THE BLACK COUNTRY STUDY:
Developing a Housing Market Restructuring Framework

This report has been prepared on behalf of the West Midlands Regional Assembly, the Regional Planning Body, as technical advice to inform the Regional Spatial Strategy Phase One Revision-Black Country Study. It is one of a suite of technical reports commissioned to inform the development of spatial policy as part of the Phase One Revision on West Midlands Regional Spatial Strategy.
THE BLACK COUNTRY STUDY:
Developing a Housing Market Restructuring Framework

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1.0 Introduction

During 2004/05 a consortium led by ECOTEC Research and Consulting Ltd completed Phase One research into the social and economic dynamics of the Housing Markets of the Black Country and Telford areas. This work was commissioned by a consortium of housing providers in the Black Country and Telford on behalf of the West Midlands Regional Housing Board (RHB).

The West Midlands RHB are developing a strategic approach to Housing Market Restructuring across the Birmingham/Black Country/Telford areas and are intending to allocate resources for this exercise from the Regional Housing Capital allocations in 2006/07. It is intended that these allocations will be evidentially based and therefore significant further resources have been allocated to develop the Market Renewal approach in the Black Country and Telford to develop a prospectus in March 2006.

Phase Two of research to develop the Market Renewal approach was also awarded to a Consortium led by ECOTEC, and this development work will include the following:

- A survey of purchases of Newbuild for sale;
- A study of the impact of the Buy to Let, and Right to Buy resale market;
- Modelling of expected household and demographic change in the BME community;
- An assessment of the extent and location of the planning pipeline in the Black Country/Telford, and its hinterland;
- The development of area frameworks for housing market areas which will experience significant change.

The development of the Housing Market Renewal approach, is an important component of delivering the objectives of the Black Country Study. A broader framework of studies which seek to provide the vision and direction for the sub-region up to 2031. This technical paper was commissioned to provide an assessment of the potential to achieve these objectives within the context of the available evidence in relation to housing market change in the Black Country which was collected during Phase One of the Market Renewal research.

The production of this paper has been informed therefore by a Review of the "Draft Project Plan Consultation Document on the Black Country Study as a Revision of Regional Spatial Strategy for the West Midlands" which has been circulated as part of a consultation process. Additionally, key supporting documents were also reviewed such as: The ‘Black

The remainder of this report is structured as follows: Section Two briefly details the aims of the Black Country study as they relate to housing provision; Section Three highlights the demographic features of the Black Country; Section Four sets out the Housing Market characteristics in the area; Section Five the extent and location of deprivation; Section Six describes the six housing market sub-areas identified within the first phase of ECOTEC's housing market research; Section Seven summarises the conclusions of that phase of the research and Section Eight translates the analysis into an assessment of policy framework which needs to be developed to align market restructuring with the objectives of the Black Country Study and to test these objectives for deliverability within the specified timescales.
2.0 Housing Provision and the Black Country Study

The Black Country Study has incorporated the drivers of change for the housing markets which were identified in the first phase of the ECOTEC research, these drivers included:

- The historical legacy of poor quality environments.
- Continuing economic decline and restructuring.
- Changing aspirations – rising expectations of both the housing stock and of residential environments in all communities.
- Ageing population and changing (smaller) household structures.
- The particular needs and aspirations of BME communities and the emergence of international migration.
- Cascade migration – the sum of short distance moves, with households moving progressively outwards to the suburban fringe and eventually out from the Black Country.
- Selective outmigration and polarization of communities socially and economically.
- Negative perception and neighbourhood stigma, such as crime and anti-social behaviour (which may be affecting individual towns, not just neighbourhoods).
- Historical policies which until relatively recently have encouraged decentralization from the urban core.

The study also noted a number of key housing market characteristics which included:

- Low levels of social class A/B households (14.8% compared to 22% nationally in 2001).
- A large social housing sector (26% compared to 21% in West Midlands region).
- Poor housing conditions across tenures with particularly high levels of unfitness in the private rented sector. Additionally in Sandwell 74% of local authority homes are considered not to achieve the decent homes standard, in Wolverhampton this figure is 54%.
- A low price housing market with a large supply of lower banded properties (71% in Council tax bands A & B compared with 45% nationally).
- A mismatch between the aspirations and needs of households and the properties available. For example, 25% of the dwellings in the periphery core of the Black Country are detached, a figure which declines to 10% of the dwellings in the core of the Black Country.
• A declining population and characteristics of low demand, such as difficulties letting properties and empty properties (over 10% in Wolverhampton's inner core).

• Affordability problems – despite a surplus of council stock in some areas there remains a need for quality affordable housing and for those who cannot afford new housing but do not qualify for affordable housing ('near-market housing').

The Black Country Consortium has thus concluded that a future Housing Strategy for the Black Country should focus on:

• Addressing the socio-economic imbalance of the Black Country by creating the highest quality housing and residential environments necessary to retain and attract the 'knowledge workers' required to deliver the economic strategy.

• Addressing the issues that are emerging due to low demand in the housing market and emerging polarization in those markets – effectively the 53% of the Black Country does not reside in the suburban fringe.

• Delivering as a minimum the housebuilding and demolitions targets set out in the Regional Spatial Strategy to 2021 in order to reverse net out-migration from the Black Country (RPG 11).

• Examining more radical rates of a change in the Black Country housing stock from 2011 onwards in order to help achieve higher quality stock and environments and also to test population and household's growth beyond 2031.

• Prioritising the identification of locations which provide the best opportunities for quality residential locations. Such locations will include the area around canals, landscape features, and heritage areas, in and around centres, in places with good accessibility to quality education, health/leisure facilities and jobs.

• Developing programmes of land assembly and demonstrations projects to drive transformational change and market perceptions.

The study also contains an aspiration to house more than 50,000 additional households from Social Class A and B in the Black Country by 2031.

The following Population and Household growth Scenarios are included in the Black Country study:
Trends: Based on current trends Black Country population will fall by 84,000 by 2031 and ultimately there will be an end to household growth towards the end of this period.

Regional Spatial Strategy to 2021: This sets targets for building of 2,500 to 3,600 new homes per annum, and for demolition of 800 homes per annum. This would lead to a population growth of 60,000 and 44,000 households by 2021.

