

7.0 KEY POLICY AND INVESTMENT CONTEXT

This section presents a summary of the key policy and investment context to the proposed Black Country Telford Housing Market Renewal Area. A full review is included at Annex B.

7.1 Introduction

Housing market renewal activity will require an integrated approach between different policy areas - including investment in neighbourhood renewal, economic development, transport provision, education and training, health and education. This section seeks to identify:

- The key policy and investment context;
- the extent to which the policy and investment context follows the grain of current market trends or seeks to alter them; and
- any clear complementarities, gaps and inconsistencies.

Key elements and issues relating to the policy and investment context for the Black Country are as follows:

7.2 Regional Spatial Strategy

As regards the spatial development of the Black Country:

- the West Midlands Regional Spatial Strategy (RSS) identifies a vision for an enhanced economic and social role for the Black Country as part of a more sustainable pattern of regional development based on a concentration of development on the region's Major Urban Areas;
- the new spatial development framework being developed and tested through the Black Country Study - to deliver the aspirations of the Regional Spatial Strategy (RSS) for the Black Country and to offer a Partial Review of the RSS to be submitted to GOWM in March 2006 – is intended to offer a framework for major transformation of the conurbation including:
 - economic development of the Black Country including the strategic development of key urban centres
 - development of a sustainable transport system
 - delivery of housing supply to meet current and future needs and demand
 - environmental improvements and improved urban design
 - improved key services and facilities and
 - community cohesion;
- the proposed spatial development framework offers significant potential for a strategic and more integrated approach to the regeneration of the conurbation, and there is a need to ensure that the Black Country Study and work to develop the prospective HMRA complement one another. In

particular the Black Country housing land capacity study will be of significant to the development of the proposed HMRA.

The Regional Spatial Strategy supports the continued development of Telford as a sub-regional focus for development - including housing development - on the basis of its potential to attract new investment and that new development meets locally generated needs (including the needs of surrounding rural areas) and is at a level to support balanced, sustainable communities. Telford's development is to form part of a balanced network of town and city centres amongst the major shire towns and cities in the region- as a strategic focus for major retail, leisure and office developments.

7.3 Housing Development

As regards housing development in the Black Country:

- RPG targets are for approximately 2,600 homes per annum to 2011 and 3,600 per annum 2001 to 2021 (see Table 7.1) – representing a 44% increase after 2011;
- The greatest increase relates to the outer Boroughs to balance with the currently higher targets for Sandwell (reflecting the Borough's greater land supply and current building rates);

Table 7.1: Annual Average Rate of Housing Provision (no. dwellings)

	<i>To 2007</i>	<i>2007-2011</i>	<i>2011-2021</i>
Dudley	600	700	975
Sandwell	900	900	975
Walsall	500	500	825
Wolverhampton	500	500	825
Black Country Total	2,500	2,600	3,600
Telford & Wrekin	1330	1330	700
Total	3,830	3,930	4,300

- demographic analysis by Mott McDonald for the Black Country Study identifies that – based on current trends – meeting RPG targets for 2021 (involving 61,400 new dwellings and 16,200 demolitions) will require a significant shift in current levels of out-migration from the Black Country from a current outflow of 4,200 individuals per annum to a net inflow of 480 individuals per annum by 2021;
- the planning pipeline for housing development at the 1st April, 2004 shows capacity for 9,022 dwellings across the Black Country and a high rate of annual completions – up to 1,958 in 2003.

As regards housing development in Telford:

- RPG targets for new housing development in Telford & Wrekin beyond 2011 are reduced by 50% - in parallel with a 44% increase in target for housing development in the Black Country (see Table 7.1);

- The Borough has identified sufficient land supply to meet its RPG target to 2011 - with Telford is the focus for new housing development. However, a recent SWOT analysis undertaken as part of the development of an economic development strategy for the Borough (SQW, 2004) identified that at traditional densities, the available land supply could only accommodate some 50% of the required units - although the required number could be delivered if densities are raised in accordance with Government policy - to between 30 and 50 units per hectare.

