West Midlands Regional Assembly – Regional Planning Body

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 Revision process. It is one of a suite of technical reports commissioned to inform the development of spatial policy as part of Phase Two of the Revision of the West Midlands Regional Spatial Strategy.

Further information and details of the West Midlands Regional Strategy and the Revision process can be found on our web site www.wmra.gov.uk

REGIONAL HOUSING LAND AND URBAN CAPACITY STUDY

2004

West Midlands Regional Assembly
August 2005

EXECUTIVE SUMMARY

The main findings arising from the 2004 Housing Land and Urban Capacity Study are set out below:

- This study achieved a very high response rate and had returns from all the larger authorities within the Region.

- The capacity between the 2001 and 2004 Urban Capacity Studies has increased by almost 96,400 dwellings (32.1%). Some authorities show a significant change in capacity between the two surveys with large increases in numerical terms in the MUAs (West Midlands 51,800 dwellings and Stoke on Trent 17,500 dwellings) and some decreases in the Shire Counties.

- Local authorities across the Region have identified a potential supply of around 452,000 dwellings, 2001-2026, including both commitments and potential urban capacity. Of that capacity, 392,000 are expected to be available in the 2001-2021 period. Housing provision as set out in Table 1 of the Regional Spatial Strategy (RSS) is 307,700 for the same period, indicating additional potential capacity over RSS provision of around 84,000 dwellings up to 2021.

- Of the total potential supply 2001-2026, 11% is already built and a further 18% is committed, leaving 71% (318,900 dwellings) expected to be found from other potential sources.

- If additional capacity arising from increased densities is added to the total capacity figures, the capacity for the West Midlands Region could increase by 19,600 dwellings or 4% from 452,000 to 472,000 dwellings.

- 84% of the estimated potential capacity could be found on previously developed land, more than enough to meet the RSS target which states that at least 76% of new housing should be on previously developed land. Equivalent figures for the Major Urban Areas (MUAs) and outside the MUAs are 97% and 66% respectively.

- 57% of the overall potential supply for the Region is within the Major Urban Areas including 66% of the previously developed land supply. 90% of the greenfield land supply is outside the Major Urban Areas. Of the total potential capacity outside of the Major Urban Areas, 26% is located within the five sub-regional foci identified in RSS and Burton upon Trent.

- 90% of the overall potential supply for the Region is within urban areas, while the equivalent figure outside the Major Urban Areas is 77%. Around 45,500 dwelling capacity is identified in rural areas across the Region and of that, 56% is on previously developed land and 44% is estimated to be potentially available on rural greenfield sites. Of the 19,900 dwelling capacity on rural greenfield sites, 48% is already committed and the remainder is expected to come from conversions. The survey excluded all other sources of rural greenfield capacity.

- The sources of the estimated capacity vary between the West Midlands Conurbation and the shire counties and unitary authorities. The latter have had over 61% more completions 2001-2004 and the committed supply is 45% more than that of the metropolitan area. This represents a significant change since the 2001 Urban Capacity Study where completions 1996-2001 in the shire counties and unitary authorities were 214% greater and committed supply was 253% more than that of the metropolitan area.

- With regards to future land supply, the trend of recent years where two houses have been built outside the MUAs for each one within looks set to reverse. Other capacity up to 2011 is 30% greater in the MUAs than in the shire districts and unitary authorities outside it. Post 2011 this trend increases significantly with 80% more capacity being found in the MUAs during the 2011-2021 period than outside it and over twice as much in the 2021-2026 period. This signifies a major shift in the balance of supply from the distribution of completions and supply committed through recent planning policies to the potential future distribution with a policy emphasis related to the regeneration of the major urban areas. The most important source of supply in the metropolitan area is expected from the redevelopment of housing sites while the most important source in the shire counties and unitary authorities is from derelict/vacant and underused land.

- A particular difference between the 2001 and 2004 Urban Capacity Studies has been the amount of capacity expected to come from the reuse of existing employment sites. In the 2001 survey this source of supply accounted for just 7% of future potential capacity whereas in the 2004 survey it accounts for 21%.

- Future net densities are assumed to be higher in the metropolitan areas at around 40 dwellings per hectare. Most shire counties and unitary authorities have assumed that future net densities will average 35 dwellings per hectare, with all authorities assuming a minimum density of 30 dwellings per hectare post 2011.

- The replacement rate for housing redevelopment sites averages 0.94:1 across the Region, somewhat short of the RSS assumed replacement rates of 1:1. However, RSS states that all authorities should strive to exceed that 1:1 rate for demolished stock except in North Staffordshire where the pathfinder analysis may conclude that a lower replacement rate is appropriate. The replacement rate for Stoke on Trent at 0.6 to 1 is in line with that proposed by RSS and when this authority is excluded, the average rate for the remainder of the region rises to 1:1.

- A comparison of the survey findings with Table 1 in the RSS suggests that, if the potential supply were to become available, the metropolitan area would be able to find sufficient capacity to meet the minimum level of development proposed in Policy CF3 up to 2021.

- Within the shire counties and unitary authorities, there is a significant gap between capacity and maxima rates in Herefordshire of 3,500 dwellings. Worcestershire and Staffordshire have sufficient capacity to meet the maximum proposals but not necessarily in the most appropriate locations, whilst Shropshire and Telford and Wrekin can exceed the maximum proposals only if high densities are assumed.

- The capacity given in this study does not contain full proposals for the North Solihull/East Birmingham Regeneration Area. As such, regional capacity is likely to be higher than that given here.

- Over 379,000 dwellings capacity could be found on previously developed land throughout the region 2001-2026. An issue to be dealt with through the partial review of RSS will be whether to use to spread of brownfield land or to concentrate growth outside the MUAs within the sub-regional foci, which may require the use of greenfield land.

