5.0 Housing Supply, Land and Proposals

Introduction

5.1 This section provides an analysis of housing land supply, past build rates and housing requirements for the West Midlands local authority areas. The analysis is presented under the following headings:

- Housing Requirements and Past Build Rates
- Housing Land Supply

5.2 In relation to the first point the report examines past housing completion rates in the West Midlands Region, sub-areas and local authority areas and compares these to emerging housing requirements, including the Preferred Option RSS and the NHPAU's recommended housing supply ranges, to understand the relationship between past output and potential future requirements.

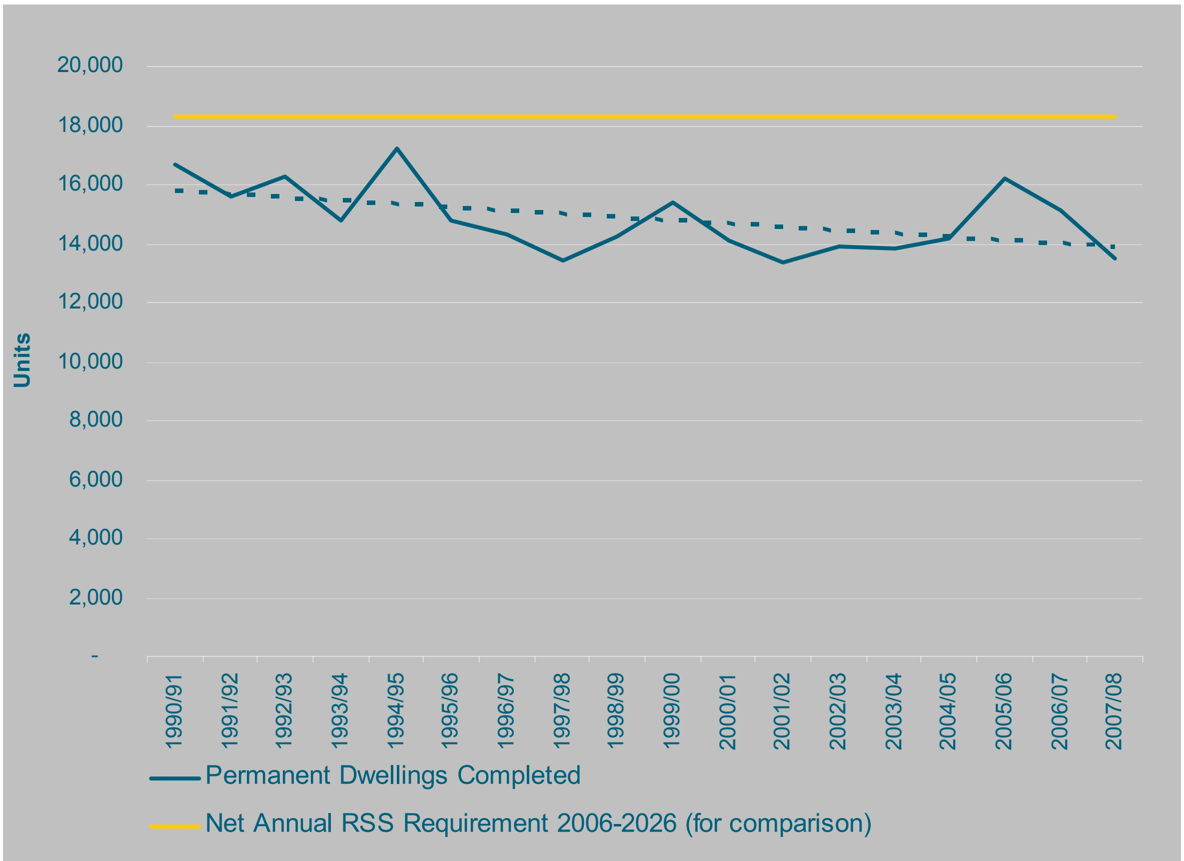
5.3 The section also examines the housing land supply position of each authority area including an analysis of completions, planning permissions, sites under construction, allocated sites and any other sources of housing land supply. A comparison is made with Preferred Option RSS housing requirements to benchmark the position and identify areas where more land may need to be identified to deliver housing requirements. This section also analysis additional sources of supply from the Regional Housing Land Potential Study (RHLPS) and Strategic Housing Land Availability Assessments (SHLAAs) where available.

5.4 The majority of the supply analysis below uses 2007/2008 Annual Monitoring data supplied by the West Midlands Assembly. Where other data sources have been used this is indicated.

Housing Requirements and Past Build Rates

Comparison of Past Build Rates with Current RSS Requirements

5.5 The graph below shows uses CLG completions data by region to present annual build rates for the West Midlands from 1990/91 to 2007/08. The RSS net annual housing requirement is shown in yellow for comparison.



Source CLG: Table 232 House building: permanent dw ellings completed, by tenure1 and region
http://w w w .communities.gov.uk/documents/housing/xls/141239.xls (accessed 29/08/08)

5.6 This analysis shows that whilst the build rate has fluctuated over the 18 year period, overall completions have steadily declined from 16,700 annual completions in 1990/91 to 13,520 annual completions in 2007/08[4] (as indicated by the trend line).

5.7 Annual completions over the last five years (2003/04 to 2007/08) are currently on average around 3,800 dwellings less than the Preferred Option RSS net requirement for the region.

5.8 The following analyses utilises West Midlands Regional Assembly and Local Authorities' Annual Monitoring data to compare past build rates with RSS housing requirements. The variance in the average annual build rates from RSS for each sub-region is summarised in the following table:

[4] It is acknowledged that CLG completions data differs slightly from West Midlands Regional Assembly Annual Monitoring Data. This discrepancy is not considered to be significant for the purposes of the analysis in this graph.

