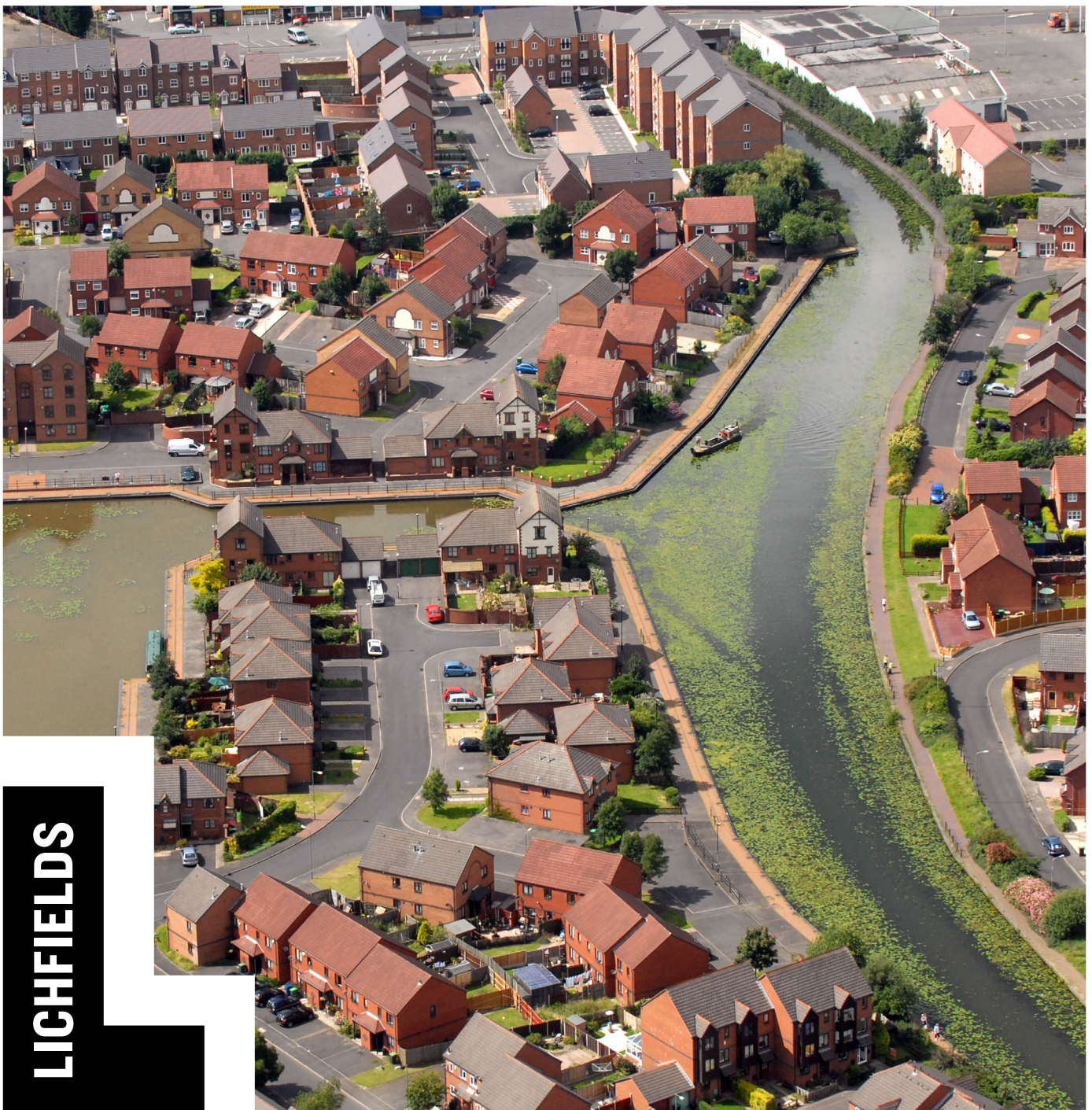


**INSIGHT**  
**JANUARY 2022**

# The Black Country's next top model

Distributing the unmet housing needs  
of the Black Country



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# Key figures

**28,239**  
dwellings

The level of housing shortfall arising in the Black Country up to 2039

**12**  
LPAs

Have been requested by the Black Country to assist meeting these needs, with 4 outside of the housing market area

**2**  
Local Plans

Only two plans have explicitly stated and defined contributions in emerging Local Plans that would help to meet these needs.

**2**  
LPAs

Have used a functional relationship approach to distributing neighbouring unmet housing needs, which have been endorsed by Inspectors.

**Birmingham and Tamworth**

Are just as constrained as the Black Country and are unlikely to be able to meet these needs.

**1-13%**

The proportion of the Black Country's needs that Lichfields' model indicates most authorities should seek to meet in Local Plans, above their own needs.

# O1 Introduction

Our All the West-Laid Plans blog<sup>1</sup> set out the perennial strategic planning issue facing the Greater Birmingham and Black Country Housing Market Area [GBBCHMA] – an inability of the major conurbations to meet their housing needs. This issue has been at the heart of plan-making for the constituent authorities of the GBBCHMA for the last four years.

The Government has gone to great lengths to standardise the approach to assessing housing needs in the National Planning Policy Framework (2021) [NPPF] and has made it quite clear that unmet needs should be met in neighbouring areas. However, there is no single, definitive, approach either to compel an adjoining authority to take on board that need, nor to determine the proportion of unmet need that they should seek to accommodate.

Whilst the GBBCHMA's approach began with an evidence-led whole-HMA approach, with the 2018 Strategic Growth Study ('the 2018 SGS') being commissioned to assist in quantifying and distributing the regions unmet housing needs, many authorities have – politically – distanced themselves from the outcomes of the study. Although there are emerging contributions proposed, fundamentally there has not been a consistent or coordinated approach that has been used to define and test the appropriate level of unmet housing need which should be addressed.

By way of example, Solihull has taken a capacity-led approach to determine its contribution to Birmingham's unmet needs. In contrast, the recently adopted North Warwickshire Local Plan considered the proximity, connectivity and strength of functional inter-relationships with Birmingham; an approach



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There is no point trying to meet the unmet needs of Birmingham in Glasgow because the socio-economic links would be lost. (IR6I, Inspectors Report)

which the Inspector supported<sup>2</sup>. This was similar to the approach taken in distributing Coventry's unmet needs across the Coventry & Warwickshire HMA. Again, the Inspector for the Stratford-on-Avon Core Strategy (2017) endorsed this approach<sup>3</sup>.

With acute shortages forecast until 2039 at the minimum, there is a cogent need for the GBBCHMA authorities to work together to address this matter in an efficient, sustainable and appropriate way, underpinned by a robust evidence base.

So, how can this strategic and cross-boundary issue be addressed? It would be illogical to meet these needs markedly beyond the GBBCHMA, as the Stratford-on-Avon Inspector noted. It is also clear that a 'fair share' approach is unlikely to solve this issue, as many of the GBBCHMA authorities are nearly as constrained as those authorities declaring unmet housing needs in the first instance. Lichfields considers that a functional relationship approach is the best place to start, and to this end, prepared this report to identify how the unmet needs of the Black Country could be distributed based upon the functional relationships between the authorities (please note - this is not an 'Objectively Assessed Needs [OAN] report).