- Circumstances relating to potential urban capacity are changing all the time and as such this survey is likely to be repeated in 2006.

ANALYSIS OF REGIONAL HOUSING LAND AND URBAN CAPACITY STUDY

PART I – INTRODUCTION

1.0 BACKGROUND

1.1 This Housing Land and Urban Capacity Study is the third to be undertaken in the West Midlands Region. The first study was conducted in 2000 as part of the preparation of the draft Regional Planning Guidance. Following an assessment of that study, a second housing land and urban capacity study was undertaken in 2001. The results from these contributed to the development of the housing proposals in RSS, particularly Policy CF3.

1.2 Building on the successes of the 2001 study and progressing it in line with national and regional guidance, a third Housing Land and Urban Capacity Study was conducted in 2004. The headline results are published in this paper. The findings have been assessed against Policy CF3 of RSS which specifies minima rates for the provision of dwellings in the MUAs and maxima rates elsewhere.

1.3 This new study will be used to inform the partial review of RSS and to inform further debate on the Regional Housing Strategy. The findings of this study have also been used as part of the Black Country Study.

2.0 THE STUDY

2.1 During October 2004, all local authorities in the region were asked to complete a questionnaire. Shire counties were asked to help their districts complete the return if necessary and to provide a back-up service if any district was unable to respond. Responses of future supply related to a base date of April 2004.

2.2 The questionnaire asked local authorities to make estimates of potential supply available from a number of different sources, by whether this supply was expected to come from previously developed land or greenfield sites, by whether it was likely to be within urban or rural areas and whether it would be within or outside the Major Urban Areas as defined in RSS. Site based work could be used wherever possible but the emphasis of the work was intended to be on producing realistic overall estimates over a 25 year period rather than restricting coverage to sites which could be identified at April 2004 by those few authorities who were sufficiently well advanced on urban capacity studies.

2.3 The definitions used in the study generally follow those set out in PPG3. Within the West Midlands Region, however, there is one significant issue, relating to the definition of ‘previously developed’ land in Telford &

Wrekin where a large potential capacity is available on land which was reclaimed by the former New Town Development Corporation, over 20 years ago, for long term development, but which, under the definitions set out in PPG3 is assumed to be greenfield development. Telford & Wrekin Council, supported by the RPB take the view that these sites should be considered to be previously developed land and this capacity has been included as such in the tables throughout this report.

2.4 Because many of the figures contained in the returns are estimates rather than site based capacity, it was not considered appropriate to ask about 'undiscounted' capacity. Instead, local authorities were asked to indicate levels of 'discounted' capacity, thus leaving each authority free to consider strategic market issues, infrastructure constraints, etc. on the bases of their local knowledge. It will be the responsibility of individual local authorities to discuss the returns for their areas, if necessary, in subsequent work.

2.5 The questionnaire considered capacity from the sources set out in the paragraph below. It was felt to be important that local authorities had the opportunity to include all potential sources of supply and not to constrain estimates at this stage by artificially restricting the sources of potential supply. Local authorities were asked to consider capacity sequentially through a list of questions, never including capacity in response to a later question that had already been included in response to an earlier question. Local authorities were asked to provide separate estimates for each category for the periods 2004-2011, 2011-2021 and 2021-2026.

2.6 The categories covered were:

(i) Housing completions 2001-2004

(ii) Capacity under construction and on sites with full planning permission at April 2004

(iii) Capacity on sites with outline permission at April 2004

(iv) Capacity on sites identified in adopted local or unitary development plans

(v) Capacity on sites in draft or emerging local plans, UDPs or LDFs

(vi) Capacity expected to be found from the redevelopment of housing sites

(vii) Capacity expected from conversions of both former residential and non-residential buildings

(viii) Capacity expected to be found from derelict, vacant and under-used land

(ix) Capacity expected to be found from the redevelopment of existing employment sites

(x) Capacity expected to be found from windfall sites, not included elsewhere

(xi) Additional capacity which might be found from making more efficient use of the existing housing stock, i.e. bringing vacant stock back into use or by reducing the time when stock remains vacant. This question excluded any reduction in vacancies expected to arise from future demolitions, so that there could be no double-counting of supply between categories.

(xii) A residual category of capacity from any other sources that have not been included in any of the categories of potential supply included above. Local authorities were asked to explain the source and rationale for including any capacity within this category.

(xiii) Consideration of whether there is any additional capacity on land that is constrained but which could be released with intervention

(xiv) Where applicable, the amount of each of these capacity sources within a sub-regional foci (for the purposes of this study, Burton upon Trent was included as a sub-regional foci)

2.7 In addition, as part of the response to each question, authorities were asked about the assumptions they had made on average densities and whether there was any potential to increase these densities further. Responses to these questions have provided a transparent record of individual authorities judgements on density issues.

2.8 The questionnaire also asked for information on expected demolitions, as this survey seemed to be the most appropriate vehicle by which to collect this information from the Region's local authorities. However, responses to this question have not been analysed as part of the potential housing supply except to look at the replacement rates that authorities have assumed for the redevelopment of housing sites. (Households needing to be re-housed from demolished stock have been considered as part of the housing demand estimates in any housing demand/supply analysis for RSS).

2.9 Only one authority was unable to provide a response. In this case, the relevant shire county was able to produce estimated figures for the 2001-2011 period to fill the gap in the geographical coverage. One other authority also gave a response just for the 2001-2011 period. For both of these authorities the capacity figures given in the 2001 Housing Land and Urban Capacity Study have been inserted into these results for the 2011-2021 period. There are three authorities in total that provided no capacity figures for the post 2021 period.