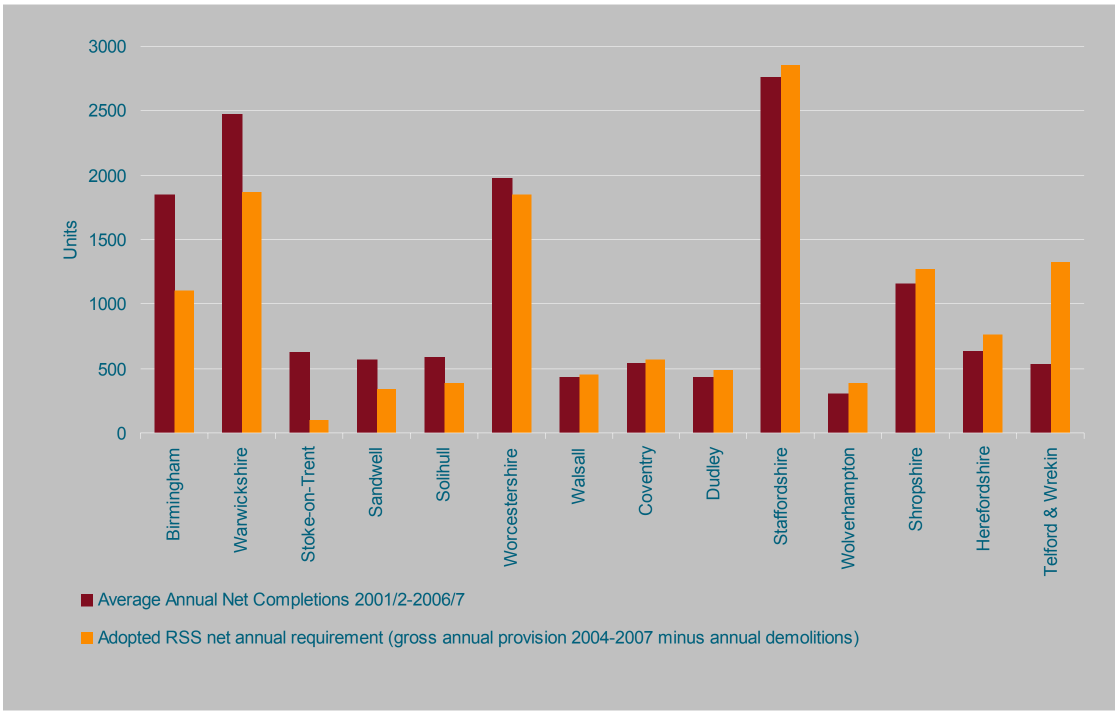
LPA	Average Annual Net Completions (2001-2007)	Adopted RSS Annual Requirement†	RSS Preferred Option Annual Requirement	Average Annual Variance from Adopted RSS	Average Annual Variance from RSS Preferred Option
West Midlands Met Area*	4,723	3,730	7,645	993	-2922
Worcestershire	1,981	1,850	1,830	131	151
Staffordshire	2,765	2,850	2,745	-85	20
Warwickshire	2,476	1,870	2,050	606	426
Shropshire	1,157	1,270	1,285	-113	-128
Unitary Authorities**	1,795	2,185	2,725	-390	-930
	14,897	**13,755**	**18,280**	**1,142**	**-3,383**

*Birmingham, Black Country, Coventry, Solihull
**Telford & Wrekin, Herefordshire and Stoke on Trent
†RSS gross annual provision (to 2007) minus RSS annual projected demolitions

5.9 In general, net completion rates for authorities in the West Midlands Metropolitan Area and Unitary Authorities have been significantly lower historically than both the adopted RSS and the Preferred Option RSS requirements indicating a need for authorities in these areas to increase housing output to deliver the additional housing that will ultimately be required by RSS. Underperformance in the Unitary Authorities is skewed by much lower build rates than RSS in Telford and Wrekin. Underperformance in the MUAs could be attributed to lack of available housing land or non-deliverability of urban sites, such as those with permission for flatted schemes.

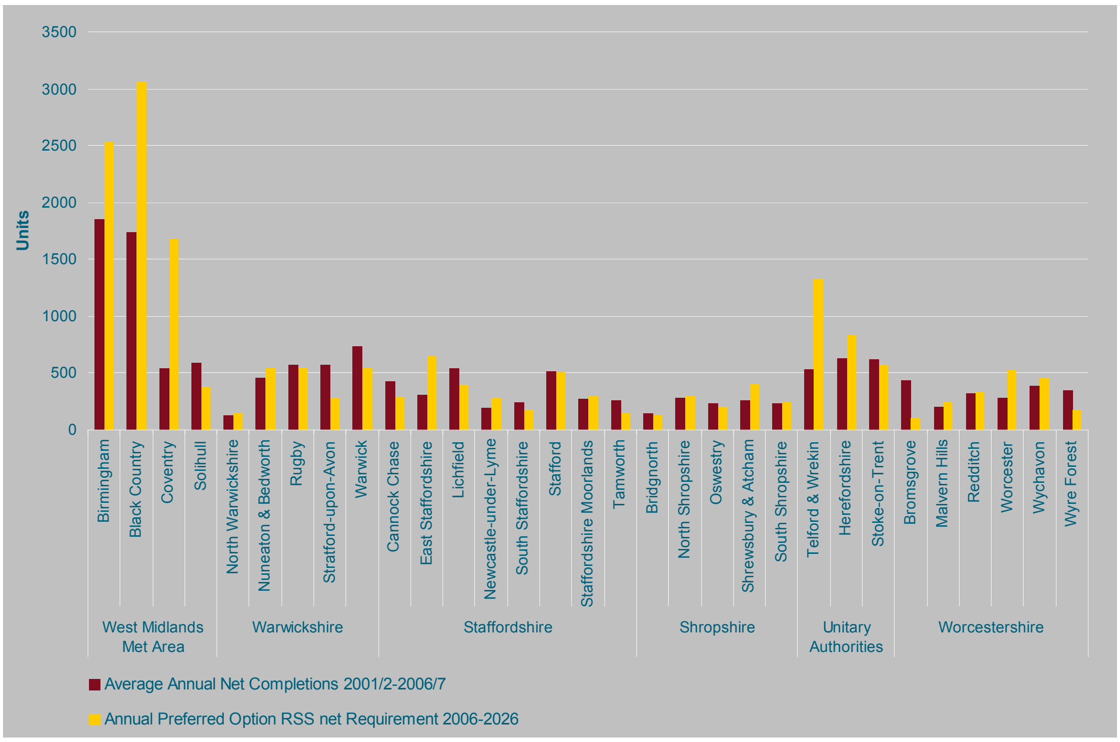
5.10 Build rates in authorities in Warwickshire are higher on average than both the adopted and Preferred Option RSS requirement although this is partly skewed by much higher levels of development in Stratford-upon-Avon and Warwick than required by RSS (see graphs below). Over performance could be a result of a healthy land supply coupled with development pressures.