## Report structure

This report is structured as follows:

- **Section 2.0** – Defines the extent of the GBBCHMA, the Black Country sub-HMA, the justification for expanding the scope of the Black Country HMA, and sets out the current unmet housing need position for the Black Country up to 2039;
- **Section 3.0** – Sets out Lichfields' approach to modelling the location of where the Black Country's unmet housing needs should be addressed, where they cannot be accommodated within the Black Country already;
- **Sections 4.0 to 8.0** – Sets out Lichfields' step-by-step analysis of key indicators to conclude on where the Black Country's unmet housing needs should be addressed;
- **Section 9** – Identifies how the Black Country's unmet housing needs could be distributed, and re-balances the model to align with existing commitments by authorities to meet part of these needs or to not exceed their 'fair share';
- **Appendices** – Includes a table of the analysis undertaken for the local authorities identified within the HMA and beyond.



# O2

## The Housing Market Area and housing need pressures

**A review of previous evidence indicates that conurbations housing market stretches well beyond their boundaries.**

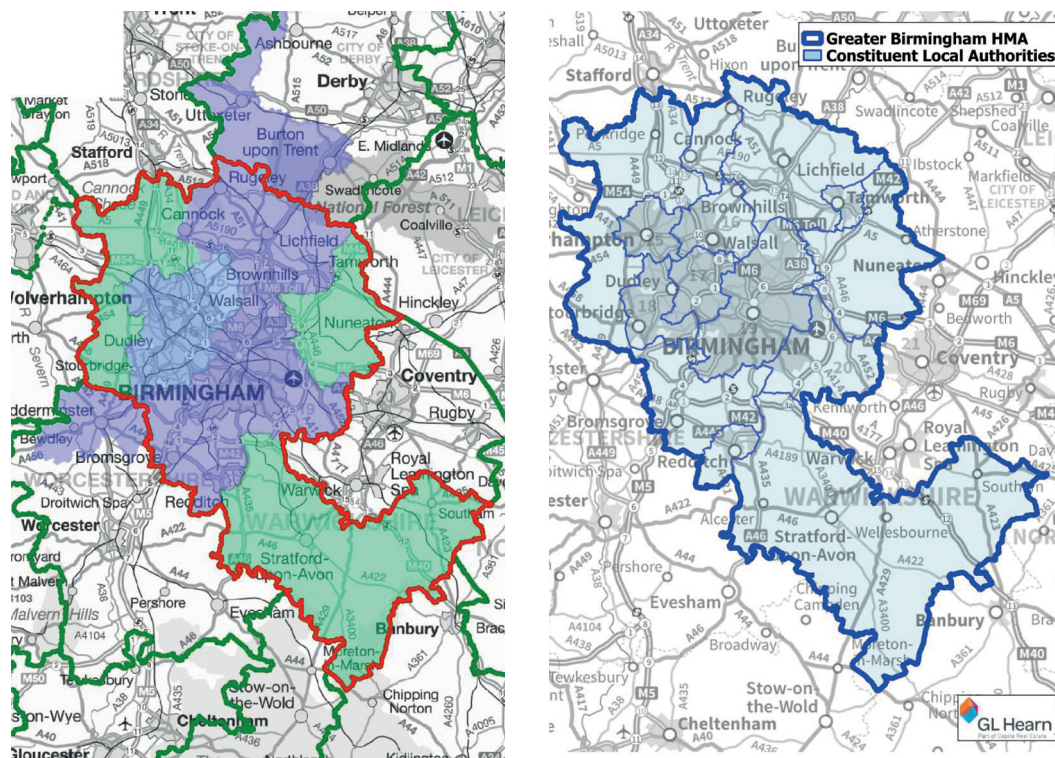
The NPPF is clear that neighbouring local authorities are required to work together to identify and accommodate unmet needs where it is practical to do so and is consistent with achieving sustainable development.

The precise extent of the GBBCHMA has been the subject of considerable analysis in recent years. In 2014, the 'Strategic Housing Needs Study Stage 2 Report'<sup>4</sup> concluded on a functional strategic HMA that, in addition to the seven Greater Birmingham districts, includes the four Black Country districts, South Staffordshire, North Warwickshire and Stratford-on-Avon<sup>5</sup> (of whom the latter two

also fall within the Coventry-Warwickshire HMA). This strategic functional HMA was subsequently endorsed by the Inspector at the BDP's Examination in Public.

The GBBCHMA is therefore considered to comprise of 14 constituent authorities<sup>6</sup>, as well as the Greater Birmingham and Solihull LEP and Black Country LEP areas, but can be further refined into two submarkets: the Birmingham sub-market ("the Birmingham HMA") and Black Country sub-market ("the Black Country HMA"). The GBBCHMA, therefore, represents a long-established functional strategic HMA, which was adopted as the framework, and starting point, in the 2018 SGS for distributing Birmingham's unmet housing needs.

Figure I: Greater Birmingham and Black Country Constituent Parts and Overall Housing Market Area Geography



Source: Strategic Housing Needs Study Stage 2 Report November 2014 (Figure 2.1) and Greater Birmingham HMA Strategic Growth Study February 2018 (Figure II)

<sup>4</sup> Prepared by Peter Brett Associates

<sup>5</sup> East Staffordshire and Wyre Forrest were not included as they fell outside of the core Greater Birmingham housing market area

<sup>6</sup> Birmingham, Bromsgrove, Cannock Chase, Dudley, Lichfield, North Warwickshire, Redditch, Sandwell, Stratford-on-Avon, Tamworth, Walsall and Wolverhampton

## The breakdown of the GBBCHMA and the emergence of Black Country's unmet needs.

Whilst the GBBCHMA authorities began 'coordinating' their approach to addressing the c.37,900 dwellings unmet housing need in the Birmingham HMA up to 2031, it quickly became apparent that the Black Country HMA was also facing significant pressures in terms of land availability.

This was alluded to in earlier GBBCHMA Position Statements, but more recently confirmed in the publication of the Draft Black Country Plan in August 2021. Indeed, the emerging plan has identified a housing shortfall in the order of 28,239 dwellings up to 2039 across the Black Country. This is on top of the existing shortfall in Birmingham up to 2031 and does not even account for the very considerable level of additional unmet housing need arising in Birmingham as a result of the city being subject to the Government's 35% urban uplift<sup>7</sup> on its local housing need figure, whilst the LHN figure will rise still further when the standard method Local Plan 'cap' is removed in January 2022<sup>8</sup>.

Whilst historically the GBBCHMA has sought to take a whole-HMA approach to assess its housing needs, available supply, and subsequent housing shortfalls, the

recent spate of plan-making indicates a breakdown in this approach. Indeed, as set out in Lichfields' All the West-Laid Plans blog, both the Black Country and Birmingham are separately vying for the contributions being made/proposed by the GBBCHMA authorities. In particular, both HMAs are competing for South Staffordshire's emerging c.4,000 contribution. In this regard, the last GBBCHMA Position Statement<sup>9</sup> 'banked' this contribution towards Birmingham's unmet housing needs, but separately the Association of Black Country Authorities had requested that the whole contribution be made towards the Black Country's unmet needs, rather than Birmingham's<sup>10</sup>.

