

## **E2 HOUSING RISK ASSESSMENT**

### ***MEETING HOUSING TARGETS***

E2.1 Achievement is dependent on land becoming available, demand, locational attractiveness, investment confidence, house builder momentum and interest, the quality of local environments and job availability.

#### **Land supply**

E2.2 Land required to fulfil the strategy for +44,000 homes by 2021 and +71,000 by 2031, relies very heavily upon recycling brownfield resources, in accordance with existing RSS policies. The resource will very largely be land in existing or previous industrial use (possibly 75%).

E2.3 Indicatively, this requires the transfer into housing use of c1,100 ha of land by 2021 and 1,700 hectares by 2031. The Housing Capacity Study (Halcrow, Sept 2005) identified sufficient land capable of transfer to housing use for both plan periods. However in so doing, the authors advised of the risk arising from dependency not only on the land itself but the successful process of bringing land forward in sufficient quantities at the time required.

E2.4 This process will be likely to involve land assembly, remediation and reclamation, together with infrastructure necessary to service development. Since many of the potential large sites in single ownership have been redeveloped or committed (e.g. Patent Shaft, Bilston Steelworks, Coors Brewery, Round Oak Steel), provision of large scale sites in future will be more likely to involve land assembly and compulsory purchase in addition.

E2.5 The lead time for larger site preparation can, from experience, involve c. 5 years. Whilst the flow of land for housing has continued in recent years (with an annual requirement of 2,700 net new homes), the period 2011 – 21 involves an accelerated rate of 3,600 units per annum, and by implication a speeding up of land delivery.

E2.6 After a slow start, Black Country Housing completions during 2001 – 05 are approaching required levels, with rates (as a proportion of requirement) for Sandwell (+3%), Walsall (+7%) and Wolverhampton (on target) while Dudley remains 19% under target. This reflects a strong market for new housing throughout the Conurbation – however, the rest of the Conurbation (and adjacent Shire Districts) are doing considerably better (eg Birmingham +19%).

E2.7 There may be a need for the requirement for 2011-21 to make up any deficit in performance before 2011 through an even greater level of acceleration required for that 10 year period.

E2.8 Equally, by reason of anticipated lead times in land provision, the required portfolio of land to accelerate house completions post 2011, will need action now if later shortfalls in supply are to be avoided.

- E2.9 The house building industry has confirmed that current shortfalls in supply are largely a consequence of land shortage rather than limited demand.
- E2.10 The core of potential housing land lies within the corridors where development will be dependent upon improved public transport networks. Shortfall in efficient public transport could add risk to area attractiveness. It is noted that consultation on the choices indicated the majority support for new housing areas being well served by public transport.
- E2.11 An additional pressure upon Black Country land resources is identified by the Ecotec report<sup>1</sup> based on recent research. This concluded that areas of the Black Country close to Birmingham boundaries are experiencing strong net inflow of families from Birmingham resulting from both the “push” of overcrowding and the “pull” of relatively cheaper comparable properties in Smethwick, Aldridge/Great Barr Ward and further afield in Walsall Town Centre area.
- E2.12 Further pressures for housing are being experienced by a 26% take-up of houses by people from other areas beyond Birmingham, including overseas.
- E2.13 In parallel to both existing internally-generated need, and RSS strategy to reverse net out migration from the area, complementary regional policies seek to increasingly constrain housing supply in the Shire County areas which have traditionally been receptors for Black Country out-migrants, and where priority will be increasingly towards meeting local needs.
- E2.14 Thus, Black Country housing land supply has three pressures being exerted upon it:
- i) internally-generated need;
  - ii) increasing constraint upon external housing supply;
  - ii) additional demands derived largely from within Birmingham and other locations including international in-migrants.
- E2.15 The Black Country experiences a high level of local population loyalty with Ecotec reporting 65% of surveyed households planning to remain in the next 10 years. The highest loyalty level is in Dudley. However the population requires housing areas which exhibit:-
- Reducing crime rates.
  - Bigger, and more, better quality houses.
  - Improved appearance of local areas.
  - Improving schools.
  - Sufficient jobs.

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<sup>1</sup> The Black Country and Telford Housing Market Renewal Area – Phase 2, Ecotec, February – April 2006.

- More “professional” jobs.