Black Country Study Scenarios to 2031:

The study has tested three scenarios for future population and household growth beyond 2021:

1. Firstly, the implications of maintaining a balance after 2021 between households moving in and those moving out of the Black Country. Over the thirty years (to 2031) the population would grow by 90,000 (+59,000 households).

2. The second scenario examines a 5% growth of Black Country household's from 2021. This would mean a continuation of the RSS house building rate of 3,600pa and demolitions of 800pa. This would produce a population gain of 125,000 people by 2031 (+71,000 households).

3. The third scenario is high level growth of 15% from 2021. House building would need to more than double to 8,000pa to achieve this (assuming no increase in demolitions). In 2031, 255,000 more people would live in the Black Country as a result (+116,000 households).

Doubling house building to (7,200pa) and doubling demolitions (to 1,600pa) from 2021 to 2031 would produce a population gain of 203,000 (+98,000 households) by 2031.

With regard to land use change, this strategy effectively means:

- An acceleration of rates of demolition and renewal with removal of the worst housing stock and changing poor residential environments.
- Creating attractive residential environments throughout the Black Country exploiting existing assets.
- Enhancement of existing natural and urban landscape and creation of new environmental assets.
- Recycling existing urban land to minimise the prospect of the Black Country expanding outwards into Greenfield areas to achieve this growth.
- Transferring older industrial land into housing use to create sustainable and well-
serviced new communities, but without prejudicing the continuity of thriving Black
Country industry.
- Application of housing market renewal to whole areas not just individual
neighbourhoods.
- Consideration of planned urban remodelling to optimise the future attractiveness and
sustainability of existing residential areas.
- Provision of a greater mix of residential densities and dwelling types than currently
exists, in mixed not mono-cultural communities.

With regards to creating new quality residential environments to accommodate increasing
numbers of households, the study has identified the following key areas of potential for
new housing:

- In the four key commercial centres and on their edge, at higher rather than lower
densities and linking well with public transport routes.
- Creating public transport interchanges along corridors which will provide opportunity
through higher density housing development for more people to use public transport.
- Testing the extent of acceptable change in suburban localities and around smaller town
centres through urban remodelling possibly at higher densities for apartments, family
homes and a mix of dwelling sizes, types and levels of affordability.
- Some canal side locations which are proving attractive to the market. The Black Country
has 177kms of them.
- Creation of new parkland such as in former industrial areas to underpin the creation of
new residential areas.
3.0 Demographics

3.1 Population

Table 3.1 Black Country Population, 1961 - 2001

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<td>1,110</td>
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</tbody>
</table>

Source: Mott MacDonald, ONS

The Black Country (BC) in 2001 contained a population of approximately 1.08 million people. However this population, as shown in table 3.1, has been in decline since the 1970s. The period 1961 to 1971 saw an expansion in the BC population by nearly 75,000 people. However, this population has seen a steady decrease over the last thirty years to the extent that, in 2001 the population was below that of 1961.

The population of each of the constituent authorities of the BC have reflected this overall trend though Dudley has seen some delay with the population continuing to grow until 1991 and only beginning to decline in the latter ten years to 2001.

Conversely, Sandwell has shown a decline in population for each ten year period since 1961. Indeed, Sandwell has, over the forty years, lost 55,000 people. This suggests the BC population, though in decline has been supported by the initial growth in Walsall and the slightly longer term growth in Dudley, with the current population standing at only 21,000 less than 1961.

3.2 Households

There are 440,000 households in the BC which represents an average household size of 2.45 people. Unlike the overall population, the number of households in the BC has not fallen over the last few decades, mostly due to declining household size.
3.3 Migration

As shown above, the population of the BC has declined over the past thirty to forty years. A large influence in this decrease is migration.

Previous work\(^1\) by CURS looked at data on migration trends and interactions for the Black Country and Telford drawing on 2001 Census data. Figure 3.1 shows net migration by district in 2002, together with the most significant net migration flows between districts in the Black Country/Telford and surrounding areas.

All the Black Country districts (except Wolverhampton) experience net inflows from Birmingham. However, these are not the main outflows from Birmingham, which has stronger north east-south west links with Bromsgrove and Tamworth, and with Solihull immediately to the east. Therefore, whilst the Black Country is physically linked to Birmingham, net movement is consistently out from Birmingham in all directions.

Figure 3.1 Net Migration and Significant Net Flows

Source: NHSCR (migration), ONS mid-year estimates (population) in Black Country Telford housing market renewal area – Phase 1, 2005, p5

This migration out-flow from Birmingham into the Black Country and to other areas in particular, represents the first stage in a cascade of movement outwards from the core to the periphery of the conurbation and beyond. This movement is generally sectoral, with moves from the south of Birmingham continuing outwards in this direction. This occurs because people tend to move in relatively short steps to areas which they are familiar with. This is a result of proximity, and enables them to retain links with the area in which they previously lived, especially if their move is not associated with a change of employment.

Sandwell is part of the core of the conurbation and has primary migration links with Walsall and Dudley - although some net movement by-passes the Black Country into Bromsgrove and South Staffordshire. This creates a 'hollowing out' effect within the core and is reflected in the population figures in table 3.1.

Wolverhampton, Walsall and Dudley show a clearer pattern of sectoral outward movement:

Dudley receives population from Birmingham and Sandwell but loses population through migration to the districts adjoining it to the west and south including Bridgnorth which is separated from it by an extension of South Staffordshire;

For Walsall the main destinations are Lichfield, Cannock Chase, and South Staffordshire (probably those parts of the district adjoining its boundary); and

For Wolverhampton, the main net movements are to South Staffordshire, Bridgnorth, and to Telford & Wrekin beyond, undoubtedly a trend aided by the situation of the M54 to the north.

3.4 BME Population

The BME population of the Black Country is an important stabilising factor in the area.