7.4 Housing Policy and Investment

As regards the wider policy and investment context for housing provision:

- the Regional Spatial Strategy identifies policy priorities as regards housing in the Black Country as being the development of higher quality housing to meet the demands of higher income households – alongside wider infrastructure improvements – and the market renewal of areas of low housing demand;
- emerging priorities for housing being identified through the Black Country Study are the need for a bolder strategy for residential change based on delivering high quality residential environments around public transport nodes, strategic centres and sub-centres with strong canal/heritage assets; and quality mixed tenure housing with access to services;
- key issues identified by the Black Country Study are the need to:
 - identify locations that offer balanced opportunities for quality residential locations
 - establish a rolling programme of residential site allocations and land supply able to deliver sites of sufficient size and quality
 - delivery of demonstration projects to engage the private sector
 - to establish and monitor principles of quality design
 - to pursue RPG house-building rates on the basis of existing land allocations and evaluate opportunities to deliver and exceed minimum rates set out in RPG
- the key challenge for the proposed HMRA will be to achieve a balance of supply and demand that achieves a higher proportion of higher income households in the Black Country at the same time as meeting the needs of the lower income households, and changing aspirations at the same time as delivering sustainable and cohesive communities;
- the housing strategies of the Black Country authorities include as priorities the generation of greater choice, ensuring good stock condition, liveability improvements, improved housing services, affordability and community cohesion. However, understandably there are variations between the authorities (and with Telford) as regards the key issues for housing:
 - Wolverhampton’s strategy prioritises ensuring good stock condition and delivering attractive neighbourhoods offering a good quality of life. The strategy identifies six housing areas based on groups of neighbourhoods defined according to price, type and tenure to assist the planning of investment. The strategy also identifies eight Urban Regeneration Areas

identified for redevelopment and future investment to deliver sustainable communities. The ALMO (Wolverhampton Homes) has obtained £288m additional from 2006/07 (conditional on achievement of a 2* rating) to deliver the Decent Homes Standard (DHS) by 2010 - with the remaining investment required (£112m out of a total investment requirement of £400m) to be met from the Borough's year on year mainstream capital investment programme.

- Walsall's housing strategy prioritises choice, brownfield development, affordability, stock quality including private sector renewal, community cohesion and improved housing services. The Council transferred to two RSLs in March 2003 - with the largest proportion going to Walsall Housing Group (WHG) - made up of five Housing Trusts managing 22,800 homes in five areas (Aldridge and Brownhills, Bloxwich, Central Walsall, Darlaston and Willenhall), and a smaller proportion to Walsall Association of Tenant Management Organisations (WATMOS) (a group of eight tenant management organisations managing 1,840 properties). WHG plans to spend £240m over seven years to 2010 on achieving the Decent Homes Standard - with a future role in developing community initiatives and a focus on asset management to fund the development of new homes. The spend profile for 05/06 for major works identifies a total planned spend of £49.7m - concentrated on the areas of Aldridge/Brownhills, Bloxwich, Central Walsall, Darlaston and Willenhall.
- Sandwell's priorities are to improve the quality of the residential environment; the range, quality and choice in the housing stock, achieving the Decent Homes Standard; addressing deprivation and improving housing services. The Borough identifies particular problems of low demand and low incomes leading to high levels of disrepair and low prices; and the importance of BME communities to sustaining levels of demand in the Borough. A key priority for the Borough is to reduce the number of unpopular property types by addressing the oversupply of social rented units (with a planned reduction in the total stock from £35k to £28,5k by 2010). The ALMO (Sandwell Homes) has had £349m provisionally approved on condition of achievement of its 2* rating to meet the Decent Homes Standard - with 74% of the stock not currently meeting the standard. It is hoped that this additional funding will be achieved in 2005/06. However, this level of resource will be insufficient to address the oversupply of social housing and the extent of private sector renewal required as identified in the HRA Business Plan, and the environmental improvements required alongside investment in the Decent Homes Standard. The Borough has made provision for the development of housing strategies for each of the six towns (Rowley Regis, West Bromwich, Smethwick, Tipton, Wednesbury and Oldbury) to cover local public and private housing markets, and action plans to address housing demand and conditions.
- Dudley's priorities are to meet the Decent Homes Standard, reduce the number of empty homes (with 27% of the Council's stock currently below standard and a significant additional number of properties forecast to be after 2009, and 4.9% of the stock) and to increase the supply of affordable housing - especially social rented provision with a small proportion of shared ownership housing. The strategy also identifies a need to alleviate a shortage of larger family housing. The Council's recent options appraisal has led to a decision to retain - with the housing strategy identifying a need for £398m of investment by 2010 to achieve the Decent Homes Standard and liveability improvements.

- Telford and Wrekin’s particular priorities for housing are to ensure sufficient social and affordable housing, to support regeneration - particularly in south Telford - to improve the quality of housing, to promote choice and meet needs (e.g. of the homeless, for independent living and of vulnerable households). There are particular concerns about increasing levels of disrepair in the private sector - and particularly the long-term sustainability of private sector properties sold off through the Right-to-Buy on former Council estates. An estimated 2, 500 mostly private sector properties in the Borough are estimated to be in substantial disrepair, and around 5,000 private sector properties in substantial disrepair. The Business Plan of the Wrekin Housing Trust - established to take over 13,000 dwellings from the Council in 1999 - aims to meet the required repairs and improvement work which, prior to transfer, was estimated to be worth £41m. It is estimated that 35% of the stock will not meet the Decent Homes Standard at April 2006 and will cost between £31m and £51m to meet the standard. The Trust reports particular concern with the regeneration needs of the former New Town estates in south Telford - with parts of the estates demonstrating local housing market failure and high levels of property abandonment.

