issues and Options Report highlighted that in recent years, rather than a surplus of employment land across the Black Country, there was a need for a net increase in employment land going forward. This would require the retention of existing employment land that was previously expected to be released for new housing. The Black Country Economic Development Needs Assessment (EDNA) Stage 1 provided information on the need for and supply of employment land.
48. During 2019 and 2020, further detailed evidence was 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). This work provided 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.
49. The BEAR was based on detailed fieldwork and engagement with occupiers and landowners to establish their current intentions for employment sites and future business needs. The work provided key evidence to inform the Black Country Plan position on the protection and retention of existing employment areas up to 2039, and on which of the existing housing allocations relying on the redevelopment of employment land should be deleted, with those sites retained for employment activity.
50. For the purposes of the study, employment land was identified as land for factories, warehouses, logistics and other uses that need to locate in industrial areas (trade wholesale, depots, car sales / repair garages, waste management). It did not include shops, offices, and leisure uses, as, while they employ people, these are normally directed into town and local centres.
51. The BEAR work showed that many of the occupied employment sites previously allocated for housing are now home to businesses that 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.

Employment Land Needs

52. 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. An Economic Development Needs Assessment (EDNA) was prepared for the Black Country during 2016-17 and has been updated subsequently, with the

most recent full update having taken place in December 2022 and a partial update having been undertaken in August 2023. From the August update, the following extract from the employment land supply and demand table (Table 4.1) identifies the situation in Sandwell:

	Employment land demand (HA)		Employment land supply (HA)	Balance supply vs demand HA (in brackets balance incl. loss of employment land – see para 2.9)	
	Based on OE* forecasts	Mid-rate of completions		Based on OE forecasts	Mid-rate of completions
...					
Sandwell	186	185	42	-144 (-170)	-143 (-169)

*OE = Oxford Economics

53. This formed the basis of the SLP's strategic approach to employment land provision over the plan period, using the mid-rate demand figure.
54. A significant issue for Sandwell is that there is a steady demand for large sites for employment, both for new companies wishing to move into the borough and for companies in Sandwell wishing to expand their premises. While there is an overall shortage, this remains a major issue, with a shortage of large and accessible high-quality investment sites in particular.

Potential changes to housing supply

55. For the purposes of the SLP, existing BCCS and SAD policies, allocations and assumptions have been reviewed to test whether additional potential capacity for housing development can be identified in the urban areas across the borough. In addition, the draft policies and allocations identified in the BCP have also been revisited and related capacities and assumptions have been retested as well.

Review of current allocations

56. All housing and employment allocations in the extant local plan for Sandwell outside West Bromwich have been reviewed. This included revisiting density assumptions in line with the emerging density requirement in Policy SHO3.

Demolition programme

57. Sandwell does not have a current programme of housing demolitions at scale; demolitions do occur, but this is infrequent and does not have a significant impact on the overall supply of housing in Sandwell.

Potential to Amend Discount Rates

58. As outlined above, the BCCS applied a 10% discount rate to commitments and a 15% discount to occupied employment land. Current figures reflect the discounts applied in the existing BCCS, apart from sites with planning permission and not yet under construction, for which the discount has been reduced to 5% in light of the evidence. It is not proposed to apply any further changes to discount rates now, in the absence of further evidence on deliverability and viability as required by the NPPF.
59. Preparation of the BCCS began during the recession of 2008, when it might be expected that the potential supply identified would take some time to come forward. In addition, the

timescale for the SLP runs to 2041, so this 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 also reduce the need for discounting.

60. The removal of a significant proportion of the most constrained residential allocations on occupied employment land from the supply 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 Study is underway, which will support the SLP by assessing the likely impact of these factors. Therefore, discount rates can be revisited if necessary, in the light of up-to-date evidence.

Potential to Increase Densities

61. 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 60dph were required for sites in centres.
62. As set out above, densities were increased in the draft SLP so that the draft plan now requires densities of 100dph (e.g. flatted development) within West Bromwich town centre, 45dph in areas where accessibility allows for a high-density development and 40dph in areas with moderate levels of accessibility. All developments of more than ten dwellings in Sandwell will be expected to meet these density targets.
63. Based on work done on the proposed uplift in densities in the BCP, increasing the minimum density policy in the SLP from 35dph to 40dph, 45dph or 100dph would give rise to a potential maximum additional supply of around 204 dwellings in Sandwell. However, in the latest SHLAA the expected yield for a site over two hectares was recalculated assuming 75% of the site was developable; this reduced the capacity to be gained by increasing the densities to 62 homes. The fact remains that an increase in densities in Sandwell should allow for additional dwellings to be delivered on sites.