- E2.16 These factors thus play a role as “preconditions” for population retention. Each will be subject to proposed action under the Delivery Plan. Thus as a “seamless” package, they will act as a catalyst to reduce out-migration, providing there is sufficient housing supply.
- E2.17 Ecotec’s study revealed disparities between the boroughs as to the likelihood of people leaving the Black Country. 30% of the sample overall planned to leave, with the higher figures being in Sandwell (37%), and Walsall (39%).
- E2.18 The Housing Capacity Study provided as an illustration a “what if” risk scenario by discounting anticipated large site land supply by 5+ years in effect extending the supply period to 2036. The effect of this would reduce corridor capacity by up to 30,000 units in the period to 2031 and would also prejudice fulfilment of the RSS target to 2021.
- E2.19 Provision of land for housing is thus a key priority for multi-agency action in the Delivery Plan. The focus upon recycling previously developed land brings with it the strong likelihood of public sector financial assistance being required in many cases, regardless of Section 106 funds or other planning charge contributions.
- E2.20 An early action priority will be to assess the likely annual resources required from both public and private sources to ensure accelerated housing land delivery.
- E2.21 The Strategy seeks also to ensure that all the pre-conditions for successful housing (**see D3.40**) are met in parallel as part of the inter-connectedness of the Vision delivery. An example of this is the proposed Black Country Sport and Recreation Facility Plan which will identify the facilities needed by population growth and for promotion of culturally and socio economically diverse communities.
- E2.22 Annual monitoring will indicate how far the increased rates of housing delivery are being met, and the counteractive measures necessary to ensure adherence to the rate and scale of housing performance.

### **Consequences of underperformance in land supply**

- E2.23 These may be summarised as:-
- i) Continuing net loss of population and households. Whilst 30% of prospective out migrants surveyed by Ecotec sought village life as an alternative to their existing home, there was also a strong aspiration to move to Shire district towns. This implies loss of the people, their income and skills away from the area.
  - ii) Pressure being exerted on Shire County housing provision.

- iii) Potential outflow of Black Country people to regional growth points – Telford and Worcester as the most relevant to the Black Country.

The distance involved increases the likelihood that the people would most likely move job rather than commute into the Black Country. Since traditionally out-migrants have been the more highly skilled, the area loses key workers upon whom a new-technology Black Country economy will be dependent. Equally long-distance commuting is less sustainable and prejudices “quality of life”.

By example as a parallel the Local Plan Inquiry for Malvern Hills in 2005 heard evidence upon the areas shortfall in meeting housing for local needs. Employer evidence indicated that failure to provide adequate “affordable” housing had led to key workers finding homes in Worcester and subsequently resigning to find work closer to home, exacerbating existing shortages of skilled workers in Malvern.

- iv) Increasing pressures on existing housing stock.

The net in-migration from Birmingham is already placing additional demands upon existing housing stock in Walsall and Sandwell close to the physical interface with Birmingham.

An increase in demand over supply would increase house prices and reduce affordability. If housing supply beyond the Black Country in Southern Staffordshire (traditional reception area for Black Country out-migrants) is constrained under RSS policy then pent-up demand will increase.

If potential out-migrants do not move, the chain of housing supply reduces, restricting the ability of households who may need to “upsize” (e.g. as a result of overcrowding) to do so.

- v) Limited room for manoeuvre

The Housing and Employment Land Capacity Studies (prepared in parallel, and complementary in approach and conclusions) concluded that the scale of land for transfer from employment to housing to meet RSS +5% population levels, represented broadly the upper level of acceptability. Beyond this, land would need to be taken from the portfolio of land that is necessary to provide quality and competitive employment locations. This would prejudice fulfilment of key economic objectives and provision of the scale and nature of jobs necessary to meet Vision requirements.

E2.24 Thus whilst the Delivery Plan might be able to bring forward sites which may be phased for transfer in the later period to 2031, there is no pool of

additional land resource to call on, without prejudicing environmental objectives (including retention of the Green Belt).

### ***HOUSING VARIETY***

- E2.25 The Vision seeks not only to reverse net out-migration but also to help diversify the population structure by accommodating a further 50,000 in the A/B categories households.
- E2.26 The Ecotec reports (Ecotec, 2006) indicated the scale of inter-war and early post war housing and the strong emphasis upon supply of municipal accommodation in those periods.
- E2.27 This exacerbated the gap between housing to meet higher income household needs and that required to meet needs of people with greater dependency levels.
- E2.28 Together with a tight Green Belt boundary and the halt to greenfield housing development, the shortfall of housing for higher income groups and non-dependent households has perpetuated net and selective out migration.
- E2.29 If the Vision objective to accommodate more A/B households is to be fulfilled, then there will be great reliance on brownfield (previous industrial sites) to meet needs.
- E2.30 To an extent, intensification in suburban areas has contributed to meeting needs of higher income households. However, there is strong political concern (by no means exclusive to the Black Country) as to the scale and pace of suburban intensification, the disjointed manner in which sites come forward and the absence of adequate planning controls to restrain this process.
- E2.31 The high risk is that prolonged continuation of the process will prejudice the high environmental qualities of the limited suburban areas able to retain and attract higher income households.
- E2.32 It is inevitable that new environments will need to be created from areas with poor quality employment land for transfer to housing. Thus radical environmental improvements will be required to overcome poor image and area stigma; in essence, to create new suburban environments conducive to attracting higher income households.
- E2.33 For example, the Ecotec work (Ecotec, 2006) has highlighted that Dudley is the key area capable of attracting back higher income households, with its retail and leisure facilities as the major inducement, and where major poor quality industrial area have the potential for housing.
- E2.34 The strategy of the Black Country Development Corporation included radical area transformation, based on multiple action programmes, in the 1980's/1990's.