5.11 The graph below presents net average annual completions (2001-2007) for each local authority in the region (red) against the requirements of the adopted RSS (2004).



5.12 Those urban authorities and county/sub-regions whose output has been above the adopted RSS housing requirements to 2007 are positioned to the left of the graph and those who have under-performed, to the right.

5.13 The graph below compares net completions (red) with the Preferred Option RSS net annual housing requirement (2006-2026) (yellow) to indicate how authorities' past performance compares to emerging RSS requirements when grouped by sub-region.



The graph below presents the same data by local authority area.

LPA	Average Annual Net Completions (2001-2007)	RSS Annual Requirement	Average Annual Variance
West Midlands Met Area*	4,723	7,645	-2,922
Worcestershire	1,981	1,830	151
Staffordshire	2,765	2,745	20
Warwickshire	2,615	2,660	-45
Shropshire	1,157	1,285	-128
Unitary Authorities**	1,795	2,725	-930

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**Telford & Wrekin, Herefordshire and Stoke on Trent

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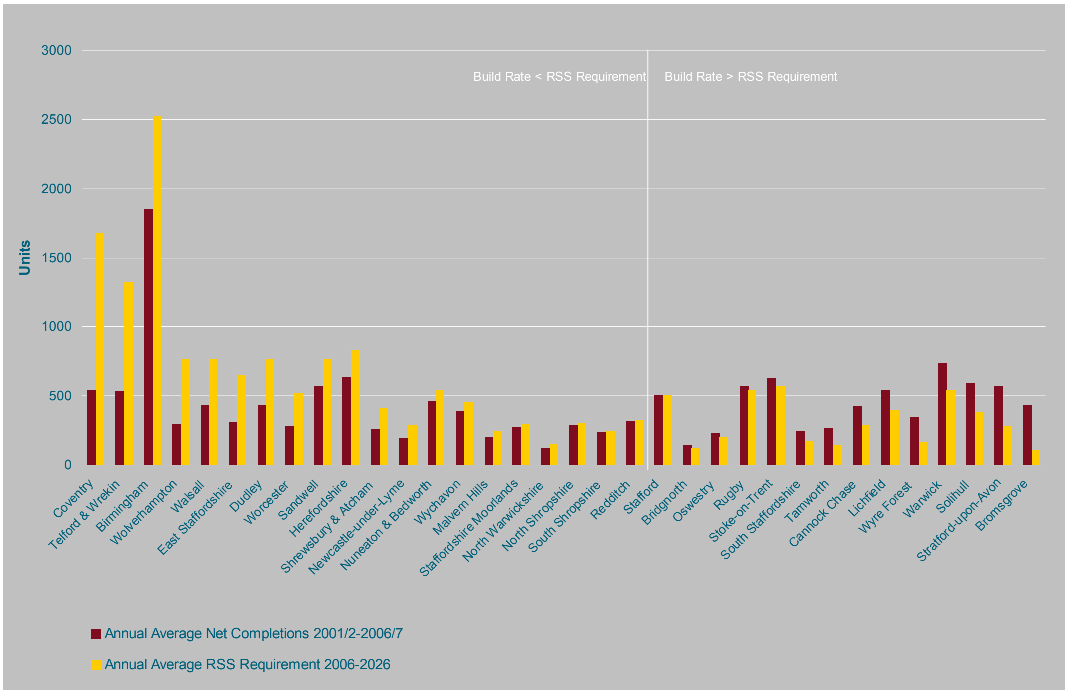


5.14 Local authorities positioned to the left of the white line have past completion rates below Preferred Option RSS requirements; authorities to the right of the line have past output rates in excess of these requirements. The variance in the build rates for those authorities at either end of the scale is summarised in the table below.

LPA	Annual Variance from RSS Preferred Option (dwellings)
Coventry	-1,130
Telford & Wrekin	-787
Birmingham	-676
Wolverhampton	-465
Walsall	-337
East Staffordshire	-333
Dudley	-330
Wyre Forest	181
Warwick	200
Solihull	212
Stratford-upon-Avon	294
Bromsgrove	329

5.15 In broad terms under-performance against the Preferred Options RSS requirements for authorities at the top of the table can be attributed in part to the increases in requirements in the Preferred Options RSS relative to those in the adopted RSS. This is particularly relevant for Coventry which has a significantly greater increase in the Preferred Option RSS.

5.16 More generally, under-performance against RSS requirements could also have resulted from a shortage of housing land supply or historic housing restraint policies constraining the supply of planning permissions. Insufficient deliverabilty of schemes, despite the increase in inner urban flatted schemes could have limited output in some urban authorities including Birmingham.

5.17 Over-performance could have resulted from specific local circumstances which would require further investigation, for example development pressures in more rural authorities or high density development on inner urban sites in urban authorities - such as Solihull.

NHPAU Target Ranges

5.18 In June 2008 the NHPAU published, *"Meeting the housing requirements of an aspiring and growing nation: taking the medium and long-term view"*. The publication seeks to provide an indicative distribution for the Government's delivery targets set out in the Green Paper. The publication sets out NHPAU's 'Recommended Regional Supply Ranges' from 2008 to 2026 for the West Midlands as follows:

