

C3 CHOICES

C3.1 In developing the Vision, the Consortium recognised that in respect of the scale of change and the spatial pattern of land use change, there were clear choices to be made and tested. **The period 2004/5 involved comprehensive research to test the appropriateness, realism and risks of the Vision and to outline the choices for the future.** This was implemented through a series of economic, centres and capacity studies. The relevant documents are listed in **Appendix A3**.

C3.2 The Study has taken these fully into account in the preparation and substantiation of policy responses and the Delivery Plan. **Some of the most fundamental decision areas were as follows:-**

The scale of housing growth

C3.3 Three options were tested relating to the scale of housing growth with the existing Regional Spatial Strategy (RSS) to 2021 identified as the starting point.

i) RSS + 2% to 2031

C3.4 This would represent (beyond 2021) a slow down of the strategy of reversing net out-migration and accommodating Black Country housing needs. It represents a strategy to accommodate natural growth only, that is zero net migration from 2021 onwards.

C3.5 It was considered that to plan for deceleration would encourage a return to the negative impacts of earlier trends, failure to attract back and retain A/B households and the knock on effects upon average incomes, retail expenditure and the skill requirements of new technologies.

C3.6 This option was thus discounted. Moreover, a return to the previous trends would mean that if at some stage beyond 2021 the negative impact of such trends, would need a strategy which returned to the Vision's scale of actions required and a quantum leap in remedial actions similar to that proposed in the current Vision.

ii) Continuation of RSS growth rate to 2031 (i.e. RSS Growth to 2021 with a further 5% addition to 2031)

C3.7 This would represent a continuation to 2031 of the annual additional housing completions proposed in RSS to 2021. The resulting housing increase of 71,000 units by 2031 had been used as one basis for the Vision with the attendant objectives of increasing the number of A/B households by 50,000 and personal incomes to a level commensurate with the national average (excluding London and the South-East) by 2031.

C3.8 The economic research by GHK (the Economic Study) had projected future job needs derived from the population increase achieved by this level of net additional homes.

- C3.9 The Housing Capacity Study undertaken by Halcrows provided estimates of land likely to be required for this option, and the alternatives (i) and (iii). The results were cross-referenced to the employment land capacity study produced in tandem, by GVA Grimley with GHK who had prepared the earlier economic study.
- C3.10 The Housing Capacity Study concluded that there should be sufficient occupied employment land, or allocated employment land to meet the requirements of (i) and (ii), whilst enabling the Black Country to provide a portfolio of quality employment areas to meet the needs of new technologies and industrial diversification.

iii) RSS + 10/15% to 2031

- C3.11 This represented a very challenging acceleration of the rate of new housing beyond the RSS figures for 2021, which is in itself a challenging increase in historic house building rates.
- C3.12 The Capacity Studies showed that the required land transfer from employment to housing to achieve this scale of growth would create a serious shortfall in land needed to meet the requirements of economic diversification and growth in the Black Country and the quality land offer so essential to attract sufficient mobile investment.
- C3.13 Since this option (iii) very much exceeded the area's capacity to achieve required housing levels, it was dismissed.

The scale of employment growth

- C3.14 The Vision sought to match housing and population growth with sufficient employment opportunities. In this the Vision recognised the sustainability benefits in achieving this balance, seeking to avoid both encouragement to increased out (or in) commuting.
- C3.15 This sustainability objective did not seek to achieve self-sufficiency for the Black Country in a manner which could be regarded as isolationism. Rather it recognised the existing complex pattern of inter-dependencies between the Black Country and surrounding areas in terms of daily cross-boundary workforce flows.
- C3.16 The sustainability objective equally tied in with aspirations to control congestion and encourage modal shift in travel habits.
- C3.17 The Vision's employment targets include the need to counter-balance the substantial reduction in manufacturing employment (-65,000) which GHK forecast for the period to 2031 as a consequence of improved productivity, and changes in the structure of manufacturing.
- C3.18 However, the Consortium were aware of regional economic work based on an alternative forecasting model. The effect of this approach would reduce the scale of manufacturing employment reduction by 20,000.