- E2.35 Creation of new environments also requires a strong public/private sector partnership together with applying the Urban Park philosophy, and programmes to enhance quality of urban design.
- E2.36 This will require application of sufficient pump priming and complementary resource from the public sector to ensure private investment responds to the challenge.
- E2.37 It means that the enhancement strategy at local level requires off-site works at a scale necessary to achieve area transformation – again multi agency action, including adequate and attractive transport infrastructure.
- E2.38 The Consortium remains confident as to the existence of multiple agency support for area transformation. The risk is that all complementary actions need to be in place in parallel with resources committed in order to achieve the desired output.
- E2.39 The Vision seeks to encourage substantial increases in town centre living at the four strategic centres. These will make a significant contribution to meeting higher income household needs – an estimated 7,000+ units derived from the Capacity Study.
- E2.40 The ability (beyond that capacity) to meet higher income housing needs is dependent upon the flow of land, as outlined in E2.3 above, with its inherent risks.

### ***HOUSING DENSITY***

- E2.41 The Housing Capacity Study used an average density of 40 dwellings/hectare (gross) in calculating potential capacity. This average has been used in similar studies of South Midlands and Thames Gateway.
- E2.42 The Study applied higher densities (70dw/ha) for town centres and public transport interchange locations.
- E2.43 The Consortium have been concerned that in order to provide the widest reasonable range of densities, including lower densities to meet higher income household needs, flexibility is required by Government, planning authorities and the house building industry on both an area and site by site basis.
- E2.44 The recent Ecotec reports (Ecotec, 2006) has confirmed that from household surveys, 55% of those seeking new accommodation require detached houses, and 23% semi-detached units.
- E2.45 Within the demand for larger houses, the BME community are a key element. Provision of lower density 4/5 bed homes in the older areas has proved to be highly popular, enabling higher income BME households to remain close to the ties of kin and community.

- E2.46 Failure by any agency as controller or provider of lower density homes will have an inevitable effect on reducing the fulfilment of the Vision in respect of A/B household retention and attraction.
- E2.47 In addition, the average density used in the Capacity Study is regarded as an upper limit. Beyond this level, it is considered the quality of life and environment, regarded as central to the attractiveness of the Black Country, will be prejudiced.
- E2.48 Whilst increasing site-by-site densities may be regarded by some as a soft option, any such measure will have negative impact. Similarly if monitoring shows that the average of 40dw/ha is failing to be achieved then the option of increasing densities generally as a compensatory measure, would be a high-risk approach.

### ***GROWTH IN A/B HOUSEHOLDS***

- E2.49 The net out migration of 4,000 people per annum from the Black Country has largely comprised those households with higher incomes and skills. Whilst Regional Spatial Strategy seeks to encourage a reversal by restricting Shire County housing supply to focus on local need, success depends on both “pull” and “push” factors being resolved.
- E2.50 Out migrants have been attracted by the prospect of village and country-town life, amenities and environment. Attractiveness of housing therein has related to the greater choice and availability and, in part, price.
- E2.51 Out-migration is a process common to most larger metropolitan areas and large freestanding towns. Whilst housing availability in the Counties (and in towns such as Lichfield and Cannock) continues, the pull factors remain.
- E2.52 The Ecotec Study revealed that in 2001–4 as against housing completion targets, key Shire District figures included:
- Lichfield (105%).
  - Bromsgrove (186%).
  - Stafford (124%).
  - Wyre Forest (153%).
  - This represents primarily Greenfield development.
- E2.53 Whilst performance in the Black Country Boroughs in 2005 has improved to levels broadly in line with annual targets, completions remain at levels below those being achieved in the Shire Districts.
- E2.54 This reflects an imbalance both in the Greenfield/Brownfield and the Black Country/Shire County ratios.
- E2.55 In-commuting to the Black Country from such areas is an inevitable consequence until the households choose to move closer to work. Until such time in line with RSS policy, Shire housing completions are reduced

and lower levels of provision come into force post 2011, there is the prospect of the trend continuing.