"These communities initially established themselves in inner city locations where privately rented housing and low cost home ownership were available, in part because of the changing aspirations of the white population. Continuing inflow and higher birth-rates have dramatically expanded these original communities, and they form the majority of the population in the inner areas of Birmingham, Wolverhampton and Sandwell - and constitute more than 20% in a further band of neighbourhoods surrounding them. Considerable growth is apparent". Figure 3.2 shows the proportion of BME population in
Figure 3.2  % BME Population 2001 and 1991
“Wolverhampton and to some extent Sandwell have very large Indian communities. The main concentrations of Pakistani residents live in Walsall's inner city, Dudley Town Centre and Tipton and the Lye area. There are no predominantly Pakistani or Bangladeshi localities in Wolverhampton. Smethwick has probably the most diverse BME profile within the Black Country(Black Country Telford housing market renewal area – Phase 1, 2005, p118).

“As a result of low incomes and a preference or need to remain within established communities, most BME groups have remained relatively concentrated in certain areas, but there have been some gradual shifts in population over time. Indian households in particular have dispersed into both affluent and poorer areas, as can be seen in Wolverhampton and Walsall. In contrast Pakistani and Bangladeshi households have remained highly concentrated. The apparent divergence of Indian and Pakistani groups may be driven more by economic than cultural factors." (Black Country Telford housing market renewal area – Phase 1, 2005, p119)

Phase one of the Black Country Telford Housing Market Renewal Area highlighted the following key demographic trends:

- a likely continued decentralisation of population from the Black Country core which will not be mitigated by BME household growth or international migration, with the north of the Black Country projected to lose most population. Future projections based on current trends suggest that the Black Country could lose a further 24,600 people (a 2.3% population decline) before 2011 with further significant losses in the following two decades. This continued out-migration is likely to increase pressure on the Black Country hinterland, particularly to the north, and bring additional public sector costs to the core as a result of increasing concentrations of deprivation, reductions in economies of scale in service provision and additional requirements for neighbourhood management and policing in areas with high turnover and vacancies;

- a concentration of demographic growth amongst BME communities - in the Black Country in particular. Whilst some communities are migrating out of traditional inner-city locations, other groups remain concentrated in older terraced neighbourhoods where houses are often unfit and over-crowding occurs. Over the next decade this stock will no longer offer units of sufficient size to satisfy the demand for larger homes for low-cost owner-occupation. An increasing supply of affordable housing of the right size will need to be provided to prevent increasing over-crowding and issues around social cohesion;
increasing social polarisation and exclusion of communities in both the Black Country and Telford as continuing manufacturing decline leads to continued concentrations of high unemployment, under-employment and low income households - with those with choice in the housing market moving out. Housing market restructuring will be needed to facilitate the development of socially-balanced and sustainable communities with the income to sustain local facilities.
4.0 Housing Characteristics in the Black Country

4.1 Tenure

There are 455,000 dwellings in the Black Country, 15,000 more than the number of households.

There are high levels of social housing stock (26% compared to 21% regional average). The lowest levels of private sector housing in the region are to be found in Sandwell (65%), Wolverhampton (66%), Walsall (69%) compared with the regional average of 77%.

(Black Country Housing Market Think Piece: CURS and CSR, 2004)

The regional housing strategy (in Black Country Telford housing market renewal area – Phase 1, 2005, p8) shows the following trends in tenure patterns across the West Midlands:

- the lowest levels of private sector housing in the region occur in Sandwell, Wolverhampton, Walsall (and Birmingham) - with the poorest areas of private stock condition found in the Black Country (and Birmingham, Coventry, Stoke on Trent and Herefordshire);
- a rapid growth in the region’s Housing Association sector - accounting for 36% of all dwellings in the social rented sector in 2001 and projected to rise with future development and further stock transfer;
- an increased rate of annual housing demolitions across the region in recent years (to 3,509 in 2001/02); and
- the extensive provision of social rented housing in the Black Country conurbation which limits the capacity to alter geographical patterns of residential behaviour and deprivation within the region as it is not an attractive market to mobile and more affluent households with the West Midlands Region.

Figure 1.2 shows that social rented provision is concentrated in central and eastern Wolverhampton, central and western Walsall, throughout Sandwell, and in the north and east of Dudley. Even more significant is the comparison of figure 1.3 with figure 1.4. The latter shows the high-water mark of council housing in 1981. It shows for example that the northern half of Sandwell was heavily dominated by council housing, as were entire neighbourhoods in the northern parts of Wolverhampton and Walsall. (Black Country Telford housing market renewal area – Phase 1, 2005, p39).
Mining and manufacturing attracted concentrations of high density, poor quality private rented housing which transferred into low value owner-occupied stock in the 1950 to 1980 period. This period, and that before the war, also saw population growth in the Black Country which was accommodated through an expansion of local authority and private house building, but particularly the former arising from the relatively low incomes of the area. In the 50 years to 2001 the total housing stock grew by 61% from 283,000 to 455,000.

“The primary characteristics of the housing market in the Black Country therefore, are a strong and uniform concentration of low value private housing together with a high level of social rented housing. There is a remarkable absence of large areas of higher value and aspirational housing of the kind that might be expected and which are present, for example, in parts of north and south west Birmingham.” (Black Country Telford housing market renewal area – Phase 1, 2005, p11).

The economic history of the Black Country has thus produced a predominantly low value, low income housing stock, vulnerable to changes in demand such as shifting tenure preferences and the desire for better quality. Against any comparator, the proportion of social rented housing in the four Black Country boroughs is exceptionally high. This is a consequence of its industrial past and the need for low cost rented housing for those employed in manufacturing industry and also a degree of competition for tenants between Black Country authorities. In contrast, Birmingham’s inner suburban neighbourhoods such as Edgbaston, Harborne, Kings Heath, Moseley, and Selly Oak which form an arc in the south-west of the city, enjoy a varied housing choice with high quality public realm and good local amenities and services including shopping.