Furthermore, the Black Country has recently set out<sup>11</sup> the direct and indirect 'offers' from neighbouring authorities, which could total up to 14,750 dwellings. Notably, these contributions comprise Birmingham's 'banked' contributions, alongside looking beyond the GBBCHMA towards Stafford, Shropshire, Telford and Wrekin and Wyre Forrest<sup>12</sup>; authorities which fall outside of the GBBCHMA.

This is, in theory, leading to double counting, the consequence of which being that the region's housing needs are not truly being met. But, ultimately, it also demonstrates

<sup>7</sup> Birmingham is subject to the 35% urban centres uplift, following the Government's changes to the standard method in December 2020 as set out in the Planning Practice Guidance.

<sup>8</sup> PPG ID: 2a-004: "Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of: a. the projected household growth for the area over the 10 year period identified in step 1; or

b. the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists)."

<sup>9</sup> Greater Birmingham and Black Country Housing Market Area (GBBCHMA) Housing Need and Housing Land Supply Position Statement (July 2020)

<sup>10</sup> In a letter (dated December 2019) from the Association of Black Country Authorities to South Staffordshire Council

<sup>11</sup> In the Duty to Cooperate Statement (July 2021)

<sup>12</sup> Draft Policy 6A of the Wyre Forrest District Local Plan 2016-2036 includes an early review requirement to help meet these needs if required.

Table 1 Direct and Indirect Contributions to Black Country's housing shortfall

HMA Authority	Emerging Plan Status	Potential Contribution
South Staffordshire	Preferred Options	4,000
Cannock Chase	Preferred Options	500
Lichfield	Pre-submission	2,665
Shropshire	Examination	1,500
Stafford	Issues and Options	Under review
Solihull	Examination	2,105
Telford and Wrekin	Issues and Options	Under review
Bromsgrove	Issues and Options	Under review
Redditch	N/A	N/A
North Warwickshire	N/A	N/A
Tamworth	Review	Unlikely
Wyre Forest	Main Modifications	None

that there has been a split in the whole-GBBCHMA approach historically taken, with the Black Country looking to source its own commitments from authorities within the GBBCHMA and other authorities with housing or employment links to the Black Country to help address its shortfalls.

Although, arguably, a regional and GBBCHMA approach to distributing the unmet housing needs of the HMA is needed to ensure sustainable strategic planning and plan-making can be undertaken, the evidence suggests that the Black Country is exploring spatial options for meeting its needs beyond its boundaries in authorities beyond the GBBCHMA, and separately to Birmingham. Whilst it is debatable whether the unmet housing needs

of Birmingham up to 2031 have been met (and their unmet needs beyond this have not been quantified as yet), there is, therefore, a strong and cogent argument to explore a sub-HMA approach to distributing the Black Country's needs up to 2039 at the very minimum separately from Birmingham's unmet needs, as it would be inappropriate for Birmingham's needs to be distributed to areas such as Wyre Forrest.

On this basis, this study has drawn on the constituent members of the GBBCHMA as well as the authorities which the Black Country has also asked to help meet its needs to also consider their role in helping to address this regional issue.





# 03 Methodology

The NPPF requires housing needs to be met but does not explicitly set out a single, or definitive, approach to distributing this unmet need. The key question, therefore, is where outside of the Black Country will those needs arise and how much (and what proportion) of those unmet needs should that location seek to plan for? To this end, Lichfields has developed a three-stage 'Functional Relationship and Gravity Model', which builds on the foundations of the functional relationship approaches taken by North Warwickshire and SoA, which is as follows:

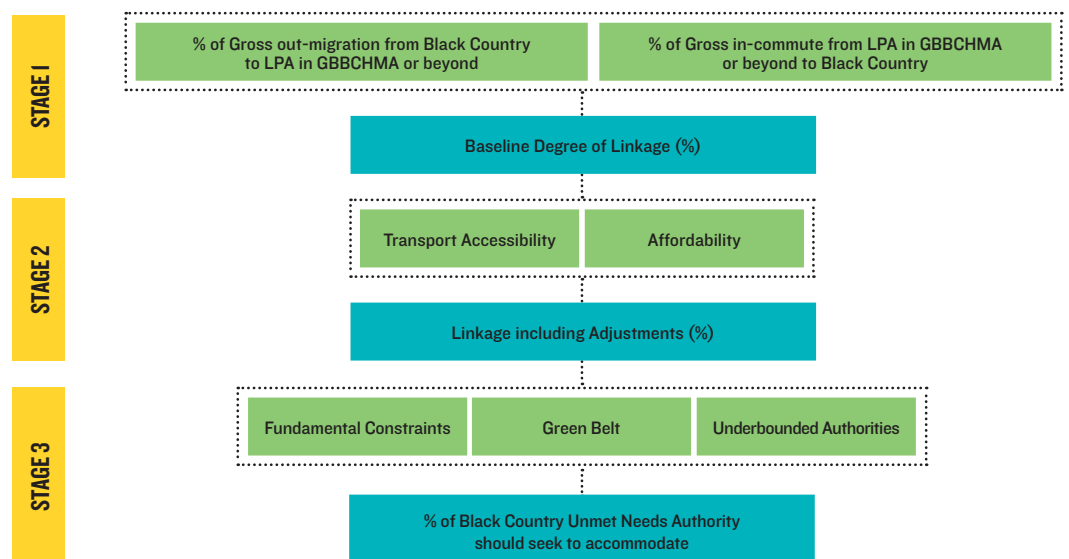
- **Stage 1:** Quantifying Linkages – The first stage identifies, and analyses, the functional linkages (commuting and migration patterns) between the GBBCHMA and other authorities to quantify and define a 'base share' of the unmet need;
- **Stage 2:** Sustainability and Market Signals Adjustments – Considers whether other factors might influence the quantum of need that is appropriate for a district to accommodate. This includes adjustments reflecting sustainable transport links and affordability pressures;
- **Stage 3:** Environmental and Physical Constraints – The third stage considers whether environmental constraints

(specifically NPPF Footnote 6 – excluding Green Belt), policy constraints (Green Belt) or physical constraints (Under-bounded districts) might influence the quantum of need which is appropriate for a district to accommodate;

- **Outcomes** – The final stage concludes on the proportion of the overall Black Country's unmet housing need that each of the GBBCHMA authorities and others should seek to meet through their Local Development Plans. This stage accounts for existing/emerging commitments in Local Plans and includes the application of a cap that limits the increases any one individual local authority can face up to 25% and rebalances the proportions accordingly.

Importantly, Lichfields' model reflects key choices people make in respect of where they live and work and utilises this to demonstrate how far, and the degree to which, this impacts on the authorities within the strategic HMA and beyond. Fundamentally, the model is weighted towards location and communities that can accommodate greater levels of growth across the region, but it also ensures that each authority would still take a 'fair share' and would not be disproportionately impacted by the outcomes of the model.