- E2.56 The Ecotec Reports (Ecotec, 2006) revealed that prospective out-migrants are attracted to village life (30%) but with Shire towns also being strong candidates as housing destinations.
- E2.57 The process of reversing national trends towards outward movement from the metropolitan areas is highly challenging. In view of the strength of “push” factors, that challenge needs response across a wide range of investment programmes as set out below:

### **The scale and composition of new build**

- E2.58 New build in the Black Country has not yet been taking place at a sufficient pace or variety to reverse the process of net out-migration required to achieve urban renaissance. In parallel numerous areas which act as recipients for out-migrants are building houses well above annual requirements. Unless the balance can be reversed, early trend reversal will be unlikely. There is thus a high dependency on Shire Authorities willingness and ability to scale down housing provision that would attract out-migrants in the period to 2021, and indeed beyond if the Vision strategy is to continue successfully.
- E2.59 The Ecotec Study (Ecotec, 2006) also indicated that the nature of Black Country housing was not as yet reflecting aspirations of potential out-migrants. If demand continues a picture of 40% seeking detached homes and 25% semi’s for example, but provision fails to match these aspirations, then housing composition remains a risk, needing an appropriate response from the house building industry.
- E2.60 Similarly, the drive towards higher densities could impact upon the scale of detached housing provision to meet family needs unless there is acceptance of greater flexibility in housing densities to accommodate the aspirations for relatively lower density housing.
- E2.61 This suggests that it is essential the Black Country authorities are enabled to approve a greater flexibility in densities to meet, amongst others, the needs of higher income households and families.
- E2.62 It is acknowledged that higher density (generally apartment) provision also meets certain A/B aspirations and the needs of smaller households. This places a strong reliance on success of the centres strategy to contribute towards overall dwelling provision and selected A/B household needs, in parallel to development of previous employment land.

### **Managerial and professional job provision**

- E2.63 The Vision is heavily dependent on achieving a match between retention and attraction of higher skilled households, and provision of new technology and office jobs.

- E2.64 Black Country Investment (BCI) as the area's dedicated inward investment agency, experiences the day-to-day locational requirements of both new and inward, as well as existing job providers.
- E2.65 The ready availability of higher skilled qualified personnel is a key factor in decisions as to firms remaining or locating in the Black Country and in respect of preferred locations within the area.
- E2.66 The relative and absolute deficiency in housing to retain and attract such personnel has confined the willingness of office occupiers to locate in the area. Proximity to motorway junctions has become a key consideration in locational decisions since it extends the potential catchment area for skilled personnel.
- E2.67 BCI Confirm that absence of sufficient higher skilled people or housing areas is a disincentive to mobile office investment. The continuing growth of business parks in Solihull and Shire County locations, which have closer links to A/B households and housing areas compound the problem.
- E2.68 The absence of sufficient office and high value added jobs has also been a disincentive to A/B households to remain/come to the Black Country. Insufficient professional jobs in scale and variety have been a key issue affecting retention of higher skilled groups.
- E2.69 Thus there is a "chicken and egg" risk situation within this area of interdependent initiatives.
- E2.70 The market attraction of town centres for major office growth in the Vision will be dependent upon: -
- Access to the higher skilled groups, and in sufficient quantities. In this, city living and A/B housing close to or highly accessible to the key town centres is critical. Inability to induce both house-builders and also potential occupiers to new A/B areas in such locations will reduce owner occupier attractiveness.
  - Town centre accessibility to the motorway junctions allowing office investors maximum access to A/B groups. Successful and much improved proposed accessibility may encourage external A/B households to locate in the Black Country but only if the scale, choice and location of A/B housing is available. West Bromwich notably is (and with expansion could be even more) accessible to M5/M6.

### **Quality of Support Services**

- E2.71 Successful attraction of A/B households depends not only on the location and nature of housing available, but also the wider quality of services.
- E2.72 In respect of both town centre and education facilities a package of quality services is required.