4.2 Type

Figure 4.5 shows the dominant dwelling type across the different areas of the Black Country. The proportion of detached dwellings (which meet some types of housing aspiration especially for families with children) is generally low, and is confined to the fringe with higher value areas of private housing notably Stourbridge and Tettenhall. Flats/maisonettes are located in inner city areas and in many council estates such as in Tipton and central Dudley. Terraced dwellings are more prominent in the core Black Country areas, especially inner Wolverhampton and Walsall and Smethwick. There are fairly limited concentrations of these, however, due to: The highly dispersed pattern settlement still characterising the Black Country by the high tide of terraced housing around 1920; and
Significant clearance of terraced housing due to its very poor construction standard and the consequent need for an active clearance policy, especially in Sandwell and Wolverhampton.¹

¹An interesting contrast in this respect is Stoke-on-Trent, which historically has undertaken only limited clearance of terraced housing. Overall an estimated 52% of Stoke-on-Trent’s terraced stock was built before 1880, which is equivalent to 19% of the city’s contemporary stock. In contrast, only an estimated 9% of the terraced stock is pre-1880 in Sandwell, and this is equivalent to just 2% of the Borough’s housing. Source: North Staffordshire housing market assessment, CSR Partnership 2004, page 69.
Figure 4.3 Household Tenure, 2001

Source: Black Country Telford Housing Market Renewal Area - phase 1

Figure 4.4 Household Tenure, 1981

Source: Black Country Telford Housing Market Renewal Area Phase 1
Figure 4.5 Household Accommodation Type, 2001

Source: Census 2001
4.3 **Stock Condition**

Many areas of the BC are characterised by poor housing conditions across tenures with particularly high levels of unfitness in the private rented sector (in Sandwell 74% of (council) dwellings are considered not to achieve the decent homes standard, in Wolverhampton it is 54%).

“Economic change has therefore had a profound impact on the Black Country housing market. Pollution and unattractive environments associated with these [traditional manufacturing] industries … prevented the development of high income housing areas across much of the Black Country, whilst low levels of pay and from the 1960s increasing levels of unemployment increased the demand for and provision of local authority housing, often built to relatively poor standards and with little investment in repair or upgrading to include modern facilities, and perpetuated much poorer conditions in the private rented sector. As the decline in traditional sectors increased, rising industrial dereliction compounded the unattractiveness of the area to higher income groups and emphasised the advantages of surrounding more rural areas.” (Black Country Telford housing market renewal area – Phase 1, 2005, p98)

4.4 **House Price**

The primary characteristics of the housing market in the Black Country are a strong and uniform concentration of low value private housing together with a high level of social rented housing. There is a remarkable absence of large areas of higher value and aspirational housing in the core of the Black Country of the kind that might be expected and which are present, for example, in parts of north and south west Birmingham.

The only significant areas of higher value in the Black Country are found in the fringe areas of Aldridge and Streetly in eastern Walsall, Stourbridge/Halesowen and Kingswinford in Dudley, and Tettenhall in Wolverhampton. Within the BC a core low price area can be identified.

Within a band of higher values and some areas of very high value that surround the low value areas that predominate in the Black Country (running in an arc from Lichfield in the north east through Stafford, South Staffordshire and Bridgnorth, and into Wyre Forest and Bromsgrove to the south), south Telford stands out as an isolated but similar low value area to the west.

More significantly, prices in the Black Country are generally losing ground when compared with the region or surrounding areas. Buying in the Black Country, especially in
Wolverhampton, Sandwell or Walsall, means accepting lower price appreciation than in most other parts of the region.

Housing demand and supply in the area are not, in general, out of balance in the way that is evident in some northern housing markets that have experienced similar levels of decline. In part this is because the opportunities for decentralisation of both employment and population have been more strongly restricted by planning policies and poor transport links in recent years.

4.5 Voids

The Black Country area does not presently have particularly high void levels and this is true of its existing Pathfinder, the Urban Living area. Even so, a significant skew in the distribution of void properties (all tenures) within the Black Country is evident, with a concentration to the north. Localities with voids above 10% in 2001 include much of Wolverhampton’s inner core, a problematic band of neighbourhoods across central Bilston, and the low demand neighbourhoods around Low Hill. In Walsall the pattern of voids extends northwards from the town centre out to the large municipal estates of Beechdale and Blakenhall (which has undergone Large Scale Voluntary Transfer), In the south of the Black Country, concentrations of voids are much more localised, in Lye and the central Dudley estates; and Windmill Lane in Sandwell. These commonly reflect the location of unpopular flatted estates. This better performance in the southern part of the Black Country reflects the more buoyant market position in Dudley and the impact in Sandwell of vigorous clearance and new build rates over the last 20 years to restructure the housing market. They also reflect the more pronounced current need for social housing in a period where the ratio of house prices to incomes is abnormally high.
5.0 Deprivation: Extent and Location

Figure 5.6 maps the Black Country against the overall deprivation index, the IMD 2004. It shows a huge central zone with localities in the worst 10% or 20% nationally, which intertwine an area with around 566,000 people living in it. The spatial extent and fragmented nature of this central zone is of strategic significance. Not surprisingly, the central area features strongly in the various IMD health, employment, income domains as well as the education domain as mentioned above.

This concentration of deprived communities in the Black Country is partly due to the concentrations of BME communities, which are particularly (but not uniformly) disadvantaged. It also reflects concentrations of single person households within the inner city, lower proportions of families with children and also an almost precise co-ordination of concentrations of lone parents with social rented areas within the central zone. Its population is generally younger, although there are also pockets with high elderly populations.

5.1 Income

Figure 6.7 shows income levels across Black Country and Telford and the adjoining districts. Wolverhampton has the lowest median income level in the West Midlands region (£13,200). Sandwell also has a low median income level (£13,800). In both cases the mean values are higher, suggesting a range of income levels, but low-income levels are likely to characterise the specific intervention areas within a housing market renewal area. Dudley and Walsall perform better, and Telford better still, but all fall some way short of the more affluent areas (e.g. Warwick and Solihull). Income levels are closely related to skills and occupational levels.

Income differentiates the central zone of the Black Country from the rest (figure 6.8). Within the area there are in fact wide variations mainly shaped by the concentrations of terraced housing and social housing which act as natural watersheds. Owner occupation is lower, due to the locations of large council estates and in the terraced areas, a growing private rented sector. The social sector houses generally poor households which the private rented sector represents transitional used by students, some BME groups and young, single person households.
Figure 5.6  IMD 2004, Overall Rankings

Source: ODPM
6.0 Housing Sub-Markets

The Regional Spatial Strategy identifies the Black Country as one of four Major Urban Areas. Within the Black Country, eight housing sub-markets have been identified on the basis of housing tenure and property type, historical development, socio-economic factors, neighbourhood function and housing market performance, which fall into four broad categories.