Figure 2: Methodology



Source: Lichfields

# 04 Stage 1: a baseline degree of linkage

The Black Country HMA can be characterised as a sub-market within the wider strategic GBBCHMA in its own right. Whilst each authority within the Black Country will demonstrate its own individual migration and commuting trends, the four authorities operate as a whole for plan-making purposes and this analysis looks at the Black Country's cumulative trends within the wider strategic HMA and beyond.

## Migration

The four authorities comprising the Black Country are situated to the north-west of Birmingham and demonstrate a markedly different migration flow to that of the Second City, which primarily flows into Solihull and Sandwell. This is principally due to the geography of the Black Country HMA and the authorities which surround it.

Given the urban nature of the Black Country, we would expect migration flows to be tilted towards the adjoining and highly desirable rural commuter districts. This is largely borne out in the migration flows from the Black Country authorities; however, the flows suggest that the housing preferences for households leaving the Black Country tend to gravitate towards Birmingham in the first instance, followed by South Staffordshire, Shropshire, Cannock Chase, Wyre Forrest, Telford and Wrekin, and Lichfield as one might expect given the proximity of those predominantly rural authorities to the Black Country conurbation.

Whilst the strongest focus for out-migration is to Birmingham (44%), which represents the lions share, the second largest migration flow within the area is to South Staffordshire, accounting for 17% of all outward migration over the 2012 to 2020 period. Importantly, this gross outward migration flow over the eight years provides an indicator of the spatial extent of the geography which the Black Country's unmet housing need might impact. As shown in Figure 3, it is clear that Black Country exerts significant housing pressures on Birmingham and South Staffordshire collectively.

## Travel to Work

By virtue of the character of the Black Country HMA, the strongest commuting links are within the HMA itself, with the conurbation exhibiting a high degree of self-containment. However, despite the employment opportunities on offer, the Black Country actually experiences an overall net decrease of c.25,000 commuters daily. This is because, whilst c.183,700 commute into the Black Country daily, nearly c.210,000 people commute out to other authorities for work. Except for Wolverhampton, the remaining Black Country authorities all see a workday population decrease. The most significant is that of Dudley, which experiences a net loss of 18,700 commuters daily, the majority of which travel into Sandwell or Birmingham for work.

Despite the net outflow from the Black Country, the Black Country's economy still has a wide reach. Tens of thousands of people work across the Black Country and live in other parts of the HMA or beyond, with a gross inflow of c.80,000 commuters into the Black Country every day from these 14 districts. In general, travel to workflows into the Black Country tend to correlate with the above-mentioned migration patterns. The 2011 Census showed that the major travel inflow from the HMA and wider area into the Black Country arises from Birmingham, at around a third, with South Staffordshire at just below 25%. The areas highlighted in Figure 4 show the extent of the Black Country's reach across the GBBCHMA and beyond.

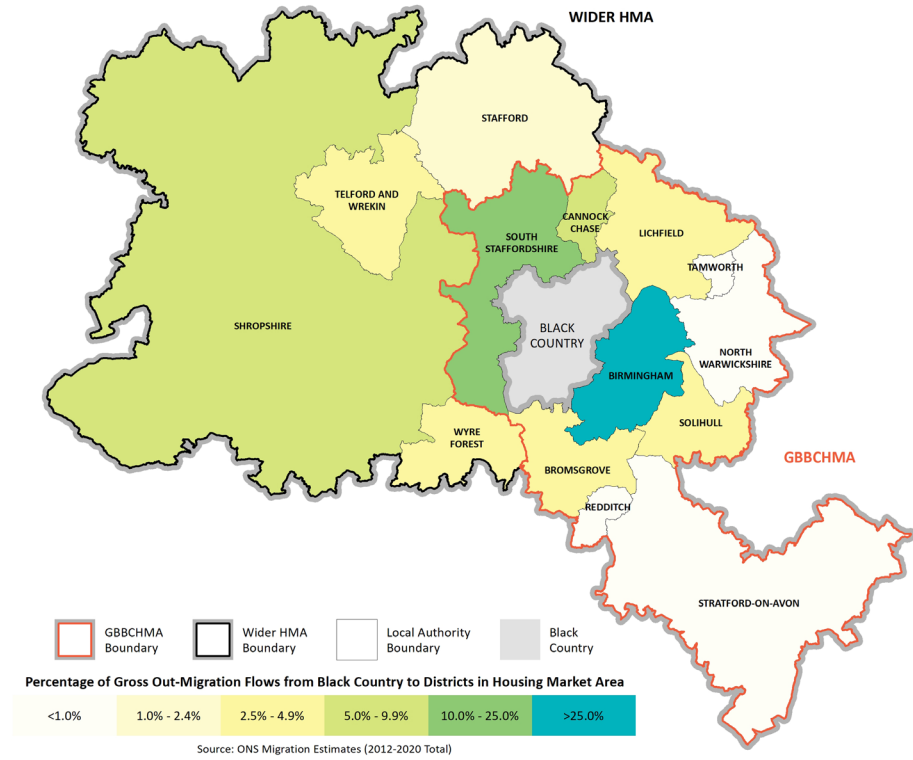
**17%**

of the people moving out of the Black Country moved to South Staffordshire (2012-2020)

**44%**

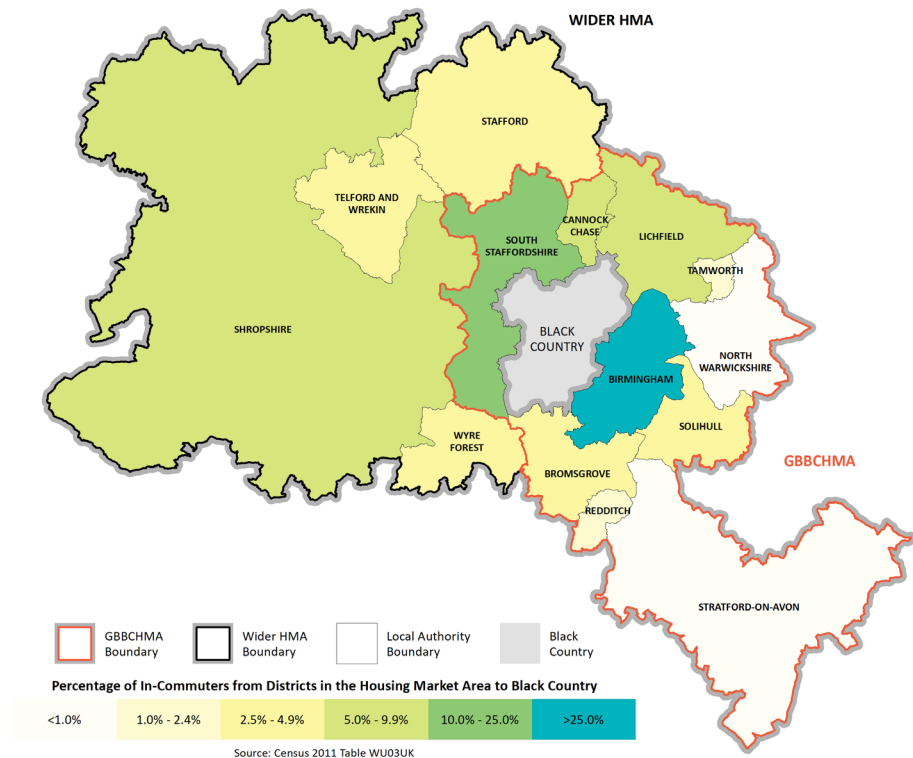
of the Black Country's in-commuters come from the HMA and wider area