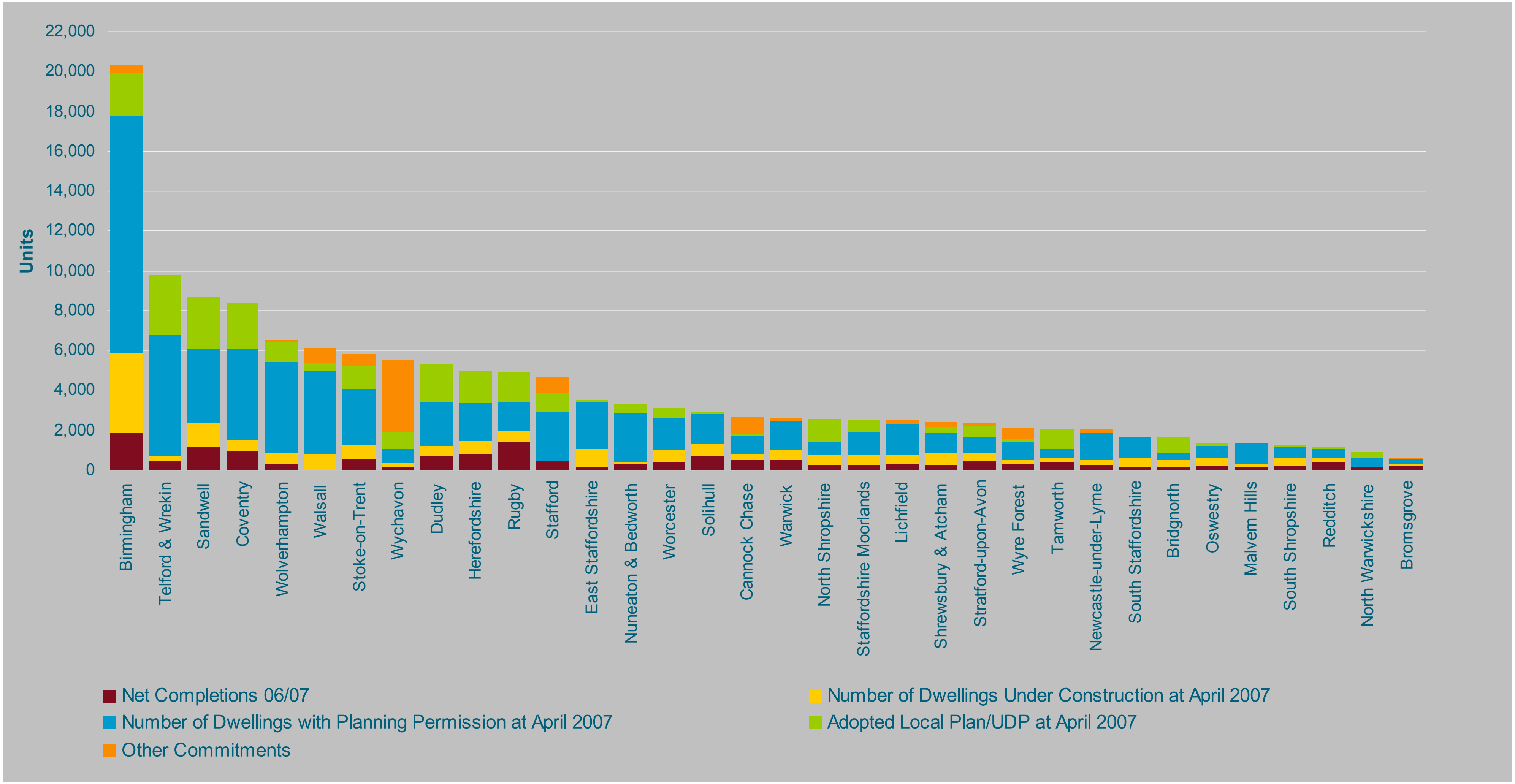
	Bottom of the proposed housing supply range	Upper end of the proposed housing supply range
Region	Average Annual Net Additions to 2026	Average Annual Net Additions to 2026
West Midlands Region	19,000	22,600

5.19 These ranges are significantly higher than recent gross output rates in the West Midlands Region which are achieving in the order of 14,900 dwellings per annum (see above).