Inner-city areas – in Sandwell, Wolverhampton and Walsall – a highly complex and diverse mass of 19th century towns and villages mixed with municipal estates containing high levels of disadvantage. They have the highest levels of turnover for all areas (13% in the last 12 months before the 2001 Census). They are identified as at risk of market failure in the future. They hold 14% of the Black Country population.

Extensive municipal areas - largely in Wolverhampton and Walsall, peripheral to the older towns and facing issues of falling demand (inter-war and early post-war estates) hold about 7% of the BC population. They are also identified as at risk of market failure in the future.

Freestanding Black Country towns in two concentrations in the North from Willenhall to West Bromwich (15% of BC population) and the South from Tipton through Cradley Heath to Lye (18% of BC population) with highly fragmented urban form of mixed use industrial villages partially suburbanised with inter-war and post-war house-building, which is predominantly local authority. They are identified as at risk of market failure in the future.

The suburban fringe – largely in the west and north, in Dudley, Wolverhampton and Walsall – contains the most affluent, qualified social groups living in more detached housing in post-war localities around scattered Victorian villages. This area contains 47% of the BC population.
Figure 6.7 Household Income, 2003

Source: CACI
Figure 6.8 IMD 2004, Income Domain

Source: ODPM
The population change of the eight sub-markets is shown in table 6.

### Table 6 Housing sub-markets: population change 1981-2001

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<th>Sub-market</th>
<th>Population</th>
<th>Percentage total population 2001</th>
<th>Percentage change 81/91</th>
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</tr>
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<td>All sub-markets</td>
<td>1,099,242</td>
<td>1,036,823</td>
<td>1,064,580</td>
<td>100</td>
<td>-5.7</td>
</tr>
</tbody>
</table>


The eight areas are each outlined in more detail below (Source :Black Country Telford housing market renewal area – Phase 1, 2005, pp45-8):

6.1 **Inner-city Sandwell**

This covers the northern half of Smethwick and the older areas of West Bromwich and Oldbury and accounts for 5% of the Black Country population. It is also effectively an extension of west Birmingham (hence the housing market renewal cross-boundary link). Smethwick in particular has experienced long-term population loss, collapsing demand for existing social housing and mounting social problems. This is a factor in the zone’s 18% population loss in the 1980s although there has been a recovery since.

House prices have more than doubled since 1996 but from a low base. There are still problems with high voids in the Windmill Lane area and parts of West Bromwich. Some 12% of the stock is private rented. There are localities badly affected by crime. These areas have poor-quality terraced and often highly stigmatised housing, with mixed use and
poor environments including arterial routes and physical separation of housing areas. Multi-tenure clearance has been actively pursued. West Bromwich is a major regeneration focus for the borough. The recent new build here and in Smethwick has been highly popular mainly in meeting aspirations from the area’s majority and highly varied BME communities.

There is a population skew towards young, single people, recent refugees and pockets of elderly households. It has the lowest mobility of the three inner-city areas with 10% of the population moving home in the year before the 2001 census.

### 6.2 Inner-city Wolverhampton

This area has a population of 34,465 (3% of the Black Country total) with 11 neighbourhoods that equate with the historic centre of the city as it had developed by 1920 in a band to the south and west of the present ring road and an eastern ribbon extending into Heath Town. Much of the stock is high-density terraced housing, with significant numbers of flats built by the local authority in the 1960s following slum clearance. This cosmopolitan area is a microcosm of Birmingham, with a highly diverse BME, refugee and student population in the Whitmore Reans area and large Indian community to the south in Blakenhall. The overall population rose by 4% in the 1990s after a large fall in the 1980s. There is a high level of single person households in all neighbourhoods except for Blakenhall.

Population turnover is the highest of the sub-markets (18%) partly reflecting the large student market, which is also a factor in the presence of the largest private rented market (21%). Almost a third (32%) of housing is socially rented reflecting the flats located throughout the zone (36%).

Although inner-city Wolverhampton has enjoyed the greatest price rises of the sub-market areas in the period 1996-2003 (+132%), they are still low for the conurbation. It has one of the highest concentrations of voids in the Black Country. Park Village, a small Victorian neighbourhood to the east is affected by withdrawal of a NASS contract and has rising voids. There is market failure in the NDC area of All Saints and Blakenhall, which is affected by crime, stigma and a poor urban form. The development of City Centre sites, together with the development of Blakenhall Gardens (formerly a Council housing estate) could eventually see around 1,000 new residential units within and adjacent to the NDC area.
Figure 6.9 Black Country Telford Housing Sub-Markets

Source: CSR Partnership
6.3 **Inner-city Walsall**

This zone comprises the tightly defined neighbourhoods and estates around the town centre that formed part of the old City Challenge area with a population of 47,245 (4% of the Black Country total). It contains an expanding BME community, mainly Pakistani, experiencing overcrowding, and some students. These are located in areas of poor quality terraced housing with pockets of private renting and high voids. Crime is high, reflecting its town centre position. House prices are the second highest in the Black Country at £86,052 (+114% since 1996) partly reflecting internal household growth. It remains, however, highly polarised from its suburban hinterland.

6.4 **Municipal Wolverhampton**

This covers the mass inter-war council estates to the north in Low Hill, the 1970s Dovecote estate to the north-west and early post-war estates in the south and east of the city. Right-to-buy sales and private build have reduced the social housing stock to below 50% of all dwellings. Overall, the zone has a population of 38,470 (4% of the Black Country total). The northern cluster of neighbourhoods nevertheless exhibits social, crime, economic and environmental problems in a low demand area of more than 7,500 dwellings.

The market in the Lower Fifth Avenue/Bushbury Triangle neighbourhoods is especially weak with problematic private renting, high voids and anti-social behaviour. A CURS study of this market noted the poor local environment due to the West Coast main railway line, the Goodyear factory and a number of other non-conforming uses. However, new build (70% for market sale and 30% for rental) is now on site in Bushbury Triangle and part of the Goodyear site now has planning permission for housing and new employment uses with potential for impact on adjoining markets. There are also major plans for housing development on a former Council housing and factory site in Low Hill South.