Figure 3: Gross out-migration (from the Black Country)



Source: ONS Migration Estimates (2012-2020 Total), Lichfields analysis

Figure 4: In-commuters (to the Black Country)



Source: 2011 Table WU03UK, Lichfields analysis

# 05 Baseline degree of linkage

**Across the HMA and beyond we can quantify the extent to which each district is linked to the Black Country and define a 'base share' of unmet needs that they might need to accommodate.**

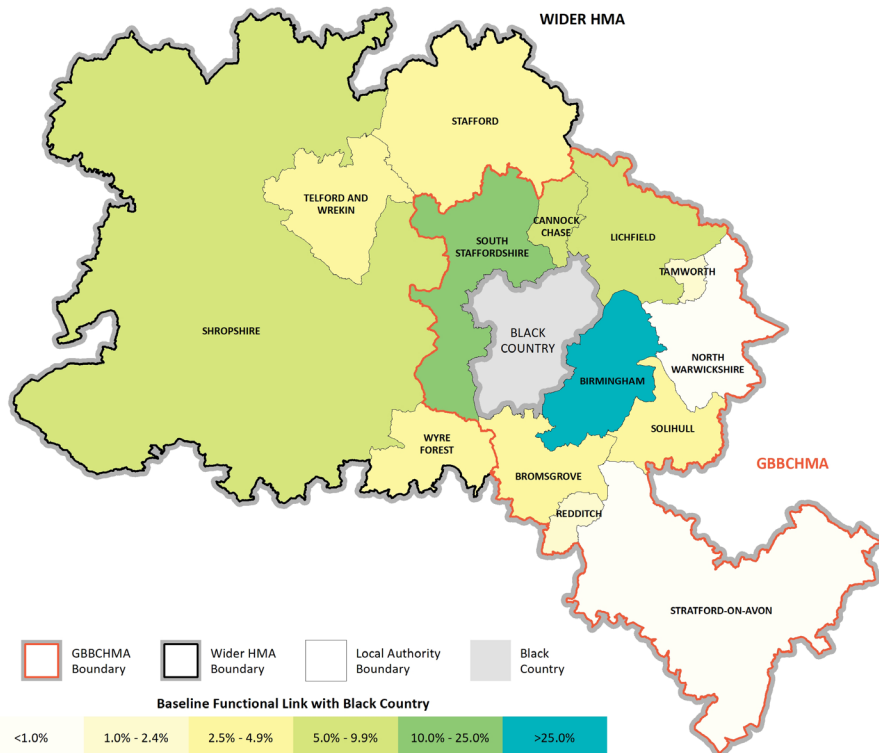
In simple terms, unmet housing needs from the Black Country will place additional pressures on those areas that are linked in housing market terms to both areas. This is because an undersupply in the Black Country will mean, compared to past trends, either more migration out of these areas (as people move to seek a home) or less migration into these areas as people cannot find a home to move to and therefore chose a different location but commute to a place of work. Areas that are strongly related to the Black Country will face greater pressures from the unmet needs. Identifying how interdependent a location is within the housing market within

Black Country is a function of movement, both to live (migration) and to work (commuting).

In order to identify a base position of the share of the Black Country's unmet housing needs each district should accommodate, Lichfields has undertaken a detailed analysis of out-migration and in-commuting flows. These have then been converted into a simple percentage of what proportion of the migration flow is directed into the other districts from the Black Country, and commuting flows into the Black Country.

By averaging this out, we can determine a percentage for each District, adding up to 100% for all the districts. This percentage represents the baseline degree of housing market linkage an area has with the 4 Black Country districts and therefore is representative of its starting share of their unmet needs which will need to be met in the HMA and beyond. This is illustrated in Figure 5.

Figure 5: Base share of unmet needs



Source: Lichfields analysis

# 06 Stage 2: uplift and restraint factors



Significant development should be focused on locations which are or can be made sustainable, through limiting the need to travel and offering a genuine choice of transport modes. (Para 105, NPPF 2021)

**Areas with good public transport links to the Black Country provide an opportunity to help deliver the area's unmet needs, and support more sustainable commuting patterns.**

The NPPF sets out an approach to sustainable development patterns that specifically identifies support for patterns of development that facilitate the use of sustainable modes of transport.

Moreover, where Green Belt release is considered necessary, plans should give first consideration to land which has been previously developed and/or is well-served by public transport. Across the HMA and beyond, locations will offer different opportunities for supporting sustainable commuting patterns.

The West Midlands benefits from one of the most highly-integrated rail networks in the country. Figure 6 illustrates all of the stations

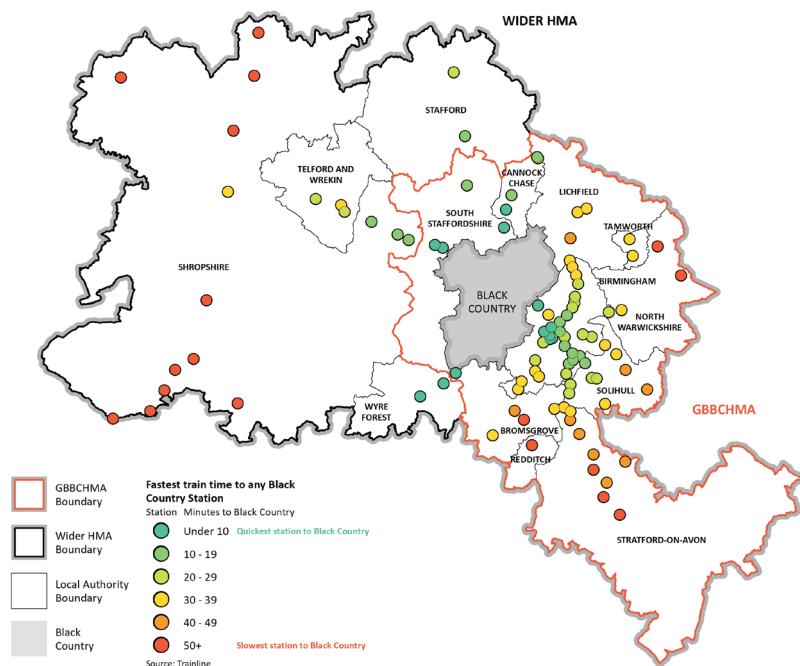
within the districts with either direct links or changes at a Birmingham terminus to terminuses within the Black Country, including the fastest commuting time. To account for these links in the gravity model, rail stations and the fastest travel times to the Black Country's terminus are used as a proxy for a district's public transport connectivity to the Black Country. This has informed the uplift factors applied to each district's base share of unmet needs – as illustrated in Table 2.