Housing Land Supply

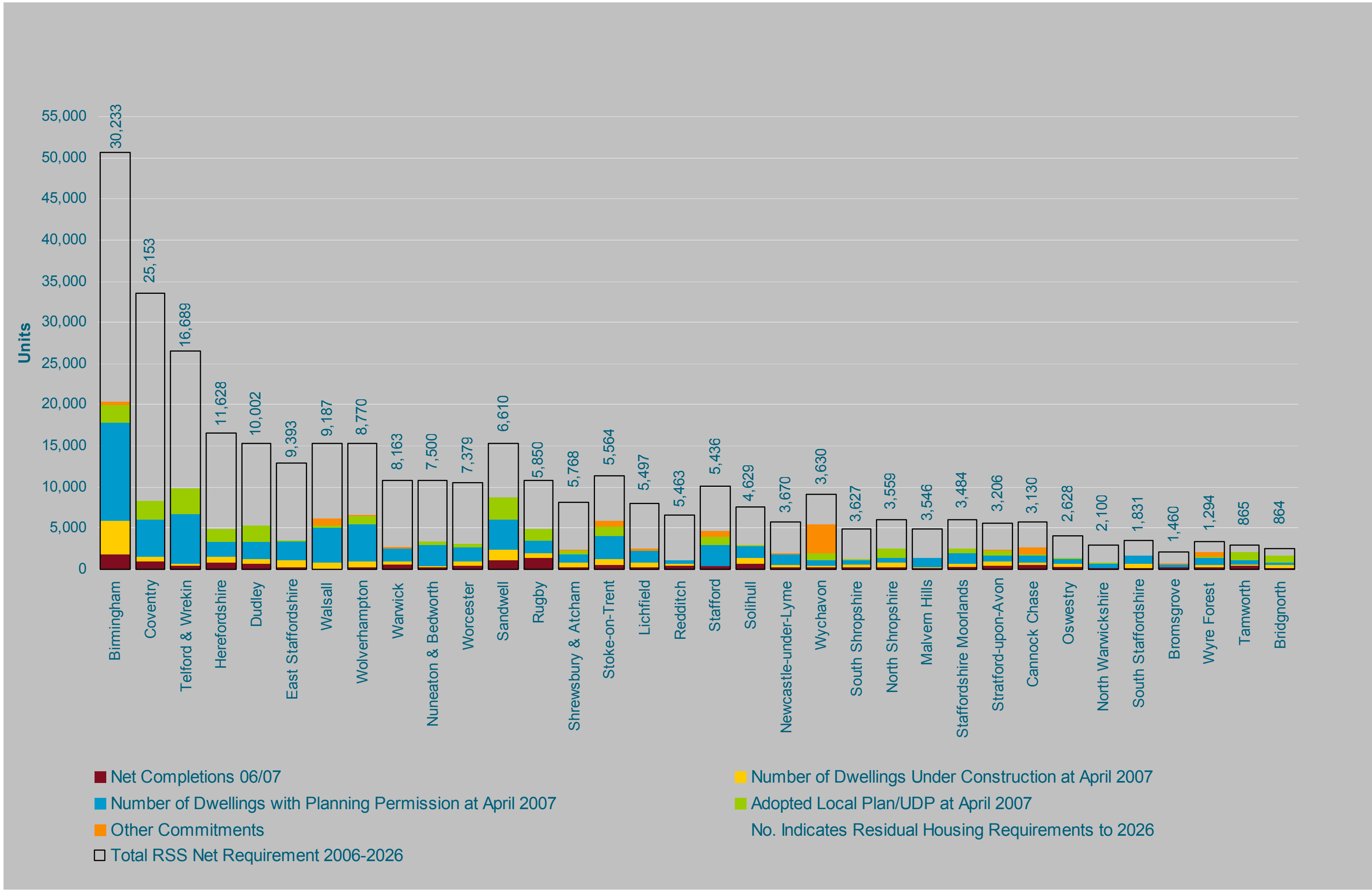
Overall Land Supply

5.20 The graph overleaf shows the components which make up the identified housing land supply for the West Midlands Authorities. Data was taken from West Midlands Assembly Annual Monitoring and utilises a base-date of April 2007.


Units
22,000
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
Birmingham
Telford & Wrekin
Sandwell
Coventry
Wolverhampton
Walsall
Stoke-on-Trent
Wychavon
Dudley
Herefordshire
Rugby
Stafford
East Staffordshire
Nuneaton & Bedworth
Worcester
Solihull
Cannock Chase
Warwick
North Shropshire
Staffordshire Moorlands
Lichfield
Shrewsbury & Atcham
Stratford-upon-Avon
Wyre Forest
Tamworth
Newcastle-under-Lyme
South Staffordshire
Bridgnorth
Oswestry
Malvern Hills
South Shropshire
Redditch
North Warwickshire
Bromsgrove
Net Completions 06/07
Number of Dwellings Under Construction at April 2007
Number of Dwellings with Planning Permission at April 2007
Adopted Local Plan/UDP at April 2007
Other Commitments

5.21 Overall Birmingham has by far the largest identified supply (in excess of 20,000 dwellings) followed by Telford & Wrekin (9,800), Sandwell (8,700), Coventry (8,350) and Wolverhampton (6,500). The majority of the identified supply to 2026 consists of extant planning permissions.

5.22 The graph overleaf shows how the identified supply as at 31st March 2007 compares with the RSS requirement for each local authority. The values on the graph indicate the 'residual' housing land supply to 2026 against the RSS requirement.


Units
55,000
50,000
45,000
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
0
30,233
25,153
16,689
11,628
10,002
9,393
9,187
8,770
8,163
7,500
7,379
6,610
5,850
5,768
5,564
5,497
5,463
5,436
4,629
3,670
3,630
3,627
3,559
3,546
3,484
3,206
3,130
2,628
2,100
1,831
1,460
1,294
865
864
Birmingham
Coventry
Telford & Wrekin
Herefordshire
Dudley
East Staffordshire
Walsall
Wolverhampton
Warwick
Nuneaton & Bedworth
Worcester
Sandwell
Rugby
Shrewsbury & Atcham
Stoke-on-Trent
Lichfield
Redditch
Stafford
Solihull
Newcastle-under-Lyme
Wychavon
South Shropshire
North Shropshire
Malvern Hills
Staffordshire Moorlands
Stratford-upon-Avon
Cannock Chase
Oswestry
North Warwickshire
South Staffordshire
Bromsgrove
Wyre Forest
Tamworth
Bridgnorth
Net Completions 06/07
Number of Dwellings Under Construction at April 2007
Number of Dwellings with Planning Permission at April 2007
Adopted Local Plan/UDP at April 2007
Other Commitments
No. Indicates Residual Housing Requirements to 2026
Total RSS Net Requirement 2006-2026

Further Supply Potential

5.23 In addition to the supply sources identified above, other sources of 'potential' housing land supply have been identified from the Regional Housing Land Potential Study (RHLPS) (October 2007).

5.24 The RHLPS was undertaken in 2007 to inform the RSS Phase 2 Revision. All local authorities in the region were asked to complete a questionnaire which sought estimates of potential supply available in the periods 2006-16 and 2016-26 from a number of different sources in the authority area. The emphasis was laid upon a realistic supply rather than 'undiscounted capacity'. All data related to a base date of 2006.