2.10 The study had a very high response rate and is considered robust. An analysis of the results does however show that different local authorities assigned capacity to the various sources of supply slightly differently. Therefore, the study is best considered as a whole rather than a sum of its parts.

PART II – ANALYSIS

3.0 WEST MIDLANDS REGION

3.1 Across the West Midlands Region as a whole, the survey has identified a gross potential capacity of around 452,000 dwellings 2001-2026 (Table 1 of the Technical Appendix). Of that total, capacity for 392,000 dwellings is expected to be available in the 2001-2021 period. Housing provision, as set out in Table 1 of the RSS is 307,700 for the same period, indicating additional potential capacity over RSS targets for around 84,000 dwellings up to 2021 (Table 2 of the Technical Appendix).

3.2 A spatial comparison of potential capacity against RSS proposals reveals that the MUAs would be able to find sufficient capacity to exceed the minimum levels of development proposed up to 2021. Within the shire counties and unitary authorities, a significant gap between capacity and maxima proposals would arise in Herefordshire of 3,500 dwellings. Worcestershire and Staffordshire have sufficient capacity to meet the maximum proposals but not necessarily in the most appropriate locations, whilst Shropshire and Telford and Wrekin can meet the maximum proposals only if high densities are assumed. In Stoke on Trent and to a lesser extent in Coventry and Birmingham, significant further capacity is identified than the minimum rates identified in Policy CF3.

3.3 57% of the total capacity 2001-2026 is within the Major Urban Areas (MUAs) and 43% outside it in the shire counties and unitary authorities. The proportion of the overall capacity that is in the MUAs increases over the Plan period from 41% of the completions 2001-2004 to over 65% of the estimated potential supply post-2011. This changing pattern of capacity over time supports the aims of the spatial strategy to significantly redistribute housing provision, moving from the recent position of two houses built outside the MUAs for each one within them, to less than one outside for each one within.

3.4 Local authorities were asked in the housing land and urban capacity questionnaire for the densities they had assumed for each source of supply. They were subsequently asked if they considered that there was potential to increase these densities further and to what rate. Many authorities said that there was potential to increase densities, some by quite significant amounts. If additional capacity arising from increased densities is added to the total capacity figures, the capacity for the West Midlands Region increases by 19,600 dwellings or 4.3% from 452,100 to 471,700 (Table 14 of the Technical Appendix). 52% of that extra capacity is generated outside the MUAs, amounting to around 10,300 dwellings.

3.5 Of the total capacity of 452,100 dwellings, 11% is already completed, 18% is committed either through planning permission or in adopted local plans or UDPs, leaving 71% (318,900 dwellings) from the other potential supply categories. The committed capacity includes around 4,500 that local authorities are proposing to de-allocate from local plans in forthcoming reviews. Around 69% of these proposed de-allocations are in the Staffordshire and Stoke on Trent sub-regional area.

3.6 The amount of capacity expected to be found from previously developed land could increase to 84% across the Region in the 2004 study compared to 73% in the 2001 study. However, detailed studies conducted by LPAs as part of preparing LDDs could identify constraints that could lower these levels. The potential increase in capacity on previously developed land reflects that local authorities are more comfortable with the concepts in PPG3 and as they have progressed their urban capacity studies, potential previously developed supply has increased. This proportion of capacity is more than enough to meet the RSS target, which states that at least 76% of new housing should be on previously developed land. Equivalent figures for the Major Urban Areas and outside the MUAs are 97% and 65% respectively.

3.7 The survey has identified 73,700 dwellings capacity on greenfield sites, of which 21% is already completed and 29% is on committed sites. 90% of all greenfield capacity is located outside the MUAs.

3.8 Table 3 of the Technical Appendix sets out the contribution of different sources of supply towards the overall supply. The distribution of capacity by source of supply varies considerably between the Major Urban Areas and the rest of the Region. However, the source of supply against which a particular capacity has been recorded will be dependant on the stage that has been reached, in any particular authority, in the preparation of the development plan. For example, derelict or underused sites that had been included in a draft local plan would be recorded as part of the latter category rather than the former. The findings are discussed in more detail in sections 4 and 5 below. However, some general points are brought out here:

(i) There have been almost 9,000 more completions, and there are almost 5,000 more committed sites outside of the MUAs than inside them. Authorities outside the MUAs also have over 18,000 more dwellings allocated in draft local plans and nearly 14,000 more commitments which are only likely to become available post-2011 (Table 3 of the Technical Appendix). This may be a function of the stage that has been reached on the preparation of local and unitary development plans in different parts of the Region, but it is also likely to be a legacy of past planning policies.

(ii) The authorities within the MUAs expect far more dwelling capacity (almost 75,000 dwellings more) to be found from the redevelopment of housing sites. This is consistent with likely patterns of demolitions across the Region and reflects the aspirations of the two pathfinder areas and other initiatives including New Deal for Communities areas. However, the shire and unitary authorities expect over 7,000 more conversions than the metropolitan authorities.

(iii) Authorities outside the MUAs expect over 9,000 dwellings more capacity on derelict/vacant and underused sites than those in the MUAs. This finding does not seem to be consistent with knowledge of land use in urban areas or the need for urban regeneration across the Region. However, the MUAs expect around 66,000 dwellings more capacity from the reuse of existing employment sites than the authorities outside them. Taking these two sources of capacity together, authorities in the MUAs expect twice as much capacity from derelict, vacant and underused land and the reuse of existing employment sites than the shire counties and unitary authorities.

(iv) Capacity on windfalls (not elsewhere included) in the MUAs is also over double that of outside the MUA (a difference of 11,700 dwellings).