Table 2 Sustainable Transport adjustment factors

Time from Station in District to Black Country Terminus (Minutes)	Adjustment
<10 mins	+20%
11-20 mins	+10%
21-30 mins	0%
31-40 mins	-10%
>41 mins	-20%

Source: Lichfields analysis

Figure 6: Fastest time to any Black Country Station



Source: Trainline, Lichfields analysis

## Adjusting for affordability

Higher affordability ratios are a clear indication that house prices are rising at a far greater pace than household incomes. This represents a core indicator of a worsening housing market and for this reason, underpins the Government's uplift adjustment to the household projections that inform the standard methodology for identifying Local Housing Needs. It is reasonable to assume that some areas (i.e. with greater affordability pressures) should be expected to do more than their 'share', as pressures are more pronounced. Consideration has therefore been given to how adjusting authorities' shares of the overall need could, reasonably, be expected to improve affordability and ensure that the housing needs are met.

To account for this in the model, we have utilised the most recent ONS median workplace-based affordability ratios (i.e. the 2020 ratios<sup>15</sup>) and the standard method's affordability adjustment<sup>16</sup>, and apply adjustments to each district's base share of unmet needs. This is illustrated in Table 3 and Figure 7.

Table 3 Affordability adjustment factors

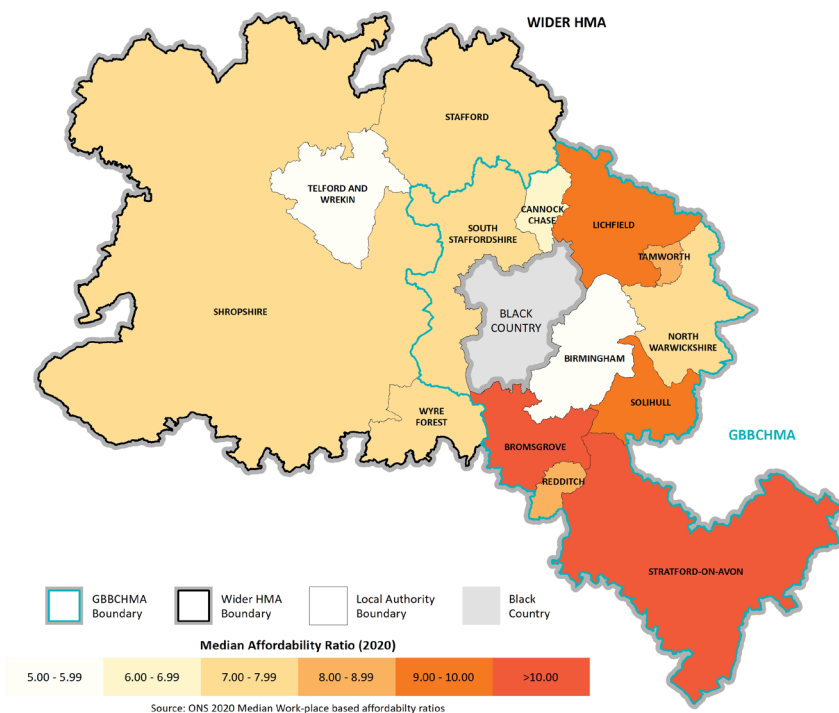
Standard Method Theoretical Uplift	Adjustment
>21%	+20%
16-20%	+10%
11-15%	0%
6-10%	-10%
<5%	-20%

Source: Lichfields analysis



The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. (PPG ID: 2a-006)

Figure 7: 2020 Median affordability ratios



Source: ONS 2020 Median work-place based affordability ratio, Lichfields analysis

<sup>15</sup> Published in March 2021

<sup>16</sup> PPG ID: 2a-004

# 07 Stage 3: environmental and physical constraints

**Development constraints will mean that parts of the GBBCHMA and beyond may be better placed to respond to growth pressures than others.**

The NPPF is clear that strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless protected areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area<sup>17</sup>.

However, very few, if any, districts are fundamentally constrained to the point where they cannot accommodate any additional growth. Whilst constraints will cover parts of the district, in most areas, there are also less environmentally sensitive areas that could potentially accommodate development.

Applying this factor to the gravity model needs to distinguish between those constraints which are fundamental and ultimately would prevent development appropriately being allocated

through a Local Plan process (e.g. fundamental NPPF footnote 7 environmental constraints<sup>18</sup>) and those that are policy choices (such as Green Belt).

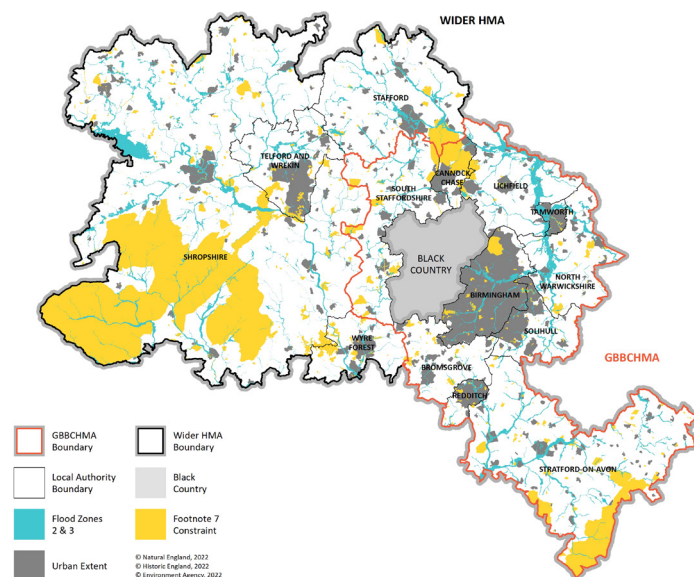
By mapping Footnote 7 environmental constraints across the GBBCHMA and beyond for each district, the proportion of the district's area that is constrained is identified. Ranking this allows uplift factors to be applied as set out in Table 4. At this stage, Green Belt is not exercised as a fundamental environmental constraint and is considered as a separate policy-led constraint.

Table 4 Constraints adjustment factors

Footnote 7 Constraints (% of Districts Available Land)	Adjustment
<10%	+20%
11-20%	+10%
21-30%	0%
31-40%	-10%
>41%	-20%

Source: Lichfields analysis

Figure 8: Constraints



Source: Natural England, Historic England, Lichfields analysis

<sup>17</sup> Paragraph 11b

<sup>18</sup> Footnote 7 of the NPPF: "The policies referred to are those in this Framework (rather than those in development plans) relating to: habitats sites (and those sites listed in paragraph 176) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, a National Park (or within the Broads Authority) or defined as Heritage Coast; irreplaceable habitats; designated heritage assets (and other heritage assets of archaeological interest referred to in footnote 63); and areas at risk of flooding or coastal change."

**If those areas with high levels of Green Belt are excluded, the implications for those areas with less Green Belt become stark.**

The West Midlands Green Belt, approved in 1975, is the largest of the three Green Belts in the West Midlands. It surrounds Birmingham and Solihull, the Black Country and Coventry and extends from Stafford and Telford through to Stratford-upon-Avon, Warwick, and Rugby.