- C3.19 The employment land capacity consultants were therefore requested to assess the likely changes in land requirements under the more optimistic (latter) scenario.
- C3.20 This concluded there would be no material effect on overall land requirements sufficient to alter either the preference for housing option (ii) or the overall approach to providing a quality employment land portfolio.
- C3.21 The consultants referred to a series of variables influencing long-term land needs including varying assumptions on future employment densities. Coupled with the increasing efficiencies in the use of industrial floor space, no material changes in land supply were felt to be required.
- C3.22 The worst case scenario in respect of manufacturing job change (i.e. -65,000 jobs) remains the basis for the employment land strategy. Its acceptance has not changed the overall strategy for retained employment land since there should remain adequate land to fulfil either level of reduced manufacturing employment.

Retail floor space requirements

- C3.23 The Vision objectives in respect of household projections, income changes and targets for additional A/B households formed the basis for consultants to advise upon future retail floor space requirements to 2031.
- C3.24 A report by GVA Grimley (the Centres Study) identified a scale of comparison goods floor space derived from the above Visionary objectives. The floor space calculations to 2031 were based on the "best case" scenario i.e. that all components of the Vision would be fulfilled in the period. The Consortium accepted the advice of the consultants to the effect that variations in any of these Visionary components, and indeed the influence of other variables, could affect the long-term requirements for comparison goods retail floor space.
- C3.25 Calculations of need are based on the Black Country retaining its market share of retail spend, based on the current share and capturing that share derived from future growth in retail spending and the spend derived from the growth and nature of population as proposed for the area.
- C3.26 Thus, with advice that the forecasts of requirements were sustainable the Consortium have maintained the levels of floor space based on the expenditure capacity derived from the assumptions underlying the Vision. However, it was decided that the influence of e-tailing should be recognised in calculations of retail floor space. Thus GVA figures of need were scaled downwards as a consequence.
- C3.27 The GVA Grimley Centres Study incorporated an allowance of 7% of comparison goods expenditure for e-tailing (i.e. expenditure that would be deflected from shopping centres into internet spending, thus taking the potential turnover away from the centres).

- C3.28 The more recent (2006) Roger Tym and Partners Regional Centres Study commissioned by the Regional Assembly for the RSS Phase Two Revision accommodated a 20% turnover allowance for e-tailing based on most recent estimates as to the extent of turnover likely to be taken up by e-tailing by 2021.
- C3.29 This clearly has significant impact on comparison retail floor space needs. Application of the “precautionary principle” suggests the need to acknowledge the material impact of e-tailing, and thus Visionary floor space requirements have been adapted accordingly. However the pace and scale of growth of e-tailing needs to be maintained, as with other variables, and adjustments to need be considered as a consequence.
- C3.30 This is the preferred choice that has been made regarding comparison goods floor space requirements.
- C3.31 As with other components of the Vision, long-term projections of retail needs are susceptible to numerous variations in the background assumptions. Given the advice provided by GVA regarding the dependency of growth on key assumptions concerning population change and income growth, regular monitoring of Visionary progress and other factors influencing need will be required and amendments made as necessary to long-term projections.
- C3.32 Despite the potential to consider a range of assumptions about future market share for the Black Country the Consortium have applied a “one choice” approach to market share of retail turnover. There is ample justification for the Black Country centres to retain existing market share on the basis that RSS requires the sub-region to retain its population, and population growth and also reverse net out-migration to achieve net in-migration.
- C3.33 This requires the maintenance of a competitive retail offer with vibrant and competitive centres capable of adding to the vital improvement in the area’s quality of environment, sufficient to reverse people’s previous incentives to move out of the area, and to provide exciting and vibrant centres for the whole community.
- C3.34 It thus necessitates the opportunity for key centres to keep wholly up to date with changing retailer and consumer requirements, which often change rapidly.
- C3.35 In this respect it is equally necessary that through major growth in these centres balance is retained between the Black Country and competing retail centres, notably Birmingham City Centre, that ensures compatibility of growth and the ability of the Black Country to match its population and employment growth strategy with retail and office growth commensurate with area needs, in social and economic terms as part of its urban renaissance.