5.25 The RHLPS' headline capacity figures for the West Midlands Region are :

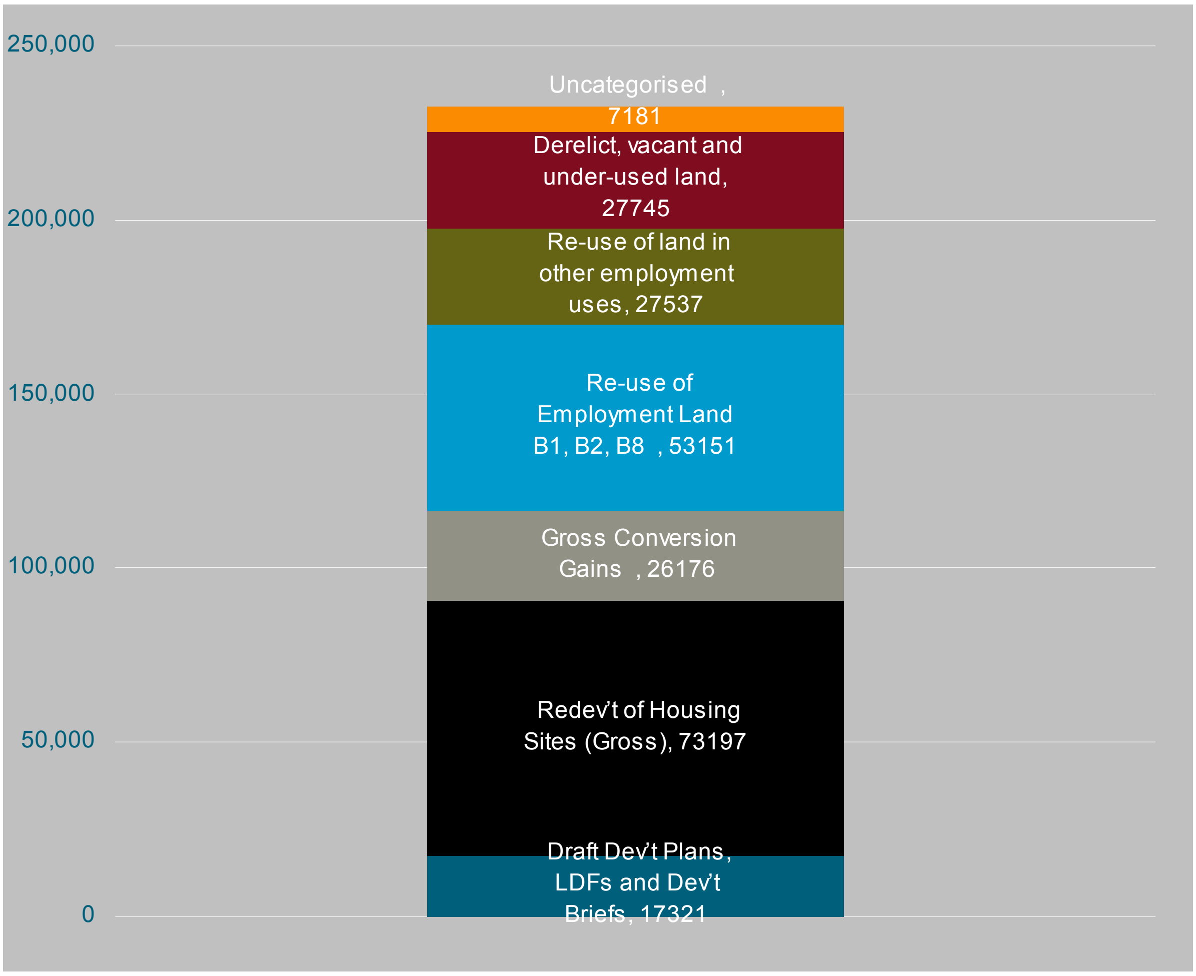
1. The total capacity in the Region 2006-2026 (as at April 2006): 366,900 dwellings (293,700 dwellings when housing redevelopment sites are excluded)
2. Additional capacity from increasing densities on the capacity identified: 12,350 dwellings
3. Of the 366,900 dwelling total capacity, 107,500 dwellings were from commitments (sites under construction or with planning permission and Local Plan/UDP Allocations as at April 2006)
4. If housing redevelopment sites are excluded, 55% of the capacity is within the Major Urban Areas[5] (MUAs) (161,400 dwellings).
5. If housing redevelopment sites are excluded overall, 87% of the capacity is on PDL land. This is up to 95% in the MUAs and is 77% outside the MUAs.
6. Overall 90% of the capacity is within urban areas, 99% of the capacity in the MUAs classed as urban and 79% outside the MUAs.

5.26 Tables 4 and 5 of Appendix 3 of the RHLPS identify the following sources of supply which are additional to those included in the graph in paragraph 5.19:

1. Sites within draft development plans, LDFs and development briefs
2. Redevelopment of housing sites
3. Gains expected from conversions
4. Re-use of employment land (B1, B2 and B8 uses)
5. Re-use of other employment land (non B1, B2, B8 including schools, retail, nursing homes)
6. Derelict, vacant and under-used land
7. Uncategorised sites
8. (The identified capacity in the RHLPS does not include potential capacity from white land or urban extensions to Growth Points or Areas of Development Restraint (ADRs)).

5.27 Together, the above sources yield an approximate potential capacity of 232,300 dwellings in the Region. These are distributed among the various sources as shown on the graph below.

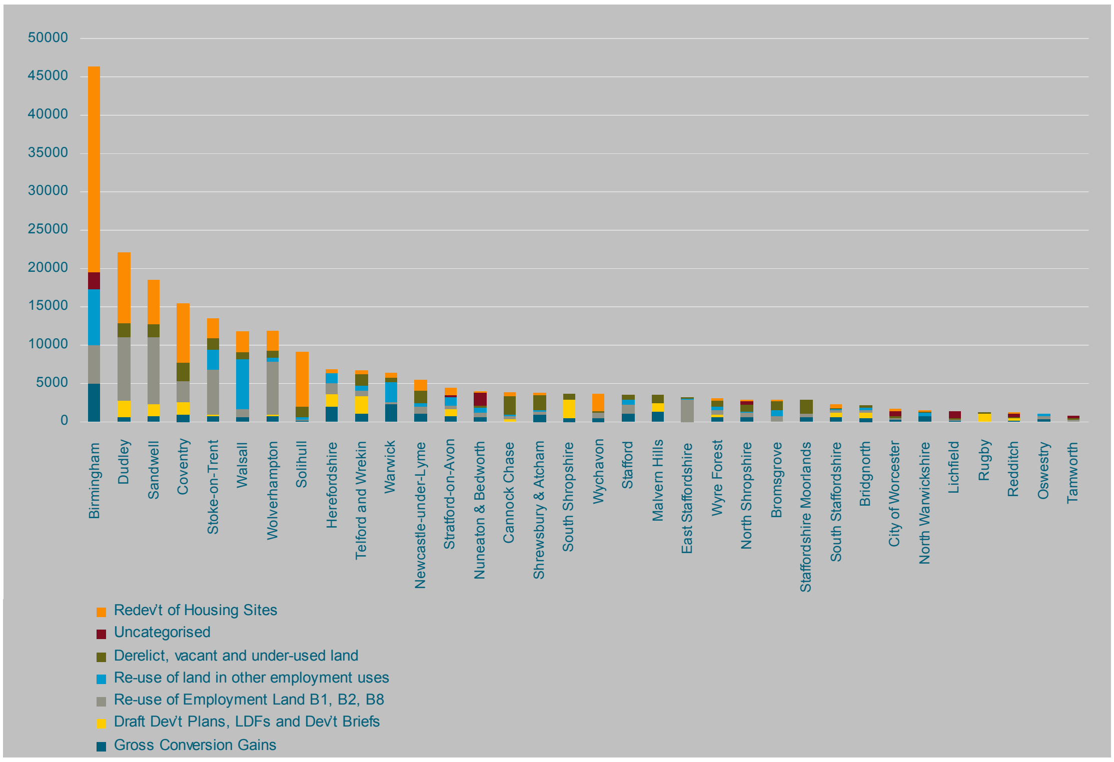
[5] The MUAs are the West Midlands Conurbation (including Coventry and Solihull), Stoke-on-Trent and Newcastle-under-Lyme.