Table 7.2 presents the Capital Housing Allocations by HMRA authority. Table 7.3 presents levels of private sector investment by HMRA authority.

Table 7.2: Capital Housing Allocations by HMRA Authority (2003/04-2005/06)

	2003-04			2004-5			2005-6			
	Housing Annual Capital Guideline	Transitional Private Sector Renewal	Total	Housing SCE(R)	Transitional Private Sector Renewal	Total	Housing SCE(R)	Housing Capital Grant ¹	Transitional Private Sector Renewal	Total
Dudley	2,383	-	2,383	3,165	-	3,165	3,212	0	0	3,212
Sandwell	6,563	117	6,680	6,628	252	6,880	6,866	1,951	20	8,837
Telford & Wrekin	943	-	943	1,076	-	1,076	1,067	0	0	1,067
Walsall	4,060	-	4,060	3,714	-	3,714	3,671	0	0	3,671
Wolverhampton	4,788	-	4,788	6,806	-	6,806	7,473	0	0	7,473
Total	18,737	117	18,854	21,389	252	21,641	22,289	1,951	20	24,260

Table 7.3: Private Sector Investment

	Need to Spend		Plans to Spend				
	Number of unfit private sector dwellings	Estimated Cost of making fit	Number of grants proposed 2005/06	Number of proposed loans by LA 2005/06	Number of proposed loans by third parties 2005/06	Cost of proposed grants 2005/06	Amount of loans made available 2005/6 proposed
Dudley	4,982	£28m	112	0	75	£1.1m	£0.9m
Telford & Wrekin	1,200	£75m	125	10	30	£0.478m	£0.030m
Sandwell	11,122	£75.2m	430	0	125	£2.747m	£1.250m
Walsall	4,364	£27.97m	250	0	0	£2.750m	0
Wolverhampton	6,644	£39.8	484	20	42	£1.060m	£0.390m

7.5 Neighbourhood Renewal Activity

Planned neighbourhood renewal activity and investment in the proposed HMRA is as follows:

- Wolverhampton - It is intended that 5% of £288m to be spent by the ALMO will be used for environmental and sustainability investments, and that the ALMO will seek to promote and deliver neighbourhood renewal activity. The City has a framework for neighbourhood renewal activity based on seven neighbourhood management pilots and All Saints and Blakenhall New Deal for Communities. The City's total allocations for 2005/06 is £5.928M Neighbourhood Renewal Fund (NRF);
- Walsall - the Borough identifies the main areas of deprivation in the Town Centres and to the west and north of the Borough, with nine priority neighbourhoods identified for neighbourhood renewal. The Borough's neighbourhood renewal funding allocation for 2005/06 is £7.122M of NRF plus £52m of NDC funding for the NDC programme for Blakenhall, Bloxwich East and Leamore.
- Sandwell - The Borough has the most widespread deprivation of all the Black Country authorities with neighbourhood renewal activity focused at the level of the six towns - via six neighbourhood management pilots. The Borough has the highest allocation of NRF at £13.773M for 05/06 plus an NDC allocation to the Greets Green NDC of £59.8m. The programme includes a planned £70m of housing investment including £14m of NDC funding and the rest made up of leverage.
- Dudley - identifies 23 priority neighbourhoods for renewal activity, but has the lowest allocation of NRF at only £1.321M for 05/06 - although the Borough has estates with high levels of deprivation (e.g. The Priory, Kate's Hill, Wren's Nest).
- Telford and Wrekin - has a policy of six priority neighbourhoods: Arleston College, Hadley, Donnington/Donnington Wood, Malinslee and Langley, Brookside, and Sutton Hill/Woodside. Work is being undertaken to identify small neighbourhoods within the current policy. The Woodside estate is the main focus for neighbourhood renewal activity as the most problematic of the four Radburn estates in South Telford. A seven year partnership programme involving the Borough, English Partnerships, the Housing Corporation, the Wrekin Housing Trust, AWM and GOWM worth around £73.5m of public sector investment (plus £100m private leverage) is identified for the area for stock acquisition, demolition and replacement; stock improvements to the Decent Homes Standard; and remodelling of the infrastructure and public realm. It is hoped that funding will become available through the HMRA to improve conditions in the remaining Radburn-designed South Telford estates: Brookside, South Hill and Malinslee. Telford and Wrekin is not an NRF-eligible authority.