The distribution of retail floor space growth

- C3.36 The GVA Grimley Centres Report advised on the need to share out floor space growth amongst the selected key centres and also to provide a proportionate share of growth for smaller town and district centres.
- C3.37 The GVA report suggested an indicative split of 50:50 between the four key centres and district centres.
- C3.38 The Consortium considered, (having established the potential expenditure capacity) that the principle of growth being shared between key centres and other centres was a “constant” component of the Vision and thus not an area of choice.
- C3.39 The issue of choice became one of identifying the relative positions of the four key centres in terms of a share of growth, and what proportion should be identified for smaller centres in order to maintain their vitality and viability.
- C3.40 Thus, inter-authority working concluded upon a more appropriate split between the four key centres and between these and smaller town and district centres. This took account of existing commitments and the capacity of each strategic centre to accommodate potential additional retail growth, based on detailed capacity assessments, and the extent of commitments within district centres.
- C3.41 The Consortium had concluded that Dudley town centre’s retail role would cease to grow beyond 2011 by reason of the close proximity of Brierley Hill/Merry Hill and the agreed strategy to focus the town centre on residential growth and heritage assets, without prejudicing the area’s important character as a sub-regional and regional centre for tourism. The limitations on physical capacity are set out in the report prepared by Dudley MBC.
- C3.42 At an early stage, the GVA Grimley report had concluded that Brierley Hill/Merry Hill already performed a strategic retail, leisure and office roles should be enabled to grow and that there is “clear evidence to support further growth of this centre as part of a co-ordinated four centres strategy”. This should be subject to commitments to manage the scale and timing of additional development, appropriate transport infrastructure (particularly in public transport improvements) and phasing of growth to ensure compatibility with growth and continuing vitality of other Black Country centres needing regeneration.
- C3.43 This reaffirmed the Consortium’s Vision for a centres strategy focused upon Wolverhampton, Walsall, West Bromwich and Brierley Hill/Merry Hill, but ensuring that Dudley was to be promoted in a positive manner as a centre exploiting growth opportunities other than retail.
- C3.44 The Consortium were mindful of the evidence needing to be assembled to demonstrate the strength of argument for including Brierley Hill/Merry Hill

not only as a strategic Black Country centre but also in the West Midlands Region's portfolio of strategic town centres.

C3.45 Thus **further technical research** (*listed in **Appendix A3***) was undertaken to consolidate the evidence base, including:

1. *'A report on the retail and office investment market opinion on the role and importance of Merry Hill and how far the other three Black Country Centres (and also Dudley) could fill the void if Merry Hill's growth was stultified'*

C3.46 This report by Graham Chase and Partners confirmed that there was no market based choice and that Brierley Hill/Merry Hill must be enabled to grow, albeit conditionally if the Black Country is to maintain its market share.

C3.47 The report concluded that Wolverhampton, Walsall and West Bromwich possessed USPs and catchment areas that would enable them to grow their retail offer reflecting their own attributes and in different ways. Further that controlled growth at Merry Hill would complement and not prejudice renaissance of these centres.

C3.48 The report found that Dudley Town Centre lacked the investment potential for growth in retail beyond 2011 and that its changing role would complement that of Brierley Hill/Merry Hill.

2. *'A report on Merry Hill and market share'*

C3.49 White Young Green (WYG) were commissioned to assess the impact of no further retail growth at Brierley Hill/Merry Hill upon other Black Country centres and the sub-regions overall market share.

C3.50 This report¹ has concluded for the Black Country Study Area (as defined through survey by the GVA Centres Study) that without Brierley Hill/Merry Hill or Dudley town centre expansion, the Black Country market share will be reduced from 47.5% to 41.8% by 2021. This total loss represents £5.02 billion in 2021. This scenario assumes the other three Black Country key centres do not absorb any of the growth (in essence do not increase their market share). Taking the Black Country administrative area, if all apportioned growth for Brierley Hill/Merry Hill were to be lost to centres outside the sub-region, the Black Country's market share would drop from 71% to 61% by 2021, and assuming the other 3 key centres maintain their current market share.

¹ [Assessment of Future Market Shares and Accommodating Future Needs, White Young Green, May 2006](#)

As a variation, if the other 3 key centres absorbed the apportioned growth for Brierley Hill/Merry Hill on their existing properties of market share, than the drop in market share for the Black Country will be from 71% to 67%.

- C3.51 Notwithstanding physical capacity, the report concluded that the three Ws as key centres would not be capable of accommodating both their own projected growth under the Vision, AND additional growth to compensate for the loss of Brierley Hill/Merry Hill, taking account of market and population catchment considerations.
- C3.52 The report reflects the case for the Black Country maintaining its reasonable market share. Once the slack is taken up outside the area, the greater difficulty exists for the area to claw back trade to reasonable levels.