5.28 Particularly high sources of capacity include:

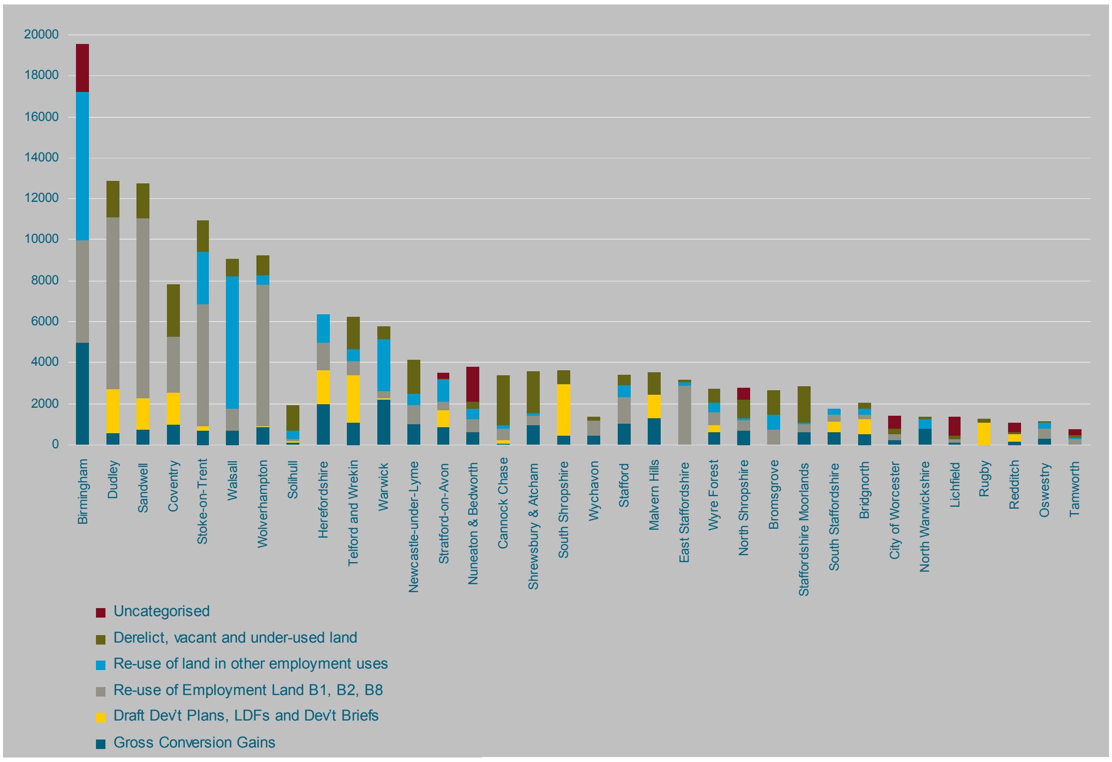
- sites from redevelopment of housing (73,200 dwellings) (although it should be noted that a total of 71,400 demolitions are anticipated across the region (2006-2026) suggesting an overall replacement rate of 1:1)
- sites formerly in B1, B2 and B8 employment use (53,150 dwellings)
- sites formerly in other employment use (27,500 dwellings), and
- derelict, vacant and underused land (27,750 dwellings).

5.29 The distribution of the potential supply sources identified in Tables 4 and 5 of the RHLPS among the local authorities is shown on the graph below.



5.30 Birmingham has the highest housing land supply potential (46,000 dwellings) followed by Dudley (22,000 dwellings), Sandwell (18,500 dwellings), Coventry (15,500 dwellings) and Stoke-on-Trent (13,500 dwellings).

5.31 The graph below shows the housing land supply potential if the redevelopment of housing sites is excluded (assuming that there would be a 1:1 replacement of dwellings and therefore zero net dwelling gain).



5.32 Birmingham again has the highest potential housing land supply (in excess of 19,500 dwellings) followed by Dudley and Sandwell, (both in excess of 13,000 dwellings) and Stoke-on-Trent (11,000 dwellings).

Strategic Housing Land Availability

5.33 Traditional assessments of urban housing land, such as that presented above, are being replaced by Strategic Housing Land Availability Assessments (SHLAAs). These differ from Urban Capacity Studies in that they identify and assess additional sites with potential for housing which were not required to be assessed by the former including sites outside of settlement limits and suitable greenfield sites. SHLAAs also assess the deliverability and developability of identified supply sources.

5.34 Progress on the preparation of SHLAAs is varied across the region. The position for local authorities as at August 2008 (unless otherwise stated) is summarised in the table below.