(v) Almost 8,800 dwelling capacity is expected from other sources outside the MUAs. This capacity includes redundant or additional sites not included elsewhere that are likely to come forward, areas of development restraint and regeneration commitments.

3.9 90% of the overall potential capacity within the Region is within urban areas as defined in the survey. The definition of urban areas which was adopted was wide and included settlements with a population of over 10,000, or which had the potential to have a population of over 10,000 by 2021, as well as other settlements which act as service centres for surrounding rural areas. In future development plan work, and individual authority's urban capacity studies, it is possible that different definitions of urban areas to those used in this survey could be adopted.

3.10 Outside of the Major Urban Areas, 77% of the potential capacity is within urban areas. Of the 45,500 total potential capacity identified within rural areas, 18% has already been built and a further 25% is committed through planning permission or in an adopted local plan, leaving 26,000 dwellings from the other potential sources of supply (details are shown in Table 8 of the Technical Appendix).

3.11 Table 9 in the Technical Appendix considers the distribution of previously developed land by whether in urban or rural areas. Across the Region as a whole, 93% of the supply of previously developed land is within urban areas. A potential capacity of 25,600 dwellings on previously developed land is estimated within rural areas. Outside of the Major Urban Areas, 80% of the potential supply of previously developed land is within urban areas.

3.12 Table 10 of the Technical Appendix considers the distribution of potential capacity on greenfield sites by whether in urban or rural areas. 73% of the estimated greenfield supply, amounting to 53,100 dwellings, is in urban areas. A further 19,900 potential greenfield sites have been identified in rural areas, of which 48% is already committed and the remainder are expected to come from conversions. The survey excluded all other sources of rural greenfield capacity.

3.13 Tables 12 and 13 examine the distribution of previously developed and greenfield land by whether they are in or out of the Major Urban Areas. The MUAs contain 66% of the previously developed land supply and 10% of the greenfield capacity.

3.14 The density assumptions used by different authorities vary widely across the Region. The metropolitan authorities assume that higher average densities can be achieved than the shire counties and unitary authorities. All of the metropolitan authorities have assumed densities of at least 30 dwellings per hectare and, in some cases, up to 50 dwellings per hectare. This is discussed in more detail in section 4 below. Most of the shire counties and unitary authorities have also assumed densities of at least 30 dwellings per hectare, but there are some exceptions. Authorities not assuming higher densities are spread across the Region and are not always the most rural authorities (see section 5 below and Table 6 in the Technical appendix). Many authorities believe that average densities can increase even further as discussed in paragraph 3.4 above (also see Table 14 of the Technical Appendix).

3.15 Table 5 of the Technical Appendix examines demolitions and replacement rates on housing redevelopment sites. The replacement rate averages 0.94:1 across the Region, somewhat short of the RSS assumed replacement rates of 1:1. However, RSS states that all authorities should strive to exceed that 1:1 rate for demolished stock except in North Staffordshire where the pathfinder analysis may conclude that a lower replacement rate is appropriate. The replacement rate for Stoke on Trent at 0.6 to 1 is in line with that proposed by RSS and when this authority is excluded, the average rate for the remainder of the region rises to 1:1. In addition, the replacement rate for the whole region increases over time from 0.93:1 in the 2001-2011 period to achieve the RSS target of a 1.02:1 replacement rate in the 2021-2026 period. Across the region the replacement rate varies widely from as little as 0.29:1 in Shropshire to as high as 2:1 in Warwickshire.

4.0 WITHIN THE MAJOR URBAN AREAS

4.1 In total, the survey identified capacity for 257,300 dwellings in the MUAs, of which 2,500 are in the North Staffordshire Conurbation and 18,800 are in the metropolitan area. Of that total capacity, 8% (21,300 dwellings) had already been completed and a further 15%* (38,200 dwellings) are committed by planning permission or in an adopted plan, leaving 77%

* This includes capacity for around 1,500 dwellings identified in two UDPs, which these authorities have indicated that they are proposing to de-allocate in forthcoming reviews of their plans.

(197,900 dwellings) to be found from other sources of supply (Table 1 in the Technical Appendix). If higher densities are assumed the total capacity for the MUAs could potentially increase by 9,300 dwellings or 4% to 266,700 dwellings.

4.2 Over and above the capacity built or firmly committed, it is expected that a further 68,700 dwellings capacity (27%) can be found before 2011, 88,300 dwellings 2011-2021 (34%) and a further 40,900 dwellings (16%) 2021-2026.

4.3 Table 2 in the Technical Appendix compares the potential supply and urban capacity in the MUAs against the minima housing proposals set out in Table 1 of the RSS. On the basis of the survey returns, all authorities in the MUAs can exceed their minimum housing proposals as set out in RSS and indeed, there is additional capacity over and above the RSS proposals of 63,700 dwellings up to 2021.

4.4 Table 3 of the Technical Appendix details the potential capacity available by source of supply. The greatest contributions within the Major Urban Areas are expected to come from the redevelopment of housing sites (33%). Capacity from this source, however, relates to the level of expected housing demolitions and this is dependent on the availability of finance and the commitment of the Government and local authorities to pursue compulsory purchase and clearance programmes in the private and public sectors. Initiatives including the Birmingham/Sandwell Housing Market Renewal Area and New Deal for Communities have influenced this capacity. Analysis of the survey results shows that around 93,600 demolitions 2004-2026 are expected in the MUAs (Table 5 in the Technical Appendix). Within this figure, the estimates for the period 2011-2026 imply a considerable increase in recent rates of demolitions. Authorities expect to build around 84,500 dwellings on these sites, an overall replacement rate of 0.9:1.