The south-east cluster around Parkfields/East Park is currently performing better but faces a similar declining trajectory. Prices have doubled between 1996 and 2003 but at an average of £64,868 are the lowest among the sub-markets in the conurbation. Generally the population is poor but stable, with only 9% annual mobility.
6.5 Municipal Walsall

The zone extends northwards from Walsall town to include the huge council-built estates of Beechdale, Leamore and Blakehall targeted in City Challenge, SRB and NDC area-based regeneration initiatives. These exhibit monolithic design issues, social problems and high voids (pockets above 10%). Price growth is the weakest of the sub-markets and prices are only above municipal Wolverhampton. As with Walsall’s inner core, it is highly polarised from its suburban counterpart, with most of it within the worst 10% for IMD income, health, employment and environmental indicators. Population loss has been consistent and is down 17% since 1981 to 33,512.

6.6 Northern Black Country core

This large area accounts for 15% of the Black Country population. It straddles parts of three Black Country districts and includes the towns of Willenhall, Darlaston, Bilston and Wednesbury, parts of Coseley, Tipton and Dudley and the post-war neighbourhoods of West Bromwich.

These remain parochial and largely freestanding towns defined by bands of industrial use and, overall, the urban form is highly fragmented. Non-conforming use is still an issue to the north and remediation costs following closures are recognised as a problem. It has large concentrations of inter-war council housing that now exhibit a range of social problems with the loss of economic function and falling population. Bilston for example, a town particularly hit by factory closures has issues of low prices, economic exclusion, poor health, high crime and poor access to services in an east-west arc across the town. The development of Bilston urban village with capacity for 1,300 homes is a priority. Bilston has a very similar profile to the council areas of Tipton which will be the focus for future clearance. The Black Country Development Corporation achieved major impact with replacement activity along the spine road and new housing that has attracted inflow to the core of the conurbation, but prices remain low and growth in values since 1996 are the second lowest of the eight sub-markets.

6.7 Southern Black Country core

This includes the core of Tipton, Rowley Regis, southern Oldbury, Cradley Heath, Netherton, Brierley Hill and Lye. The zone accounts for 18% of the Black Country population. The boundary between the southern and northern Black Country cores is not
clear-cut and is partly topographical with the Rowley hills being the major divide of the Black Country.

The stock profile between the two zones is nearly identical but the southern area has a slightly lower proportion of social renting. The environment is generally better but still features badly in the IMD. The Black Country villages in the south have partly suburbanised, with heavy industry long gone but exhibiting a poor transport infrastructure. There are issues around declining mixed use areas in Lye. House prices in the south are higher and the gap has widened since 1996. Voids are lower with some localised problems.

The primary distinction between the two zones, however, is the apparent watershed in terms of localities where BME populations are resident and are expanding into. Three wards covering highly insular white council estates located in the northern core have recently elected BNP councillors, while in contrast areas to the south in Tipton, Dudley and Lye have Pakistani and mixed BME communities. This may be a factor in the south’s population growth of 8% in 1991-2001.

6.8 The suburban fringe

This major zone, containing 498,241 people (47% of the total) extends clockwise from Halesowen/Stourbridge in the south, to Kingswinford, Sedgley, Penn and Tettenhall in the west, and Wednesfield through to Aldridge/Brownhills in the north. It contains the most affluent, qualified social groups and is overwhelmingly white (except in Wolverhampton), often in detached higher-priced post-war localities around scattered Victorian villages. Owner occupation is at 75%, higher than the regional and national levels. Values averaged £125,012 in 2003 having more than doubled since 1996. Current government policy and high land values are driving a gradual process of intensification in these areas. The population has been stable since 1981 and residential mobility is the lowest of the sub-markets (8% in the last 12 months before the 2001 Census). Across the West Midlands, over a 50 year period there has been a trend towards decentralisation (‘hollowing-out’) of the region’s population, out of the metropolitan areas and into rural and suburban districts, particularly of households in the middle of the family cycle and more affluent households with housing choice.

To the south Bearwood is probably the only example in the Black Country of an inner suburban neighbourhood akin to Birmingham’s high-priced Victorian Harborne-Edgbaston-Moseley-Kings Heath areas. The suburban fringe is not homogenous: although it has a high proportion of families and elderly households, especially in areas such as Amblecote.
and Penn, there are significant numbers of young and single person households in Bearwood and Stourbridge. It also includes localities of poor but usually stable social housing obscured by favourable ward-level indicators.
7.0 Conclusions of Phase One Market Renewal Research

1. Population is falling and is projected to continue to fall in the future (by 84,500, households for the period 2001-2031. This, if unchecked, has significant implications for:

   - Housing supply and demand
   - The supply of labour in the Black Country (to support employment opportunities in the Black Country and the wider region)
   - Urban densities and the sustainability of local services

   The impacts of the above vary within the Black Country. At the same time the population is polarising around younger and older groups which has implications for current and future housing demand.

2. Although population is falling the Black Country will still represents a significant population base (1.08 million residents and the changing aspirations of this population will make a significant contribution) driving housing demand in the region.

3. The Black Country Study recognises the current downward trends in population but sets out scenarios to reverse those trends and bring about real population and household growth. The success of this approach will clearly depend on a range of urban, economic and planning policies designed at improving the environment, services, economy and overall attractiveness of the Black Country, as a place to live. It will depend in part on attracting new population but two other areas are worthy of investigation:

   - Reducing net out migration
   - Accommodating BME growth, both indigenous growth (e.g. emerging households) and new international in-migration

4. Net Out migration has taken place over 30 years or more and the trends are for that pattern to continue, although those residents remaining include an increasing proportion unable, through economic and social circumstance, to move out of the Black Country. The loss of traditional employment has been a key factor in the process of out migration.

5. To some extent the population decline has, and will continue to be, offset by the growth of the BME population, both the growth associated with high birth rates in the existing
communities and from new international in-migration. That growth is vital for the future supply of labour to the new economies of the region. The nature of that growth is likely to focus on specific locations within the Black Country. The challenges are two-fold: to retain BME households, especially higher income households, in the Black Country - where households have left it is often to adjacent/local areas; and to facilitate the movement of BME households into those areas where currently the non-BME population is predominant.