3. *'A report on Merry Hill and its regeneration role'*

- C3.53 Regeneris were appointed to assess the impact of Merry Hill growth on regeneration in the Black Country and also at the local level.
- C3.54 The report assessed the contribution Brierley Hill/Merry Hill has already made in the local economy including job provision.
- C3.55 It concluded that as with Graham Chase and Partners report, Brierley Hill/Merry Hill is a catalyst for regeneration, job diversification, job creation to compensate for loss of jobs in manufacturing and to provide a link between office and new technology jobs and attraction/retention of A/B households.
- C3.56 The Consortium has concluded that the technical evidence convincingly demonstrates the exclusion of Brierley Hill/Merry Hill as a key strategic centre is not an option. They felt obliged however to offer the choice of Brierley Hill/Merry Hill or no Brierley Hill/Merry Hill growth to the public in the consultation on choices and there was a large majority response in favour of its growth. The risk assessment (Section 5 addresses the implications of no further growth of this centre.)

The scale of office growth

- C3.57 The report from GHK assessed the scale of "office" growth required to provide job diversification, new opportunities for Black Country people, skill development, compensation for loss of jobs in local manufacturing and contribution to sustainable homes/jobs balance in the Black Country.
- C3.58 The job needs of the Vision were translated into office floor space requirements. These were reviewed by GHK as a partner with GVA Grimley in the Employment Land Capacity Study.

- C3.59 The need for 79,000 net new “office” jobs are required to meet the Vision to 2031 and in this context, any reduction in this estimate is a “no choice” option.
- C3.60 The strategy of sustainable “self-sufficiency” means that the Black Country must meet the challenge of a massive increase in office development if the job requirements are to be achieved. GHK and GVA Grimley have concluded as to the scale of the challenge, which at the least, includes reversing the market trend towards business parks on greenfield sites (which are outside the Black Country), and also overcoming the current lack of interest from the market for most town centre locations.

The distribution of office growth

- C3.61 The Vision for the scale of projected and required office growth has been considered by the Consortium in terms of its spatial distribution.
- C3.62 The Consortium has concluded that there is no choice other than to accommodate office growth primarily in the four key centres.
- C3.63 A key-centres focus reflects Government policy to concentrate office development in town centres under PPS6 and as the most sustainable location, combining offices with other town centre uses – retail, homes, leisure and potentially further and higher education and administration.
- C3.64 The Choices Consultation offered to the public a series of choices on office distribution.
- C3.65 The location of offices is a growing issue in the fulfilment not only of Black Country but Regional Strategy. Office growth in recent years within the sub-region (and the whole Region to a greater extent) has taken place in greenfield business parks, with little centres office growth other than Birmingham City Centre. The planning restriction since 1995 on retail growth at Brierley Hill/Merry Hill which had a detrimental effect on office investment and occupier confidence in that centre. Brierley Hill/Merry Hill one of the West Midlands largest office focuses.
- C3.66 Thus the potential to achieve a centres focused office strategy in the Black Country, and at the scale proposed, relies heavily on a regional consensus to restrict greenfield office development within and beyond the Black Country itself.
- C3.67 The areas of Black Country choice have been, firstly, the distribution of office growth between key centres, and secondly, allowance for smaller town and district centres and public transport interchanges. The initial apportionment growth between the four key centres on a 25:25:25:25% basis allows for all four centres to grow (BI)a office employment in accordance with PPS 6. It is expected that a small proportion of growth may in due course be identified through LDDs for district centres and key public transport interchanges.

Transport

- C3.68 The Vision recognised the seamless relationship between land use change and transportation interventions both to support land use transformation and provide wider sustainable benefits of efficient travel across the Black Country and its links to Birmingham and a wider hinterland. Early work evaluated the transport impact of more than thirteen different land use scenarios for the Black Country.
- C3.69 The Vision identified relief of congestion and modal shift towards public transport as key basic and essential requirements to enhance sustainability in the sub-region. The Local Transport Plan has focused its package of resource bids in this direction with a 5 year programme of work from 2006-2011. This was based on existing land uses.
- C3.70 A Metropolitan-wide transport model called PRISM has been used to assess the impact of Potential Directions of Change on the existing transport network and to identify areas where additional interventions are needed to meet the Vision objectives. In line with the Spatial Choices Consultation a concentration of development in areas served by a range of public transport produces the most sustainable travel patterns. A corridor and centres based strategy was identified as being the Potential Direction of Change that could produce the most sustainable transport outcome.
- C3.71 The latter phases of the Black Country Study Transport work have focused upon an evaluation of the role of the existing and planned transport networks in relation to the emerging Preferred Land Use Strategy. Transport investments proposed in the Plans of the West Midlands Authorities have been evaluated to see if the Black Country Study Vision can be met through this investment.
- C3.72 When this was done a number of key areas were identified where further investment was needed. The identification and evaluation of this further investment forms the final stages of the transport part of the Study. The interventions that have been identified now form an integrated strategy for the Black Country. The proposed changes to the RSS T12 are needed to help secure the delivery of two of the key features of the proposed strategy, that is the completion of the Midland Metro network and improvements to motorway junctions.
- C3.73 The impact of this shortfall in investment would be to limit the opportunity for people to travel by public transport and to reduce the attractiveness of areas identified for employment growth.