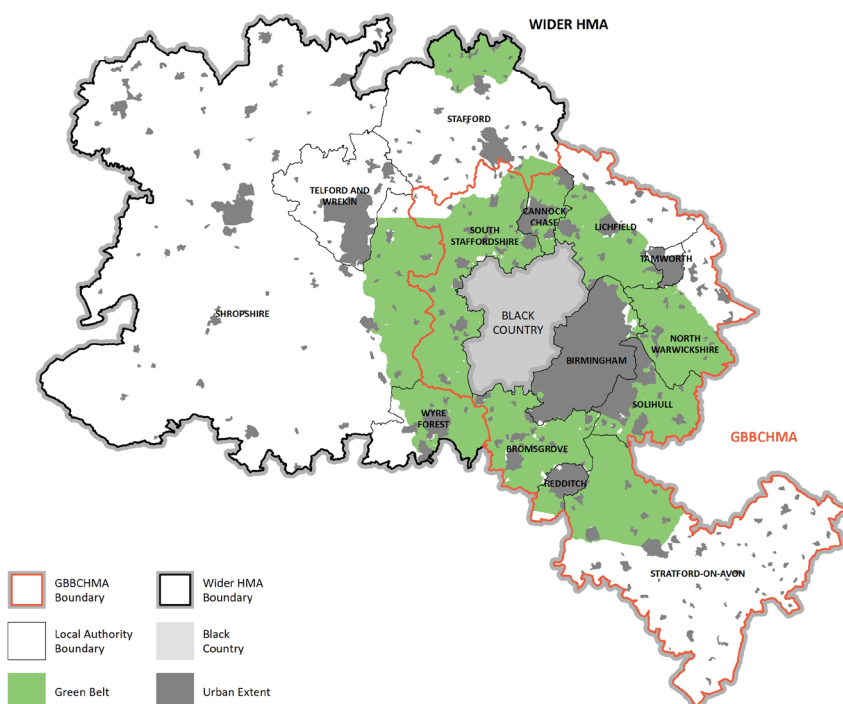
Notably, the inner boundaries of the Green Belt closely follow the edges of the conurbation and Coventry, resulting in very little land left between the urban area and the Green Belt to provide for longer-term development. As a result, the release of Green Belt has been a longstanding point of contention across the region for many years, dating back to the Regional Spatial Strategy. Indeed, many authorities are still grappling with the potential political consequences of meeting their housing needs in areas of high Green Belt land.

As noted above, the model does not include Green Belt as a fundamental constraint. This is

because the Green Belt is a function of the Local Plan process, where there will be legitimate reasons for reviewing its boundaries, such as the acuteness of unmet housing needs<sup>19</sup>. Indeed, including Green Belt as a fundamental constraint would unsustainably burden authorities with no Green Belt land, shifting needs onto districts that may be less sustainable; meaning that only Telford and Wrekin would be expected to accommodate all of the Black Country's unmet needs. Even if we focussed growth in areas where the Green Belt covers less than half of a district's area, such as Shropshire, Stafford, Stratford on Avon, and Tamworth, this would still have a similar effect, meaning that districts with a weaker socio-economic linkage with the Black Country would be bearing the majority of the burden, promoting unsustainable patterns of development.

Recognising the need to promote sustainable patterns of development within the Green Belt, by mapping Green Belt land across each of the districts, the proportion of the district's area that is covered by it is identified. Ranking this allows uplift factors to be applied as set out in Table 5.

Figure 9: Green Belt



<sup>19</sup> Nottingham City Council v Calverton Parish Council [2015] EWHC 503 (Admin) (02 March 2015)



**Some districts are underbounded and face significant problems in meeting their own needs, making it unlikely that they can accommodate the Black Country's unmet needs.**

Whilst some authorities within the HMA and beyond might not be overly constrained by Footnote 6 designations or Green Belt, there is a need to consider whether some have grown to the extent of their administrative boundaries and have limited available land to accommodate the pressure for further expansion. These authorities are considered 'underbounded' and are not likely to be in a position to help meet the Black Country's unmet needs.

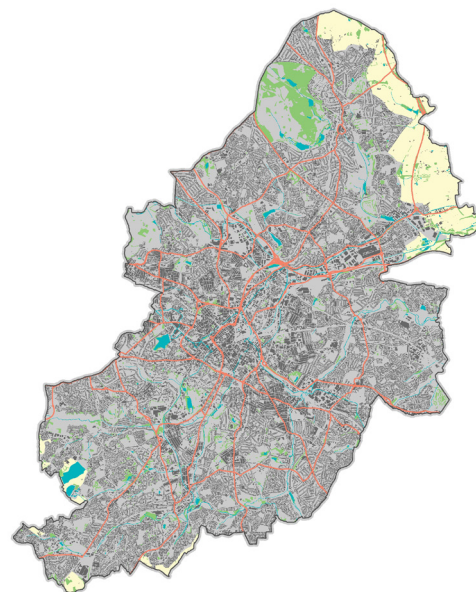
Indeed, it is the underbounded nature of Sandwell and Wolverhampton that is likely to be one of the key reasons why the Black Country authorities are unable to fully meet their own needs. However, as shown in Figures 10 and 11, there are other urban areas across the GBBCHMA and wider area which are constrained in this manner.

Notably, Birmingham is urban in character and 'underbounded', which has resulted in it not being able to meet its housing needs up to 2031, and likely beyond this up to 2039. Birmingham has largely been developed right up to its boundaries, save some areas of Green Belt, with a tightly knit urban form and lack of suitably large sites, coupled with potential issues with the brownfield land supply (i.e. contamination), hence it has been difficult for the city to meet their own growth let alone the Black Country's.

Similarly, such circumstances are present in Tamworth, which has concurred that it is unable to assist in meeting Birmingham's need, and has engaged with Lichfield and North Warwickshire to meet its own unmet needs.

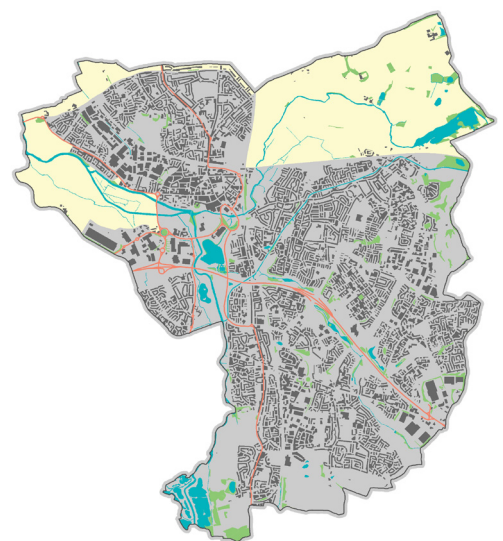
As such, these underbounded authorities will continue to face the pressure to meet their individual housing needs. Reflecting the problems such areas face meeting their own needs, these districts are ascribed a -100% adjustment factor, essentially meaning that the 'gravity model' assumes these areas will be unable to help meet Black Country's unmet needs.

Figure 10: Underbounded authorities – Birmingham



Source: Lichfields analysis

Figure 11: Underbounded authorities – Tamworth



Source: Lichfields analysis

# 08

## Outcomes

### **Using the baseline degree of linkage and then applying the uplift and restraint factors provides illustrations of how the GBBCHMA's unmet housing need might be distributed.**

Lichfields' model has taken account of the degree of migration and commuting linkages within the GBBCHMA and beyond, opportunities to capitalise on sustainable transport links and improve affordability, and the degree of environmental, policy and physical constraints which might impede on an authority's ability to accommodate unmet housing need.