6. There are specific weaknesses in the housing market around:

- Housing Choice - the balance of social to private stock is higher than the ratio for the region, despite the removal of some of the least popular and obsolescent social housing stock
- The predominance of Low Value Housing - again reducing choice and encouraging outward migration of those households that have the ability to move from the core to the periphery - and beyond - of the Black Country
- The poor Quality of some of the Housing Stock - apart for shortfalls against the DHS, low household incomes are contributing to poor maintenance and limited investment
- There are a significant number of neighbourhoods which experience high levels of deprivation and an exceptionally poor environment.

7. A set of other factors including poor local environment and high levels of socio-economic deprivation are contributing to the weaknesses of the housing market.

8. Asylum seekers and refugees (estimated at 3,500 in the Black Country) also impact on housing demand, placing acute pressures on some areas
The Black Country, if viewed as a single urban conglomeration is starkly polarised in respect of its residential offer, the social and economic composition of neighbourhoods and its environment. At its Eastern and Western periphery there are significant concentrations of high value properties and highly skilled residents. These areas were largely undeveloped prior to 1947, and the builders of the time were able to take advantage of pre-Green Belt Planning Policies to suburbanise the industrial Black Country and create a completely new Environment for the new managerial classes.

These peripheral areas have maintained their function throughout the 20th Century, and as the economy has changed new travel to work patterns have also emerged linking some of these communities in the South West and South East of the Black Country to the Birmingham economy. These linkages dissipate North of the M5 where the connections between the high value neighbourhoods and the economic fortunes of Walsall and Wolverhampton are more pronounced.

The ambitious targets to attract 50,000 or more A and B households to live in the Black Country would appear to be partly dependent upon the trajectory and development of the economy in the Black Country and Birmingham, as well as the creation of environments of a sufficient scale and quality to attract new residents. The Black Country study has spatially highlighted where the concentrations of A + B households currently live in the Black Country and Birmingham. The fringes of the Black Country share similar characteristics as those in Birmingham, i.e. they were extensions to the existing urban form, being well planned with a housing stock designed to attract new aspirational markets. These areas not only have easy transportation access to the employment centres at the core of the conurbation but also to the countryside. Arguably public policy has continued to reinforce these aspirational areas over the last fifty years and facilitated sub-urbanisation.

The exception to this pattern is the band of neighbourhoods located to the South of Birmingham City centre. These neighbourhoods also share similar characteristics with each other, which could be summarised as:
They contain a variety of terraced and semi-detached archetypes;
They have access to substantial cultural and community assets such as parks;
They are mixed use areas, with viable shopping centres, containing an entertainment offer;
They are near to or have easy transport routes to significant public sector employment sites (University of Birmingham, Queen Elizabeth Hospital);
They were never located next to dirty or polluting industries, and have not experienced non-conforming uses.

There are clear learning opportunities for the BCS of the location value of such characteristics. The current location choices of A and B households in the Black Country give a considerable steer to the critical mass of assets which would need to be created to attract 50,000 new households of this type.

In addition to the necessary economic development the following would need to be identified in the older urban core:

A land supply which contains substantial sites which are clustered together with an ability to market a new concept in urban living to a range of household structures;

These areas would need to contain proposals to develop essential community infrastructure such as schools, a radically improved environment and social and retail facilities;

These areas may need to be developed in the post industrial fragments of the older urban core, where issues such as logistics, distribution centres, or foundries for example do not detract from the development;

A clear conclusion from this chain of logic is that the core of the Black Country will not have a uniform ability to capture this household growth. In general terms it will be much more difficult to attract A and B households to the core of the Black Country, than to areas on the fringe which have radically different characteristics. This is evident from analysis of recent housing developments in the Core which have not resulted in identifiable clusters of A and B households.

Linkages with new knowledge based employment sites would be essential to attracting A and B households. There is a clear historical pattern whereby qualified workforces live in close proximity to their workplace or commute from sub urban and rural environments into cities. There are however, few precedents for people to choose to live in high priced accommodation in post industrial settings and then commute out to the fringe.
location of the new economy to support the growth of A and B type households will therefore, be a critical determinate of the extent to which they will be accommodated in the core of the Black Country, or on its periphery. (There is a significant pipeline of employment sites entering the market in the corridor between Telford and Tamworth).

These factors tend to suggest that there is a logical sequence of tests which need to be applied both to the urban form and the suggestions contained in the Black Country study to develop a programme to attract and accommodate the target number of A and B households. This sequence would include the following:

1. The scale, spatial options and timescales associated with the growth of the new economy and knowledge based employment needs to be determined.

2. The capacity of the fringe of the Black Country to accommodate this growth needs to be explored, as well as the urban core.

3. The extent to which existing centres can encourage and accommodate the growth of housing within the appropriate timescales, also needs to be explored.

4. The contributions to housing quantity and quality which can be made by the urban core needs to be estimated and generated into a large scale programme of activity and planning, including analysis of infrastructure provision, cost, delivery and marketing programmes.

5. The relationship to growth agendas elsewhere in the Region need to be taken into account and a SWOT analysis applied to the Black Country proposals. This is particularly important in the light of the new national household projections due to be published this October/November, and their major implications for housing targets across the region to be considered as part of Phase II of the Partial Review of RSS.

The extent to which the Black Country housing market may have to change to meet the aspirations of the Black Country study is currently being explored via the housing market study which is funded by the West Midlands Regional Housing Board.

There are a number of key issues which arise from the sequencing of regeneration activity which have different ramifications for the various parts of the Black Country. Any land capacity which is either within the suburban fringe or adjacent to it (e.g. in Cradley/Cradley Heath) is in high demand if it is easily serviceable. If this land is released in advance of the development of the new economy then the building industry is likely to develop
properties for indigenous household growth/demand rather than high value development/aspiration. This is evident in the current pattern of new build in the older communities to the West of the Rowley Hills. If the new economy emerges therefore substantially during and after the 2011 – 2021 period the urban core maybe the only area which can accommodate this household growth as the fringe may already have reached its capacity to accommodate residential development.