Presentation of choices for consultation

- C3.74 Consultation on choices is a statutory requirement of the draft RSS Revision process, and was conducted for an 8-week period during November 2005 to January 2006.
- C3.75 The choices document sought to inform the consultees upon outputs from technical evidence and to identify key issues around which choices

existed. An information document plus questionnaire were prepared. It suggested that “no change is not an option”.

- C3.76 The process set out the broad directions of spatial changes which had been identified with discreet differences as to the focuses for land use change and their implications.
- C3.77 All the spatial directions of travel were shown to be capable of achieving Vision objectives but in different ways and with different consequences. Doubts were cast as to the effectiveness in relative terms of a choice which was largely founded upon maintaining a pattern of uses based on past trends, including retention of much of the existing employment areas, and with new housing distribution over a wider and less focused area than in the “centres” and “corridors” options.
- C3.78 This was referred to as “planned dispersal”. The other directions/emphases were; a relative focus on “centres”, and upon “corridors of growth” to accommodate change.
- C3.79 The information pack including a sustainability appraisal of choices was circulated to 5,000 individuals and organisations from the database and others on request. A further 2,000 packs were sent to libraries, local authorities etc and 2,000 summary leaflets sent to learning centres throughout the Black Country.
- C3.80 280 responses were received to the questionnaire and by letter (or both). Responses came from residents (17%), business organisations and professionals (29%), Government agencies (6%), national and regional organisations (5%), local authorities (9%), MP’s/MEPs/Councillors (6%), and community/interest groups (25%). Responses were also broken down to identify in more detail the source of responses and views of specific groups (e.g. Sandwell responses) or interests (e.g. house builders). A series of local events (one in each borough) were organised to seek to engage local people.

The responses

- C3.81 In numerical terms the level of response was disappointing, but reasonable endeavours had been made to encourage response over a broad spectrum of community interests.
- C3.82 **Key conclusions** for the process of Consultation on Choices included:

- A general support for the Vision objectives.
- A general preference (where opinion was provided) towards a direction of change which combined corridors of public transport and growth in key centres.
- Support for Brierley Hill/Merry Hill growing and becoming a

recognised strategic centre, but with caveats to ensure growth did not prejudice regeneration of other centres.

- Support for Dudley town centre retaining a modified future role.
- Support for a relative focus of retail and office growth upon the four key centres of Wolverhampton, Walsall, West Bromwich and Brierley Hill/Merry Hill but with improved public transport access and accessibility.
- This support was allied to the need to share growth with smaller Black Country Centres whose local community role needed to be protected and consolidated.
- Support for major growth in office jobs in the Black Country; that the key centres were preferred as a focus for office development but that smaller centres and public transport interchanges also required a share of growth.
- Support for providing quality employment locations close to the motorways, served by public transport and where practicable, rail links.
- Recognition of the need for new technology industries.
- Recognition of the need to recycle poor quality industrial land for housing.
- The need to accommodate logistics activity in the Black Country, but also support for large scale Regional Logistics Site in the North Black Country/Southern Staffordshire area.
- Support for growth in housing with higher densities selectively in town centres and at public transport interchanges. New housing areas needed good cycle and pedestrian access to public transport.
- Concern at suburban intensification and the need to transform previous municipal housing estates.
- Strong support for extending the Metro system and improving heavy rail services.
- Support for a new internal strategic route through the Black Country.
- Overall environmental quality is a key issue.
- Environmental priorities should be existing housing areas and town centres.

- Whilst the need for housing growth was ratified, this should not be at the expense of sufficient land being retained to expand job provision and opportunities in the area.

C3.83 The emerging strategy sought to accommodate and reflect the general preferences reflected in the choices responses.