4.5 The next largest potential source of supply is from the re-use of existing employment sites, which amounts to 55,400 dwellings (22% of the other potential supply). Capacity from derelict, vacant and underused land amounts to 16,200 dwellings, a further 6% of the capacity in the MUAs.

4.6 Authorities have still classified around 8% (21,800 dwellings) of the capacity as coming from windfall sites, even though within the structure of the questionnaire, this was supposed to be a residual category with potential supply recorded, as far as possible, from named sources.

4.7 The next largest source of capacity is from conversions of both residential and non-residential buildings, which provides a further 10,900 dwellings gross (4%). There are also 5,100 dwellings capacity (2%) identified in draft UDPs and 3,000 dwellings potentially available from other sources. Of the capacity available from other sources over 1,100 dwellings could be found in Brierley Hill. In addition, there are 900 committed dwellings only likely to become available post 2011. These are all in Wolverhampton and relate to the development of Bilston Urban Village.

4.8 Analysis of the density assumptions used in the questionnaire (Table 6 in the Technical Appendix) shows that existing densities are already near to or at least 30 dwellings per hectare. For future supply, Birmingham, Sandwell, Wolverhampton, Coventry, Solihull and Stoke-on-Trent have all assumed densities of at least 40 dwellings per hectare, while Dudley, Walsall and Newcastle under Lyme have assumed densities of at least 30 dwellings per hectare. In addition, all authorities in the MUAs with the exception of Coventry consider that densities could increase even further.

4.9 Summarising findings for different parts of the Conurbations shows:

(i) Birmingham have identified a further potential capacity beyond existing commitments of around 56,300 dwellings 2004-2026, of which 39,250 are expected to come from the redevelopment of housing sites. The return includes almost 4,000 dwellings capacity in the windfalls (not elsewhere included) category. Potential capacity from the reuse of existing employment sites and from derelict, vacant and underused land is assumed to be relatively low.

(ii) The Black Country boroughs, as a whole, have identified a further potential capacity beyond existing commitments of 66,300 dwellings. Capacity from the redevelopment of housing sites is only around half that of Birmingham, but greater capacity is expected to be found from the use of derelict, vacant and underused land and the re-use of employment sites.

(iii) Coventry City Council has included a high level of supply within the windfalls (not elsewhere included) source. The City have assumed relatively higher levels of capacity from redevelopment of housing sites and reuse of existing employment sites; and no capacity from the development of derelict, vacant and underused sites. Coventry City Council has not included any capacity to account for the North Solihull/East Birmingham Regeneration Area.

(iv) Solihull MBC assume relatively high levels of capacity from the redevelopment of housing sites and from development on derelict, vacant and underused sites.

(v) In the North Staffordshire Conurbation, Newcastle under Lyme assumes the highest proportion of their capacity will be from derelict, vacant and under used sites up to 2021. Post 2021, capacity will predominantly be from both reuse of existing employment sites and derelict, vacant and underused land. Stoke on Trent has a high proportion of capacity coming from the reuse of existing employment sites 2004-2026 and also from the redevelopment of housing sites in the 2011-2021 period, demonstrating the scale of the pathfinder initiative.

4.10 Overall, 97% of the estimated capacity 2001-2026 will be on previously developed land in the MUAs. This implies a capacity of 7,500 dwellings on greenfield sites, of which 2,700 have already been built and a further 3,800 dwellings are committed through planning permission or in adopted local plans, leaving 1,000 dwelling capacity on greenfield sites included within sources relating to other potential capacity (Table 7 in the Technical Appendix). Table 19 of the Technical Appendix compares the ratio of capacity on previously developed land 2001-2011 against the targets identified in Table 3 of the RSS. The percentage of capacity on previously developed land in Sandwell, Coventry and Solihull all fall slightly short of meeting RSS targets by 3%, 2% and 7% respectively.

5.0 SHIRE COUNTIES AND UNITARY AUTHORITIES OUTSIDE THE MAJOR URBAN AREAS

5.1 The Housing Land and Urban Capacity Survey has identified a total capacity of 194,800 dwellings outside the MUA, 2001-2026. Of the total 194,800 dwellings, 30,100 dwellings (15.5%) have already been completed, a further 43,700 (22.5%) are already committed as at April 2004 and another 121,000 dwellings (62%) are potentially available up to 2026. The committed capacity includes around 3,000 dwellings that local authorities are proposing to de-allocate from local plans in forthcoming reviews.

5.2 Overall, the 2004 survey reveals that there is sufficient potential capacity outside the MUAs to meet the maxima housing proposals, which are summarised in Table 1 of the Communities of the Future chapter of the Regional Spatial Strategy (Table 2 of the Technical Appendix). In the period 2001-2021, the survey shows that there is capacity for 175,500 dwellings outside the MUAs, compared with a proposal in Table 1 of RSS of 155,000 dwellings – an 'excess' capacity of 20,500 dwellings. However, this hides the dispersal of capacity that shows an excess of capacity during 2001-2011 but a significant gap between capacity and the maximum RSS ceiling amounting to 12,400 dwellings in the 2011-2021 period.

5.3 Sub-regionally, Warwickshire, Worcestershire and Staffordshire have identified sufficient potential capacity to exceed the maxima housing proposal in Table 1 of the RSS, while Herefordshire, Shropshire and Telford & Wrekin have a gap between identified capacity and maxima rates (see Table 2 in the Technical Appendix):

(i) Worcestershire has identified a potential for 39,000 dwellings, significantly more than the RSS ceiling of 26,200 dwellings.