### Town Centres

- E2.73 Availability of quality town centre services, proximity to retail and leisure, are paramount considerations. The Ecotec Study concluded that Dudley is the key area of attraction for its shopping and leisure, and Wolverhampton for leisure.
- E2.74 For these areas to consolidate and expand attractiveness, and for Sandwell and Walsall to become greater attractions, the Black Country must have quality, vibrant centres with a competitive offer.
- E2.75 For “town centre living” expansion, these improvements are also critical. Potential A/B residents need confidence that the centres will continue to provide the necessary qualities.
- E2.76 The Gun Wharf in Portsmouth is an example whereby retail development acted as a catalyst for A/B residential development to succeed.
- E2.77 Whilst the linkage applies across all centres, the relationship has a key importance in Dudley, and for Brierley Hill/Merry Hill.
- E2.78 With Dudley losing its town centre retail attractiveness, Brierley Hill/Merry Hill will need to become the focus for retail investment in Dudley. Dudley borough has also been and will continue to be the main short to medium term focus for A/B expansion. Thus it is essential that improved retail and centres quality and provision of A/B housing go hand-in-hand and in parallel.
- E2.79 Substantial post-industrial land will be involved within the immediate catchment of Brierley Hill/Merry Hill. Thus, to provide the service support, Brierley Hill/Merry Hill needs to improve the quality of retail offer and also office growth. This combination will be a key inducement for attracting A/B housing in the area (and also in Brierley Hill/Merry Hill Centre itself).
- E2.80 The flexibility in retail offer required to maintain its retail health and town centre status to justify retail and office growth are thus pre-requisites for A/B growth in the area. To an extent this area will act as a template in demonstrating the seamless link between A/B attractiveness, and quality retail and office growth.
- E2.81 It follows that having experienced an 11-year (and by 2011 a 15 year) period of curtailed growth it is critical that Brierley Hill/Merry Hill is enabled to provide the necessary and competitive catalyst for A/B growth.
- E2.82 Failure to facilitate growth will place in jeopardy the A/B strategy in the most extensive A/B opportunity area in the Black Country.
- E2.83 Equally, failure to rejuvenate all key-centres (e.g. Walsall and West Bromwich) risks prejudice to their A/B attraction and retention. With Ecotec concluding that 30% of interviewed residents seek to leave the Black Country (37% in Sandwell and 39% in Walsall) this risk also applies across these key centres.

**Education**

- E2.84 The Consortium regard education as a seamless process from primary to further and higher, and adult learning, as a central component of Visionary change.
- E2.85 Quality of education at all levels represents a key factor in population retention including A/B households. It influences locational decisions at primary and secondary levels.
- E2.86 It follows that inability to provide the quality and choice of education locally, and follow-on opportunities for developing skills, becomes a key risk factor in area attractiveness.

**Quality of Environment**

- E2.87 A/B households have a greater level of choice and mobility in housing decisions. It follows that the Black Country environment must compare favourably with external locations.
- E2.88 In this, the quality of physical environment is a central consideration. Air quality and the history of mixed-use areas with housing and industry relatively close together have been influencing factors. Inability to transform these characteristics satisfactorily will maintain a degree of stigma over much of the Black Country.
- E2.89 If large areas are to achieve transformation in a manner which allows them to exhibit the better characteristics of suburban living, then additional A/B housing alone will not achieve long-term durability and confidence in area uplift.
- E2.90 Thus whilst key sites will need to provide their own quality internal environments (e.g. canalside zones will be prominent candidates in the corridors strategy), it is critical these are matched with wider area improvements.
- E2.91 The Delivery Plan will require demanding and co-ordinated investment programmes, which achieve area transformation. Since local area reputation and image remains a key locational attractor or detractor, area change must run in parallel to quality housing environments.
- E2.92 The Ecotec research placed crime reduction and area appearance in the top three criteria for population retention and attractiveness. Security and maintenance of environment are thus key contributing factors in area attraction, and sufficient resources are required if the “jigsaw” of attractiveness is to achieve area transformation and A/B investment.
- E2.93 The physical structure of the Black Country has retained strategic green wedges that extend from the open countryside into the heart of the Black Country. These wedges provide an environment of value to all socio-economic groups but are a particular factor in the environment required by many A/B households. Proximity to green wedges to an extent

provides the rural or semi-rural environment valued by A/B households who have the potential to move from the Black Country.

- E2.94 Maintenance of these wedges will be central to retention of A/B household environments.
- E2.95 However, in order to extend quality A/B housing opportunities, environments of similar attractiveness need to be created in the core of the Black Country. The urban park concept recognises that the Black Country possesses a greater level of “green environment” than is often assumed to exist. The canal corridors possess both extensive green characteristics as well as re-development sites.
- E2.96 The strategy has to rely on blending these opportunities. Whilst proximity to countryside has physical and psychological value, the Black Country’s waterway network provides an allied and additional attribute.
- E2.97 This represents again both a further critical opportunity for area transformation and an element of risk. People will not invest in new housing (or indeed existing housing areas) if the local environment lacks maintenance and management, security and quality. Inability to channel sufficient resource by public and private sectors into such improvements will prejudice the strategy towards A/B household retention and attractiveness.