Potential to Allocate Further Surplus Occupied Employment Land for Housing

64. As discussed above, work undertaken during the preparation of the draft BCP demonstrated that there would be limited opportunities to identify surplus employment land for redevelopment for housing, given the extant constraints on such land for a housing end use.
65. In addition, re-allocation to housing would impact negatively on the ability of Sandwell to provide sufficient employment land to meet identified needs, as any employment land 'lost' to alternative uses would need to be replaced elsewhere and added to the land requirement.
66. Sandwell retains its role as a net supplier of employment land and premises within the Black Country and the wider West Midlands, and this would be adversely impacted by the loss of further employment land. As a result, no or comparatively little additional housing land supply is likely to arise from current employment land supply.

West Bromwich

67. Sandwell has carried 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 is available, as is an Interim Planning Statement designed to guide and manage planning proposals and applications until the SLP is adopted. These documents have also informed the housing target for West Bromwich Strategic Centre. At present, there is a target of 1,162 new dwellings to be delivered in West Bromwich by 2041. There remains potential for further

housing sites to come forward in the centre, which will be expected to be delivered at very high densities.

Other centres

68. Centres have an important role to play in accommodating future residential growth in Sandwell, 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 a key source of employment and the focus for retail, leisure, commercial and civic uses. 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.
69. Mid- and high-rise housing in town centres is suitable for smaller households that can be accommodated in 1- to 2-bed properties. Arguably these households can be slightly more flexible in their housing needs and this type of provision could derive benefit from central urban locations with good access to shops, transport infrastructure and leisure facilities. From a viability perspective, demand from smaller households for urban locations is greater than that from family households; in comparative terms, the value of 1- to 2-bed properties outweighs the value of 3-bed properties in centres. Family-sized units are also more difficult to deliver in high density areas, due in part to their requirements for private amenity space.
70. The current vitality and viability of town centres has been tested through town centre 'health checks', which took place during 2019-20. This has helped the review and updating of floor space requirements for various town centre uses. Factors like 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 SLP will be able to encourage flexibility and diversification of centres to (in part) help meet housing needs.
71. It is recognised that centres have vacant floorspace that provides opportunities for residential development. Therefore, the current SHLAA, using a set of assumptions, estimated the potential for new homes in West Bromwich Strategic Centre at 16 homes over the period 2027-41 (to emerge through building conversions because of structural change in the centre), over and above a continuation of past trends.
72. The same exercise was also undertaken for the seven town centres (Tier 2), 12 district centres and 15 local centres (Tier 3) in Sandwell. For the seven town centres, the amount of property with vacant floorspace, taken from annual surveys and when assumptions were applied, generated a surplus floorspace uplift estimate of 95 homes.
73. For the Tier 3 centres, the number of vacant units over the last five years (taken from annual surveys) was used to calculate the average number of vacant units per centre; when assumptions were applied this generated a total of 108 homes for all Tier 3 centres.

Other sources

74. While there may be the potential to release limited areas of surplus open space within the urban area for housing in some areas, this will not generally result in the provision of significant amounts of additional residential or employment land. Sandwell's Green Spaces Audit identifies that there is in many parts of the borough a deficit in available and accessible public open space, and this position will be exacerbated as the population is projected to increase over the new plan period. Therefore, releasing open space for housing would result

in significant under-provision of open space in existing residential areas. In addition, the Sandwell Spatial Strategy and plan policies recognises and protects the importance of open space for community health and wellbeing as well as for its role in managing climate change and providing environmental and biodiversity benefits.

75. Likewise, the loss of open areas such as playing pitches and more formal areas of recreation are not considered to be a source of sufficient or suitable amounts of residential land. Again, the loss of sports pitches will result in the need to replace it elsewhere in the vicinity or the wider borough, which would put further pressure on other areas of open land.
76. The SLP does not consider the allocation of housing or employment sites within the Sandwell Green Belt to be appropriate given the limited amount of such land in the borough and its important role in maintaining openness and preventing coalescence between Sandwell and Birmingham in particular.

Local Plan Site Assessment Report

77. This report should be read alongside the Local Plan Site Assessment Report, which explains in detail how sites identified for potential allocation were assessed. It explains the methodology and the process that was used to select the most appropriate sites for allocation for housing, employment development, and Gypsy and Travellers in the draft SLP. Site selection has a significant impact on urban capacity, as have the assumptions and criteria applied to the process. These are set out below and are explained in more detail in the main assessment report.