(ii) The authorities in Shropshire have a capacity of 19,850 dwellings, giving a slight gap between capacity and the RSS maximum housing proposal of 20,400 dwellings. However, if densities were increased, that capacity could rise to 20,700 thereby exceeding the RSS proposal.

(iii) Telford & Wrekin has a capacity of 20,000 dwellings compared with the RSS maximum proposal of 20,300 dwellings. However, capacity could increase to 22,500 dwellings through higher densities.

(iv) The local authorities in Staffordshire have identified more capacity (48,900 dwellings) than the RSS maximum housing proposals of 43,400 dwellings.

(v) Warwickshire authorities have identified a total capacity of 39,850 dwellings, greater than the RSS maximum proposal of 31,500 dwellings.

(vi) Herefordshire's capacity at 9,700 is significantly under the RSS ceiling of 13,200 dwellings.

5.4 Table 3 of the Technical Appendix shows, in more detail, potential capacity by source in the three periods, 2001-2011, 2011-2021 and 2021-2026. Excluding completions and committed supply, there is land outside the Major Urban Areas for a further 52,700 dwellings up to 2011, 49,100 dwellings 2011-2021 and a further 19,200 dwellings 2021-2026.

5.5 Considering the sources of supply in more detail, the greatest source of supply up to 2026 outside the MUAs is expected to come from derelict, vacant and under-used land, this amounts to 21% of the total other potential supply or 25,600 dwellings. The next most significant source of supply is sites in draft local plans/Part 2 UDPs equating to 19% of the total other potential supply (23,450 dwellings).

5.6 Gross conversions contribute 15% of the total other potential supply from 2004 onwards. Commitments carried forward post 2011 contribute 12% of the other potential supply and include capacity from Areas of Development Restraint.

5.7 The next largest source of supply is from the reuse of existing employment sites, which contributes 10,600 dwellings or 9% of the other potential supply. Windfall sites (not elsewhere included) and capacity from the redevelopment of housing sites both contribute 8% each. The smallest source of supply is from other sources at 8,750 dwellings or 7%. This includes capacity from possible new sites whose potential is being explored; urban extensions; redundant sites not elsewhere included such as car parks, shopping centres and education sites; and white land that is expected to come forward.

5.8 Summaries for individual sub-regions are provided below:

(i) Warwickshire districts have identified an additional capacity of 22,400 dwellings beyond existing commitments, the main source of supply being from derelict, vacant and under-used land (8,400 dwellings or 37%).

(ii) Worcestershire districts have identified an additional capacity beyond existing commitments of 27,800 dwellings. The highest proportion of these is also from derelict, vacant and under-used land (7,300 dwellings or 26%).

(iii) Shropshire has a potential capacity of 13,600 dwellings beyond existing commitments. Capacity is fairly evenly distributed between all categories with a high percentage coming from windfall (not included elsewhere) sites and other sources.

(iv) There is 27,400 dwellings capacity beyond existing commitments in the area of Staffordshire that falls outside the boundaries of the Northern Staffordshire Conurbation. This capacity has predominantly been found from sites in emerging local plans (7,200 dwellings or 26%) and gross conversions (5,500 dwellings or 20%).

(v) Telford & Wrekin has a potential capacity of 22,400 dwellings beyond existing commitments. By far the largest source of supply is from other sources 2021-2026. These 5,600 dwellings (25%) arise from previous proposals for the development of the New Town for which longer-term options for development are still being explored.

(vi) Herefordshire has a potential capacity of 7,100 dwellings beyond existing commitments. Their greatest source of capacity comes from derelict, vacant and underused land which accounts for 2,500 or 35% of other potential supply although gross conversions also accounts for a substantial amount at 1,400 dwellings (20%).

5.9 Table 6 of the Technical Appendix provides some analysis on the density assumptions that have been used to estimate the capacity for the different sources of supply. The study shows that, generally, densities are relatively low for completions and current commitments, many below 30 dwellings per hectare, but increase for future sources of supply up to 2011 (almost all assuming 30 dwellings per hectare or above) and generally continue to increase up to 2026. However, some densities on future sources of supply do not increase and remain consistently at 30 dwellings per hectare, particularly in some authorities in Shropshire, and in Herefordshire and Telford & Wrekin.

5.10 Local authorities were also asked in the housing land and urban capacity study questionnaire if they considered that there was potential to increase these densities further and to state what they could be increased to. Many authorities said that there was potential to increase densities, some by quite significant amounts. The analysis in Table 14 drawn from the survey reveals that increasing densities could account for an extra 10,300 dwellings over the total period 2001-2026, which would increase the total capacity outside the MUAs from 194,800 to 205,100. The study has shown that there is potential to increase densities in many cases from 30 dwellings per hectare to 35 dwellings per hectare and from 35 dwellings per hectare to 40 dwellings per hectare. The greatest potential increases are by increasing densities on sites with outline planning permission and derelict, vacant and under-used land.

5.11 Outside the MUAs, 66% of the potential capacity is on previously developed land and 34% on greenfield sites (Table 7 of the Technical Appendix). This equates to a total capacity of 65,500 dwellings on greenfield sites, 30,000 (46%) of which have already been completed or are committed supply, leaving 35,500 potential additional capacity. Table 19 of the Technical Appendix compares the capacity on previously developed land 2001-2011 against the targets identified in Table 3 of the RSS. Capacity on previously developed land in Warwickshire, Shropshire and Staffordshire are all slightly under RSS targets by 5%, 3% and 4% respectively.

5.12 77% of the potential capacity is within urban areas outside of the MUAs. In Warwickshire the percentage is particularly high at 88%. Not surprisingly, Telford & Wrekin has the highest percentage on urban land at 96%. In Staffordshire and Worcestershire, the equivalent figures are 75% and 72% respectively. Shropshire and Herefordshire have the lowest percentage of capacity in urban areas at 67% and 62% respectively.