Neighbourhood Renewal Fund allocations for each of the Black Country authorities are identified in Table 7.4. Table 7.5 presents the New Deal for Communities allocations for each of the Black Country New Deal for Communities programmes - and expenditure plans for housing renewal.

Table 7.4: Neighbourhood Renewal Fund Allocations, Black Country authorities

	2004/05	2006/07	Total
Dudley	1.521	1.521	3.042
Sandwell	10.35	13.773	24.123
Walsall	5.928	5.928	11.856
Wolverhampton	7.122	7.122	14.244
Total	24.921	28.344	53.265

Table 7.5: NDC Allocations and Planned Expenditure on Housing

	Allocation (£m)	Planned Budget to Housing (£m)			Timescale
		NDC	Leverage	Total	
Sandwell (Greets Green)	56	14	56	70	2000-2010 (Round 1)
Walsall (Bloxwich East and Leamore)	52				2001-2011 (Round 2)
Wolverhampton (All Saints and Blakenhall)	53.2				2001-2011 (Round 2)
Total:	161.2				

7.6 Economic Strategy

As regards the economic development of the Black Country:

- The Long-Term Economic Strategy to 2033¹ developed via the Black Country Study focuses on the development of higher value activities, higher level occupations and upskilling the workforce. Of particular significance to the proposed HMRA is the policy objective to deliver housing to meet the requirements of higher income households, as well as the impact of economic development policies on the income levels and housing aspirations of the wider population;
- a key element of the economic strategy is the development of the role of key urban centres in the conurbation – with a vision of four strategic and distinctive centres (West Bromwich, Walsall, Wolverhampton and Brierley Hill). These will need to be balanced with the function of lower order centres as sources of local services and employment – particularly given the generally poor levels of access to services in the conurbation;
- the Regional Economic Strategy and associated delivery mechanisms relating to the Black Country (the regional Cluster Action Plan, the Wolverhampton-Telford Technology Corridor and the North Black Country, South Staffordshire and South Black Country West Birmingham Regeneration Zones) offer significant capacity to deliver the economic development of the Black Country (and Telford in the case of the High-Technology Corridor). However, key issues for the proposed HMRA will be:

¹ GHK (2004) 'Long-term Economic Strategy for the Black Country'

- the capacity of the regional and sub-regional policy framework to support the economic regeneration of the Black Country alongside other regional growth poles (particularly in the south east of the region and adjacent areas e.g. South Staffordshire and Cannock Chase);
- how to manage the potential adjacency impacts of key regional sites in South Staffordshire on the Black Country;
- the capacity of the Regeneration Zones to deliver the economic regeneration of the Black Country (and adjacent areas) with limited financial resources (a total of £43.1m between 05-08 for physical regeneration investment in the Zone areas).

As regards the economic development of Telford:

- RPG identifies Telford as a strategic focus for major retail, leisure and office developments and the Borough's own vision is to re-establish itself as a major sustained growth point with an expanded workforce of 110,000 individuals.
- However, there is a need to further define and clarify Telford's role in the wider regional and sub-regional context (identified in the URC - 'Telford First - Business Plan'). The recent SWOT analysis undertaken for the Borough² identified that based on current trends, the Borough could achieve annual growth rates of 3.5% in output and 1.2% in employment by 2015, but that the Borough's economy is vulnerable to trends in manufacturing and the basis of nearly half the Borough's recent net jobs created estimated to be largely drive by the expansion of EDS. The study also identifies a major slow down in inward investment to the Borough - with the Borough struggling to retain competitive advantage despite the quality of its employment land supply.
- However, the Wolverhampton-Telford High Technology Corridor, establishment of the Telford First Regeneration Company - focused on the redevelopment of the Town Centre - and the restructuring of Telford Development Agency offer a step change in co-ordinating capacity to deliver the Borough's economic development strategy.

7.7 Transport Strategy

As regards transportation strategy for the Black Country - to be further developed through the Black Country spatial development framework:

- the Regional Transport Strategy and West Midlands Local Transport Plan offer a policy framework for the sustainable development of the Black Country and the potential to contribute to improved access within the conurbation – building on the current Metro Line 1 – including reduction of conflicting land uses (e.g. through the development of new freight routes). Key issues for the HMRA – and the Black Country vision - will be:

² SQW (2004) 'SWOT Analysis for Telford and the Wrekin Economic Strategy'

- the capacity of the regional and proposed conurbation to provide the infrastructure to improve the accessibility and quality of environment in the conurbation sufficient to attract growth sector employers and higher income workers; and
- the impact of proposed improvements to infrastructure improvements on the edge of and beyond the conurbation (e.g. strategic park and ride and proposed M54-M6 link road) on sub-regional housing markets – including demand for higher income housing within the conurbation.