Basic assumptions

78. The following initial parameters were identified and used to help shape the consideration of sites and capacity identification in Sandwell:
 - Geographical area covered - the assessment covers the whole of the Sandwell area, which lies within the West Midlands Housing and Functional Economic Market Areas.
 - Other parties involved - in line with the duty to cooperate other local planning authorities in the West Midlands Housing and Functional Economic Market Areas were invited to comment on the methodology and have been engaged in the process.
 - Size of site - only sites and broad locations capable of delivering ten or more dwellings or 0.4ha of employment land have been considered for inclusion.
79. The NPPF expects a minimum of 10% of the Council's housing requirement to be delivered on sites no larger than one hectare, unless there are strong reasons this cannot be achieved. Sites below the one-hectare threshold have been considered through the SHLAA process if they can deliver ten or more dwellings.
80. Larger sites, if considered deliverable / developable, would be required to provide indicative masterplans demonstrating the infrastructure and community benefits the site would be providing. Sites have not been excluded from the assessment process based on size (providing they could support ten or more dwellings).

Site assessment

81. In line with the guidance in the National Planning Policy Guidance, sites with policy constraints were included in the initial list of those to be considered for inclusion in the SHLAA. Only a very limited number of policy constraints led to exclusion of sites from consideration prior to further consideration. However, it was concluded that detailed site assessments would be undertaken for sites falling within these areas of constraints for consistency, demonstrating that all sites had been considered fully.

82. In identifying the list of sites / locations to be considered for assessment account has been taken of the guidance in the NPPG. Where relevant the following criteria have been used to identify and filter out those sites that were not considered to be suitable for allocation:

Hard constraints

- Site of Special Scientific Interest / Special Area of Conservation
- ancient woodland / veteran tree
- Local Nature Reserve
- Site of Importance for Nature Conservation
- flood risk zone 3
- registered park and / or garden
- scheduled ancient monument
- operational burial ground
- common land
- green belt
- ancient hedgerow
- strategic open space

Employment sites

- Have planning permission for employment use;
- Scored 20+ in the BEAR refresh – such sites were important for employment supply purposes;
- Sites smaller than 0.4ha;
- Sites in a Preferred Area for New Waste Facilities or that were identified as Strategic Waste Sites;
- Site with hard constraints;
- Landowner advised that the site would be retained in employment use.

Other constraints

- Existing residential use / site
- Operational sites (education, leisure, utilities, places of worship, canal network, transport infrastructure)
- Open space not considered surplus by current standards
- Sites <0.4ha (employment land) and <0.25ha (housing land) with no “call for site” response submitted
- Local authority land with no “call for site” response submitted
- HSE consultation zone 1 (for residential)
- Withdrawn sites, unless significant

83. Sites were also filtered out:

- Where the landowner was expressly unwilling to develop them (including significant withdrawn sites)
- With one or more significant planning constraints that could not be mitigated
- Where they had planning permission for housing use – sites were included however where implementation was uncertain and where they had a capacity of 50+ homes, to safeguard current supply;
- Where the site was affected by a hard constraint;
- Where sites lay in an area forming part of a current Masterplan;
- Where planning permission had been granted for alternative use (not housing) on a currently allocated site.

Gypsy and Traveller sites

84. Sites were assessed for potential Gypsy and Traveller site provision where they were between 0.5 – 1ha in area and met the following criteria in policy:
- a. The site should be suitable as a place to live, particularly regarding health and safety, and the development should be designed to provide adequate levels of privacy and amenity for both occupants and neighbouring uses;
 - b. The site should meet moderate standards of access to residential services as set out in draft Policy SHO2;
 - c. The site should be located and designed to facilitate integration with neighbouring communities;
 - d. The site should be suitable to allow for the planned number of pitches, an amenity block, a play area, access roads, parking and an area set aside for work purposes where appropriate, including, in the case of travelling show people, sufficient level space for outdoor storage and maintenance of equipment;
 - e. The site should be served, or be capable of being served, by adequate on-site services for water supply, power, drainage, sewage and waste disposal (storage and collection).

Assessment process

85. All eligible sites were assessed using the agreed constraints and criteria, and a standard pro forma was completed for each one. The site assessment criteria were applied using a traffic-light system of assessment, based on a Red, Amber, Green (RAG) methodology. The RAG rating was applied to identify clearly those sites that have been assessed as:
- those sites suitable for either a combination of or for all three uses (green);
 - those sites that in principle could be allocated but have some constraints (amber); or
 - those sites that have been rejected as being unsuitable (red), e.g. ones with gateway constraints.
86. The results have been compiled into a separate document that is also available on the SLP website.

Call for Sites

87. In 2017-21 a call for sites exercise took place as part of the preparatory work for the BCP, seeking the submission of potentially suitable development sites. A further call for sites

specifically for Sandwell was undertaken alongside the Issues and Options consultation in February - March 2023.