5.13 Table 9 shows the percentage of previously developed land and whether it is within urban or rural areas. 80% of the total capacity on previously developed land outside the MUAs is in urban areas. This figure varies quite considerably, from as low as 68% in Herefordshire to 87% in Warwickshire and 96% in Telford & Wrekin. Table 10 shows the distribution of greenfield site capacity between urban and rural areas.

6.0 WITHIN THE SUB-REGIONAL FOCI

6.1 Outside of the MUAs, Policy CF2 of the Regional Spatial Strategy aims to focus longer-term strategic housing development in locations capable of balanced and sustainable growth. The housing land and urban capacity study asked authorities to identify capacity within the sub-regional foci identified in the RSS to fulfil this role. For the purposes of this study, Burton upon Trent was also included within this question.

6.2 Of the total 194,800 dwelling capacity outside of the MUAs 2001-2026, 26% of that capacity is within the sub regional foci (50,000 dwellings). Telford alone contributes almost 50% of that capacity at 24,700 dwellings and Burton upon Trent contributes 11% (5,300 dwellings). Of the total 50,000 dwelling capacity in the sub regional foci, 10% has been completed and 20% is committed with the remaining 70% (35,100 dwellings) potentially available up to 2026.

6.3 Excluding completions and existing commitments there is land potentially available in the sub regional foci for 15,100 dwellings up to 2011, 10,400 up to 2021 and 9,600 dwellings post 2021. The greatest source of future capacity in the sub regional foci is from draft local plans (8,100 dwellings or 16%). The second largest source of supply is from other sources (Table 3 of the Technical Appendix) amounting to 6,800 dwellings or 14%. The majority of this is to be found in Telford in the 2021-2026 period arising from previous proposals for the development of the New Town for which longer term options for development are still being explored.

6.4 The next largest sources of supply are from the reuse of existing employment sites, which account for 5,100 dwellings (10%), and windfall sites (not included elsewhere) for 4,700 dwellings (9%) despite this intending to be a residual category.

6.5 Commitments carried forward account for 3,600 dwellings or 7% of the supply, the majority of which are found in Telford. These consist of sites identified in the LPAs Urban Capacity Study or those submitted by developers for inclusion in the LDF and which are being considered as potential allocations, as well as capacity on strategic sites rolled forward past 2011. The next largest source of supply is from derelict, vacant and under-used land (3,200 dwellings or 6%) and gross conversions account for 2,500 dwellings (5%). The redevelopment of housing sites comprises the smallest source of capacity at 1,200 dwellings or 2% compared with the greatest contribution at 33% within the Major Urban Areas.

6.6 Table 14 of the Technical Appendix shows that if densities were increased in line with local authorities assumptions an additional 3,500 dwellings could be available in the sub regional foci, increasing capacity from 50,000 dwellings to 53,500 dwellings. This amounts to an increase of 7%, significantly greater than the overall regional increase from higher densities of 4%.

6.7 Table 7 shows the distribution of capacity of previously developed and greenfield land. Within the sub-regional foci, the percentage of capacity on previously developed land is 75%, higher than the overall percentage of 66% outside the Major Urban Areas. The proportion of capacity on previously developed land varies significantly between the sub-regional foci from as low as 40% in Rugby to 94% in Shrewsbury.

7.0 DIFFERENCES IN CAPACITY BETWEEN THE 2001 & 2004 SURVEYS

7.1 In the three years since the last regional housing land and capacity study, local authorities have progressed further with their development plans and capacity studies and can reasonably be expected to have a better vision of future urban capacity. Comparing the results of the 2001 and 2004 surveys shows in some cases, some significant differences in capacity over a comparable time period. Table 17 in the Technical Appendix compares the results from 2004 with those from the 2001 survey over the period 2001-2021. Overall, the potential capacity identified in the latest survey is 30.5% or 91,600 dwellings higher than the estimated capacity three years ago.

7.2 There are a number of differences between the 2001 and the 2004 surveys. In particular, the 2004 questionnaire did not include a future source of rural greenfield capacity although several authorities added capacity under this category. Table 18 of the Technical Appendix compares the summary results of the two survey's like for like and adjusts the 2004 data to account for greenfield supply, better use of housing stock and removes capacity from 'other sources', a question which did not appear in the 2001 survey. Overall, the capacity between the two surveys has increased by almost 96,400 dwellings (32.1%). Some authorities show a significant change in capacity between the two surveys with large increases in numerical terms in the MUAs (West Midlands 51,800 dwellings and Stoke on Trent 17,500 dwellings) and some decreases in the Shire Counties.

7.3 It is particularly notable that many of the Districts containing foci towns i.e. Rugby, Worcester, Shrewsbury, and Hereford have shown a decline in capacity between the two surveys.

7.4 A detailed breakdown of the change for the MUA authorities by the various categories of capacity is given in the Technical Appendix (Table 21). Some general comments on the changes which have occurred in the various categories of capacity are:

i. There has generally been an increase in the number of dwellings in the redevelopment of housing sites category. This has happened as plans have been moved further forward for the Pathfinders and other regeneration areas whereas previously the figures were broad estimates. The increase has been about 27,400 in the West Midlands MUA and 5,300 in Stoke on Trent.

ii. In connection with the point above, demolitions have also increased substantially, by 27,800 in the West Midlands MUA and almost 4,000 in Stoke on Trent (taking account of those demolitions which have already occurred 2001-04).

iii. There are significant increases in the use of former employment land (an increase of nearly 35,000 dwellings in the two MUAs with half of these in Stoke on Trent) but in some authorities this is because sites formerly counted as windfalls or derelict and under used land have been included in this category.