Local Authority	SHLAA Progress / Status
Birmingham	**Complete** - published September 2008
Bromsgrove	Call for sites May 2008. Consultation on draft expected September/October 2008.
Cannock Chase	Consultation on Draft July 2008 – final draft expected October 2008.
Coventry	Report in final stages of preparation
Dudley	Completion expected Jan 2010
East Staffordshire	Completion (stage 2) expected autumn 2008.
Herefordshire	Completion expected in November 2008.
Lichfield	Consultation May 2008, completion expected summer 2009.
Malvern Hills Worcester Wychavon	**Complete** – published July 2008.
Newcastle-under-Lyme	Call for sites April 2008. Site appraisals underway. Further consultation expected September 2008
North Warwickshire	Delayed due to re-tendering – completion expected January 2009.
Nuneaton and Bedworth	Call for sites July 2008, completion expected December 2008.
Redditch	Call for sites March 2008. Completion expected late autumn 2008..
Rugby	Draft published September 2008. Completion expected December 2008.
Sandwell	Completion expected Jan 2009.
Solihull	Completion expected spring 2009.
South Staffordshire	**Complete** - February 2008.
Stafford	Completion expected January 2010.
Staffordshire Moorlands	Assessment commenced September 2008. Completion expected 2010.
Stoke-on-Trent	Completion expected December 2008/January 2009.
Stratford-on-Avon	**Complete** – published May 2008.
Tamworth	Completion expected December 2008.
Telford and Wrekin	Consultation March 2008 – Draft under revision. Further consultation expected January 2009.
Walsall	Estimated completion March 2009.
Warwick	Call for sites March 2008. Consultation expected September 2008, completion expected December 2008.
Wolverhampton	Expected to commence work early 2009 – completion expected August 2009.
Wyre Forest	Call for sites April 2008. Completion expected January/February 2009.
Bridgnorth North Shropshire	Joint SHLAA for Shropshire - call for sites June 2008. Completion expected late 2008

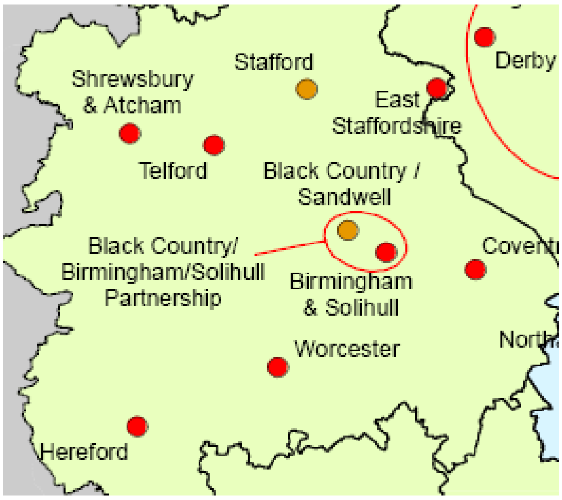
Oswestry Shrewsbury and Atcham South Shropshire	

5.35 Six authorities (Birmingham South Staffordshire, Stratford-Upon-Avon, Malvern Hills, Worcester and Wychavon) have completed their SHLAA.

5.36 Until there is a comprehensive picture from completed SHLAAs across the region it is not possible to assess how the supply compares on aggregate with identified supply in Urban Capacity Studies. This aspect needs further analysis upon completion of SHLAAs.

Growth Points

5.37 Nine Growth Points in the West Midlands Region have been announced by CLG. These are identified on the figure below.



Growth Points
Growth Point Partnership Areas
Additional Growth Points
Additional Growth Point Partnership Areas

Source: http://www.communities.gov.uk/documents/housing/pdf/898634.pdf

5.38 Key housing aspirations for each growth point are identified below:

i) Birmingham and Solihull within the Birmingham, Coventry and Black Country City Region

- A minimum of 40,000 new homes by 2016
- renewal of areas currently dominated by social rented housing to deliver quality housing in a wider variety of tenures including 'intermediate' housing

ii) Coventry within the Birmingham, Coventry and Black Country City Region

- at least an additional 24,000 homes between 2001 and 2026
- major regeneration schemes, providing 6,200 homes between them, as well as a new "learning quarter"
- railway Station Interchange redevelopment

iii) Telford within the Birmingham, Coventry and Black Country City Region

- 13,000 new houses by 2016 and up to 25,000 by 2026

iv) East Staffordshire - Burton-upon-Trent

- an additional 5,000 high quality homes by 2016 with a further 7,000 by 2026

v) Hereford

- increase in the rate of new housing built in the County, and in particular at Hereford, to provide around 8,500 dwellings over the period up to 2016, including the provision of affordable housing

vi) Shrewsbury and Atcham

- approximately 3,500 additional dwellings by 2016, 30 per cent above current Regional Spatial Strategy targets, to include 100 affordable dwellings per annum

vii) Worcester

- residential growth to the order of 3800 homes by 2016

viii) Stafford

- residential growth to the order of 5,000-6,000 homes by 2016

ix) Black Country / Sandwell

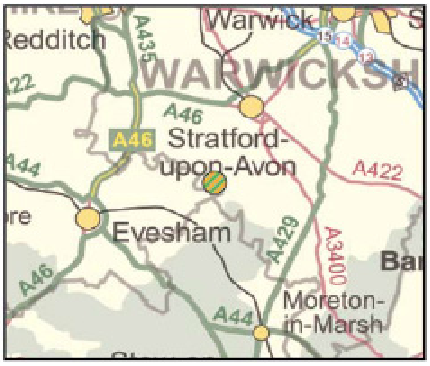
- net residential growth to the order of 32,850 homes by 2016

Eco-Towns

5.39 There were two proposals for eco-towns in the region short-listed by CLG:

5.40 **Curborough** – proposal for up to 5,000 dwellings on a 314 ha site, comprising part of the former Fradley Airfield, close to Lichfield on the A38. This proposal was subsequently withdrawn.

5.41 **Middle Quinton** (Long Marston) – comprising a 240 ha former MoD Engineers Depot near Stratford-upon-Avon, the proposal is to provide at least 6,000 dwellings in an area identified by DCLG as 'very high' housing affordability pressure. The site already acts as an employment centre, and the eco-town will include a designated employment area, although this has not yet been defined in terms of potential job generation. The proposal also includes a university faculty to provide a national centre of excellence for eco-town technologies, in collaboration with Coventry University.



Key Implications for Developing Housing Options

1. Should the options take into account past performance against the adopted RSS housing requirement?
2. Should the options be based on the level of supply?
3. A high proportion of the identified housing land supply sources identified through the RHLPS are urban/previously developed – is there an appetite of development on urban sites and what is the likelihood that the development of this land source be sustained in the longer term?
4. What weight should be afforded to Strategic Housing Land Availability Assessments and how far does the timescale for the completion of these enable their findings to inform the development of the Options?