88. All the sites in Sandwell submitted through the call for sites exercises have been subject to a full site assessment except for:
- Sites with a gateway constraint
 - Sites where the land owner subsequently withdrew the site

Outcome of site assessment work

Housing

89. 56 sites were rated red and therefore were not allocated for housing.
90. 49 sites were rated amber. Although they were considered suitable for residential development in land use terms, they were constrained due to land assembly issues, adverse ground conditions, and where issues around viability and deliverability would make redevelopment unlikely within the plan period.
91. 53 sites were rated green. Redevelopment for residential purposes was felt to be appropriate in land use terms and achievable within the plan period. These sites amounted to nearly 80ha of potential development land.
92. By applying capacity figures of between 40 -100 dwellings per hectare, up to 5,000 homes could be delivered within the plan period. In the main, sites were most suitable for moderate density housing, given local character and existing development. However, some sustainable sites close to local centres, public transport and with good pedestrian access to local services were appropriate for higher density housing.

Employment

93. 124 sites were unsuitable for redevelopment for employment uses and subsequently rated red. The rationale for this is explained in each site assessment form.
94. 17 sites were given an amber rating if in principle the land use for employment was considered appropriate, but where redevelopment was felt to be unlikely during the plan period. Many such sites contained existing viable businesses where relocation would be difficult to achieve, but over a longer period, alternative land uses might be sought. It was considered important to avoid the potential loss of jobs through insensitive site allocation.
95. 17 sites comprising ca36ha were rated green and considered to be appropriate and realistic opportunities in terms of redevelopment for employment use within the plan period.

Housing and Employment

96. 44 sites were considered unsuitable for either employment or housing and given a red rating.
97. 22 sites were rated amber. Although either use, or a combination, were considered suitable in strict land use terms, redevelopment within the plan period was heavily constrained by issues such as adverse ground conditions, relocation requirements and local community opposition (e.g. Black Patch open space).
98. Nine sites were felt to be suitable for either housing or employment, or in some cases (e.g. Lion Farm playing fields) a combination of both. These sites were accordingly given a green rating.

Gypsy and Travellers

99. 146 sites were considered unsuitable for this use and rated red. A rationale was provided in each allocation, but the main reasons were the size of the site (less than 0.5ha or more than 1ha) and that the ideal siting criteria could not be met.
100. 12 sites were felt to be suitable for this use in principle and given an amber rating. Although site size and development criteria could be met, viability was questionable given likely community objections and difficulties in gaining planning consent.
101. No sites were wholly suitable for Gypsy and Traveller use as they either did not meet the siting criteria or were less than 0.5ha or more than 1ha.

Conclusion

102. The Plan preparation process is taking place in the context of updated and increased need for housing, employment and related infrastructure in Sandwell and the wider Black Country. The economic conditions are improving, and Sandwell's population is growing. At the same time, government continues to pursue new policy measures to ensure that local authorities are delivering growth and sustainable economic development.
103. This appraisal has reviewed identified supplies of land and challenged and updated assumptions to identify whether any further potential development capacity can be found in Sandwell.
104. The appraisal summarises the various sources of housing supply and compares current supply with identified need. The gap between supply and need over the SLP Plan period (to 2041) has grown. Sandwell needs to identify land for 29,773 homes by 2041; the supply of suitable residential land based on the most recent evidence stands at 11,167 homes.
105. Much of this shortfall has arisen as a result of further loss of occupied employment allocations during 2020 in light of new evidence. The appraisal also considers potential additional sources of housing supply in the urban area to help close this gap, including density increases and sites in West Bromwich. However, current evidence suggests that these sources are likely to generate a relatively limited number of new homes. Therefore, the identified shortfall – that is the amount of housing need which cannot be accommodated in Sandwell - remains significant. There is an unmet need for 18,606 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.
106. As detailed in this report, the Black Country EDNA and subsequent updates recommend that the Black Country should plan for up to 870 ha of additional land to meet the needs of the area 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.
107. The draft SLP 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.
108. In summary, due to the significant need for both housing and employment land in Sandwell until 2041 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 borough. The NPPF requires that local authorities address such needs and therefore new

sources of supply have been explored. Sandwell 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.

109. 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.”* While the urban capacity evidence summarised above indicates a shortfall in land available for housing and employment use:

- the limited amount of green belt within Sandwell occurring mostly in Sandwell Valley and between Sandwell and Walsall;
- the significant number of sites of environmental and historic importance it contains; and
- the important role it plays in maintaining separation between the borough and the rest of the conurbation

means that a Green Belt review in Sandwell would not be appropriate. The importance of the designation outweighs the need to provide sites for development within it. Protection of the green belt is also an integral part of the spatial strategy for the SLP. In addition, the redevelopment of extant open space in the urban area is unlikely to make a significant contribution to the overall need without having a deleterious impact on both the environment, efforts to address climate change and on the health and wellbeing of the people of Sandwell.