7.5 Outside the MUAs the major increases between the two surveys have been in Bromsgrove (overall increase of 7,132 dwellings), Nuneaton and Bedworth (5,930 dwellings), Wychavon (4,246 dwellings) and Stafford

(3,664 dwellings). Most of the districts in Shropshire and southern Staffordshire have shown a decrease in capacity between the two surveys.

7.6 In any comparison of the 2001 and 2004 surveys it is important to note that the 2001 survey was only the second of its kind. As such, it is more likely to have contained errors and estimates because of the new methodology. The 2004 Survey was intended to update the figures but the capacity could have changed as the understanding of what was required improved.

PART III – CONCLUSIONS

8.0 CONCLUSIONS & OTHER FACTORS AFFECTING CAPACITY

8.1 The distribution and location of new housing development has an important role to play in delivering the urban and rural renaissance agenda's. Whilst the findings of this Housing Land and Urban Capacity Study are encouraging in that they suggest a significant step change in the distribution of capacity across the Region and the achievability of the RSS strategy, the limitations of this study also need to be recognised along with the many factors that can affect capacity including implications for the partial review of RSS.

8.2 Firstly, it needs to be stressed that much of the Urban Capacity Survey is based on estimates, rather than on specific sites. The methodology includes, in some cases, estimates based on past trends (e.g. conversions and windfalls) and estimates for former employment land and derelict/underused land which are dependant on developers and landowners being willing to develop the sites.

8.3 Not surprisingly, authorities have had a great deal of difficulty thinking about potential capacity in the longer term. Many authorities have carried forward assumptions made for certain sources of supply for the period up to 2011, to the post 2011 period.

8.4 The following factors are thought likely to influence the amount of land coming forward. They influence whether or not the known capacity is realised and whether further capacity comes forward:

i. The buoyancy of the market is of key importance. Using Birmingham as an example, the UDP allowed for windfalls of 950 per annum and the rate recently has been closer to 2,000 per annum. In a buoyant market, the market can bring forward previously developed sites that would be too expensive to develop in a depressed market. The capacity could then be higher than suggested by this survey.

ii. There is a tension between the amount of greenfield land released for development and the willingness of developers to take on regeneration sites. At the moment, the policy of restraint appears to be working and previously developed sites are coming forward. If some of the Barker recommendations are taken on board and there is greater release of greenfield land, the impetus for regeneration could be quickly lost.

iii. The availability of funding for clearance and redevelopment work also plays a key role. The two Pathfinders and other regeneration projects are bringing forward large numbers of demolitions and redevelopment sites. There is potential to extend the North Solihull/East Birmingham Regeneration Area into Coventry. Capacity has been included for this area in the Solihull return and the Birmingham return included some figures, but the capacity is likely to be higher and Coventry has not included any capacity because the plans have yet to be considered.

iv. The availability of suitable buildings for conversion in the city centres, particularly Birmingham where conversions have led to large numbers of dwellings. These have been primarily at the top end of the market, but more recently affordable units have been starting to come through.

v. The acceptability of higher densities. Birmingham has found that the private market has embraced the concept of higher densities, but RSLs appear to be more reluctant. This may be due to their preference for well used 'off the peg' solutions but equally could be caused by the types of houses required. If RSLs need larger family houses they will find it harder to achieve higher densities than a private developer who can include some apartments in the scheme.

vi. Related to this on the density issue is the current trend for demolishing old houses in large gardens and replacing them with small high-density estates or blocks of apartments with consequent loss of character. This has been accepted on a limited scale by some authorities but has become a problem in some areas, particularly parts of Birmingham, Solihull and Warwick District. Quite high numbers of windfalls have been coming forward from this source but they are likely to be reduced over coming years.

vii. The supply of employment land and the policy of the planning authority on its reuse for housing have an impact on this potentially very large source of supply. Some authorities, e.g. Birmingham and Solihull anticipate a reduction in the use of former employment land because they feel it is important to retain the employment use rather than develop new employment sites often on greenfield land. Others, such as Coventry are aware of large employment sites that will be available shortly and are suitable for mixed use.

viii. Replacement rates for redevelopment of housing sites will have an impact on the numbers of houses being built. Some authorities e.g. Stoke on Trent will have low rates of replacement because of the need to introduce more green spaces, others may be low because tower blocks are to be replaced with lower density housing, as in Sandwell. On the other hand, Solihull and Coventry hope to achieve a replacement rate of 1.4:1. This can be achieved if the types of housing being demolished are relatively low density.

ix. In some areas completions have been high as large greenfield sites have been developed over a number of years. In the MUAs, this is particularly the case in Solihull, and the completion of these sites and the policy of restraint in such areas will have an impact on future completion levels.

x. Related to the above point, in Solihull, Walsall and Newcastle-under-Lyme, the definition of the MUAs does not include the whole of the authority and the definition on the Spatial Strategy diagram of RSS is imprecise. These local authorities will need to define the boundary of the MUAs in detail through their LDDs. To develop in the surrounding villages and suburbs would be contrary to the regeneration aims of RSS but it is here that the windfalls are coming forward and the market is very strong. The ability of the local authority to enforce restraint in these outer areas needs strong backing in policy and will influence the number of completions coming forward.

8.5 A final point for consideration is the future role of the foci. Over 379,000 dwellings capacity could be found on previously developed land throughout the region 2001-2026. An issue to be dealt with through the partial review of RSS will be whether to use to spread of brownfield land or to concentrate growth outside the MUAs within the sub-regional foci, which may require the use of greenfield land.