An early decision on the timing of the development of the new economy is therefore critical to planning for this change. If the successful delivery of the strategy is dependent upon the inner areas of the Black Country being fit for purpose to attract large numbers of A and B households then the planning for the urban parks, employment centres, schools, etc would need to start now, so that the infrastructure can be phased to meet future demand.

The Black Country local authorities are committed to achieving the targets of the Regional Spatial Strategy to 2021. This implies a target for the development of between 2,500 and 3,600 new dwelling per annum up to 2021. The Black Country urban capacity study completed by Halcrow, through a review of the four UDPs, has identified just enough potential capacity within the four local authorities to meet base targets up to 2011. This target is partly predicated upon the Black Country authorities collectively demolishing around 800 properties per annum. However, the majority of the potential housing supply to 2011 is in the South Black Country, whilst the weakest residential markets and those most vulnerable to population loss are in the North, as they are adjacent to current aspirational housing located in rural or semi-rural environments.

Beyond 2011 most capacity is generated by use of former employment land and through redevelopment of existing neighbourhoods. The implied changes to the urban landscapes are of a fundamental nature and require a time sequence to be associated with specific sites to test for deliverability. The assumptions are also highly dependent upon the pattern of industrial closures, the extent and time lag of remediation required and the transport infra-structure to service the sites. There is a considerable amount of development work required to provide sufficient detail to be able to assess whether there will be sufficient capacity as it is dependent upon the pace of industrial change, its location, legacy and the availability of infrastructure to bring it forward for residential use.

In addition to land supply generated from changing patterns of use. A debate amongst policy makers has highlighted the potential to increase capacity through the clearance and redevelopment of existing residential neighbourhoods. This is clearly an area which will be further explored through the Market Renewal research being conducted by a consortium.
led by ECOTEC. The context within which any proposal redevelopment will take place is outlined below:

- There has been acceleration of the RTB within the Black Country. This is going to make clearance more difficult to achieve in Public Sector estates. In fact, many will no longer be Public Sector estates in future. The sustainability of the RTB stock will be explored as part of the second phase of the Market Renewal research.

- Much of the indigenous household growth will be generated by the BME community. Some (but not all) of these groups have very specific locational characteristics. The aspirations of BME groups will be tested by the Market Renewal work. Matching Land Supply with demand within the Black Country may prove to be challenging.

- The demand and preferences for housing are lagging indicators of social and economic change. Much of the current national housing Market Restructuring Programme is addressing changes in the housing market which occurred in the 1980s and 1990s. In Sandwell around 10,000 dwellings have been demolished during the 1980s and 1990s and the surplus of low income public sector housing is now out of the system (as evidenced by current vacancy rates). In the north of the Black Country, both Walsall and Wolverhampton have areas of weak housing markets and an assessment of the extent of future redevelopment needs examination in respect of: a greater understanding of long term demand; the impact of any clearance on the LSVT in Walsall and the ALMOs in Sandwell and Wolverhampton and the pool of affordable housing and its relationship with the local economy and income levels. Again, this will be taken forward in phase two of the Market Renewal Research.

- It is clear that the housing markets in the north of the Black Country will need to be reshaped over the 25 years to 2031. It is not yet clear how radical that restructuring will be as it will be closely tied into economic performance. Putting it simply, the more successful the Black Country Study and its implementation is increasing employment rates and incomes, the greater the level of demolition in the Black Country as a whole, and the north of the Black Country particularly. This is a logical outcome of changing demand, with supply no longer matching affordable aspirations.
When this process of restructuring starts will be key to testing the assumptions in RSS and Black Country Study for housing development after 2011.

There is significant experience within the West Midlands of redeveloping neighbourhoods which have failed or are failing, which give an indication of the timescales and funding associated with large scale redevelopment. Some examples are highlighted below:

- **Windmill Lane/Cape Hill**: 1989-2009. Around £100 million public sector investment, 3000 demolitions.
- **Lyng West Bromwich**: 1994-2009. 1,000 demolitions
- **Pype Hayes, Birmingham**: 1988-2004. 2,000 demolitions

Other large scale redevelopment proposals which have also had a significant housing component include:

- **Brindley Place/City Centre Market**: 1988-2005 - anchored with £400 million of Public Sector investment.
- **Black Country Development Corporation**: 1987-1999 – 4,000 new dwellings as part of £440 million of public sector investment.

These examples show that most significant urban remodelling of the scale the implementation of the Black Country Study will require, takes up to 20 years to design, gain community consent, secure funding and implement/deliver. This means that for neighbourhood redevelopment to make a contribution to increasing housing capacity (i.e. at a replacement rate greater than the 1:1 ratio currently assured in the RPG) within the period 2011-2021, the first phase of development work would need to start in many of the affected neighbourhoods next year.

In conclusion, the Black Country Study sets a long term vision for positive change within the sub-region. Most of that change will occur after 2011. The study is still in its consultation stages, and therefore the preferred spatial options are still to be concluded. Until the spatial options are determined and the location and timing of the development of the new economy are plotted it is not possible to sequence or estimate the public policy interventions necessary to capture the additional or changing housing demand. Indeed it
is not possible to be confident about future projections of housing demand beyond 2011 because the linkages, dependencies and timelines across the interrelated strands of activity within the Study have yet to be developed. Clearly though, given the findings of the Halcrow study, meeting the requirements of the RSS 2011-2021 will be extremely challenging.

Therefore the potentially greater aspirations of the Black Country Study will probably be reliant upon increasing the rate of the development in the period 2021-2031, following on intensive period of public sector intervention to remodel land use patterns and redevelop neighbourhoods and provide associated infrastructure during 2011-2021. For this remodelling to take place it is likely that Central Government would need to fund development work via the Comprehensive Spending Review in 2007 and make a substantial forward commitment of public sector funding.

This funding will need to provide resources for feasibility studies; land remediation, the relocation of industry; gap finance for affordable housing; resident consultation; radical environmental improvements; and improved transportation linking new residential environments to the new economy.

Given the relatively short time line to the 2011-2021 planning period it is essential that detailed feasibility and development work is started immediately to determine the costs of the preferred remodelling options. This cost base and its phasing would need to be in place by the end of 2006 if it is to be considered for the 2007 Comprehensive Spending Review.