Drawing on the preceding analysis, Figure 13 illustrates how these considerations have demonstrated the functional linkages between the districts and the Black Country, and shows how the Black Country's unmet housing needs could be sustainably distributed.

Whilst some authorities have committed to specifically address the Black Country's unmet needs, such as Lichfield (c.2,000) and Shropshire (c.1,500), the model does not make an adjustment for these authorities, as the proposed commitments are lower than the level that might be justified based on Lichfields' model. However, Lichfields' model has made an adjustment to South Staffordshire's share of the unmet needs.

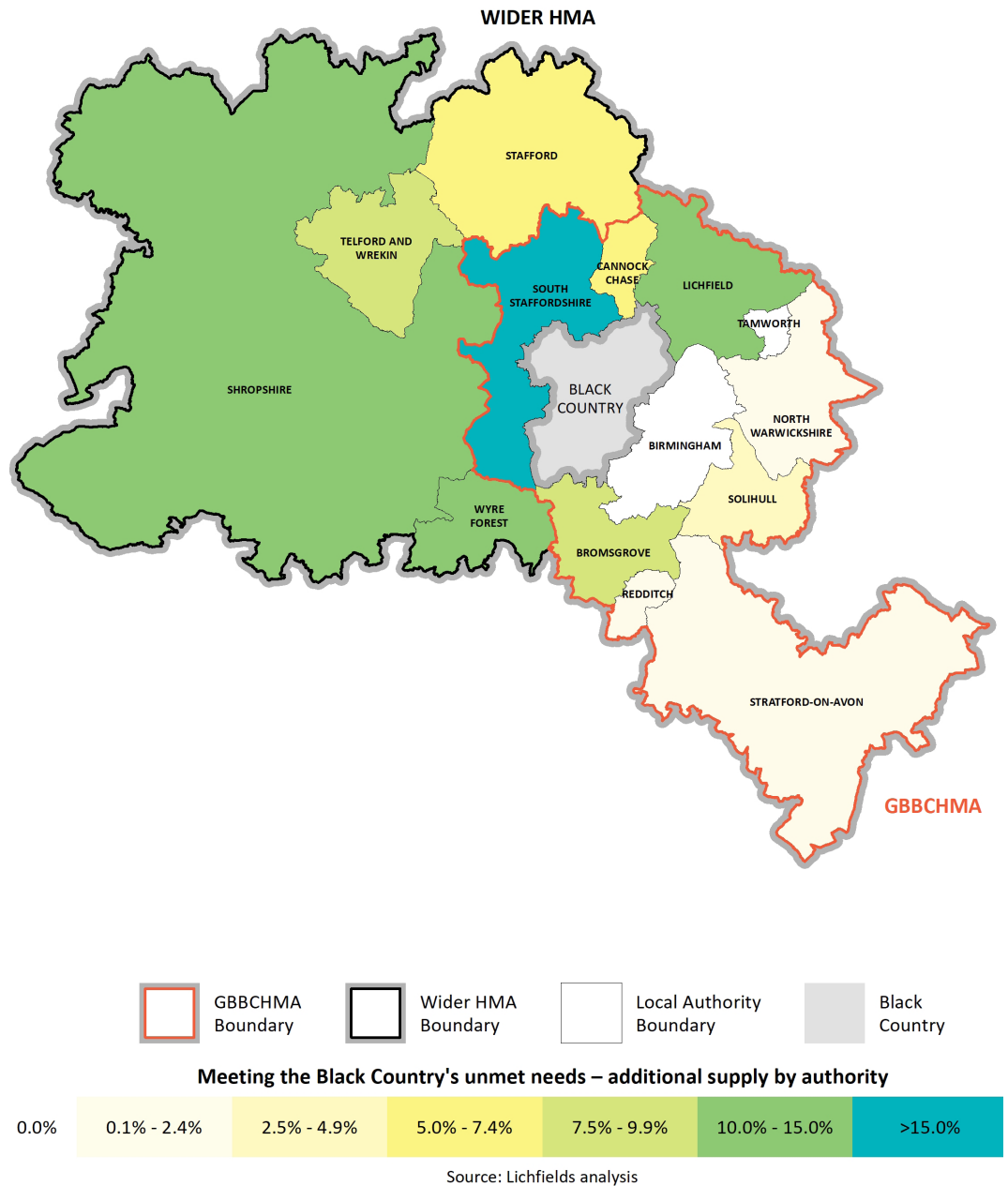
This is because in the absence of this adjustment, Lichfields' model indicates that to address these needs across the GBBCHMA and wider area, a reasonable distribution would see South Staffordshire taking c.37% of the needs. This is, by virtue of the geographic relationship the district has with the Black Country and relative to the other socio-economic and environmental factors assessed within the model, unsurprising.

Whilst the fundamental aim of the model is to apportion these needs to areas with higher levels of socio-economic linkages with the origin of the unmet housing needs, there is clearly a need to ensure that each authority would still take a 'fair share' and would not be disproportionately impacted by the

outcomes of the model. Much in the same way that the NPPF's Standard Method utilises one, the model ascribes a 25% 'cap' to South Staffordshire, limiting the level of unmet need in authorities which exceed this figure (with the other authorities experiencing a commensurate increase in their contributions).

Lichfields' model indicates that to address these needs across the GBBCHMA and wider area, a reasonable distribution would see most authorities accommodating between 1% and 13% of the Black Country's unmet need, over and above their own needs. This includes 3 outliers – the underbounded districts of Birmingham and Tamworth (which have been allocated zero extra units) and South Staffordshire (25%) which is very well related to the Black Country's shortfall.

Figure I2: Meeting the Black Country's unmet needs – additional supply by authority



Source: Lichfields analysis

# 09 Conclusions

## **The Black Country's unmet housing needs place considerable pressure on adjoining areas to accommodate additional housing development, and current Local Plan provisions are wholly insufficient.**

If the Black Country fails to meet their housing needs, the implications are that those needs will not simply disappear; they will either result in increasingly negative housing outcomes for people living in these conurbations, or they will mean households will have to look elsewhere to meet their housing needs.

In respect of planning for future housing needs, the NPPF is also clear that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development.

The practical implication is that the unmet needs of the Black Country will mean greater net outward migration than the ambient trends accounted for within the population projections, which will affect those areas in close proximity, and particularly Birmingham, which is facing acute housing pressures already, and South Staffordshire.

As the Local Plan reviews continue to grapple with this need, it is clear that the GBBCHMA and wider authorities will need to effectively deal with, rather than defer, this critical strategic matter.

Whilst some authorities have proposed specific figures within emerging Local Plans to help meet the unmet needs of the Black Country, Lichfields' model indicates that the proposed quantum is insufficient. Taking account of this, and rebalancing the model to account for the cap accordingly, Figure 12 above sets out the levels of unmet need authorities within the GBBCHMA could justifiably be seeking to make provision for, based upon Lichfields' functional relationship and gravity model. Figure 13 below compares this distribution against the adopted and emerging commitments made by the GBBCHMA and other authorities to meet this need and shows that many authorities will need to double their

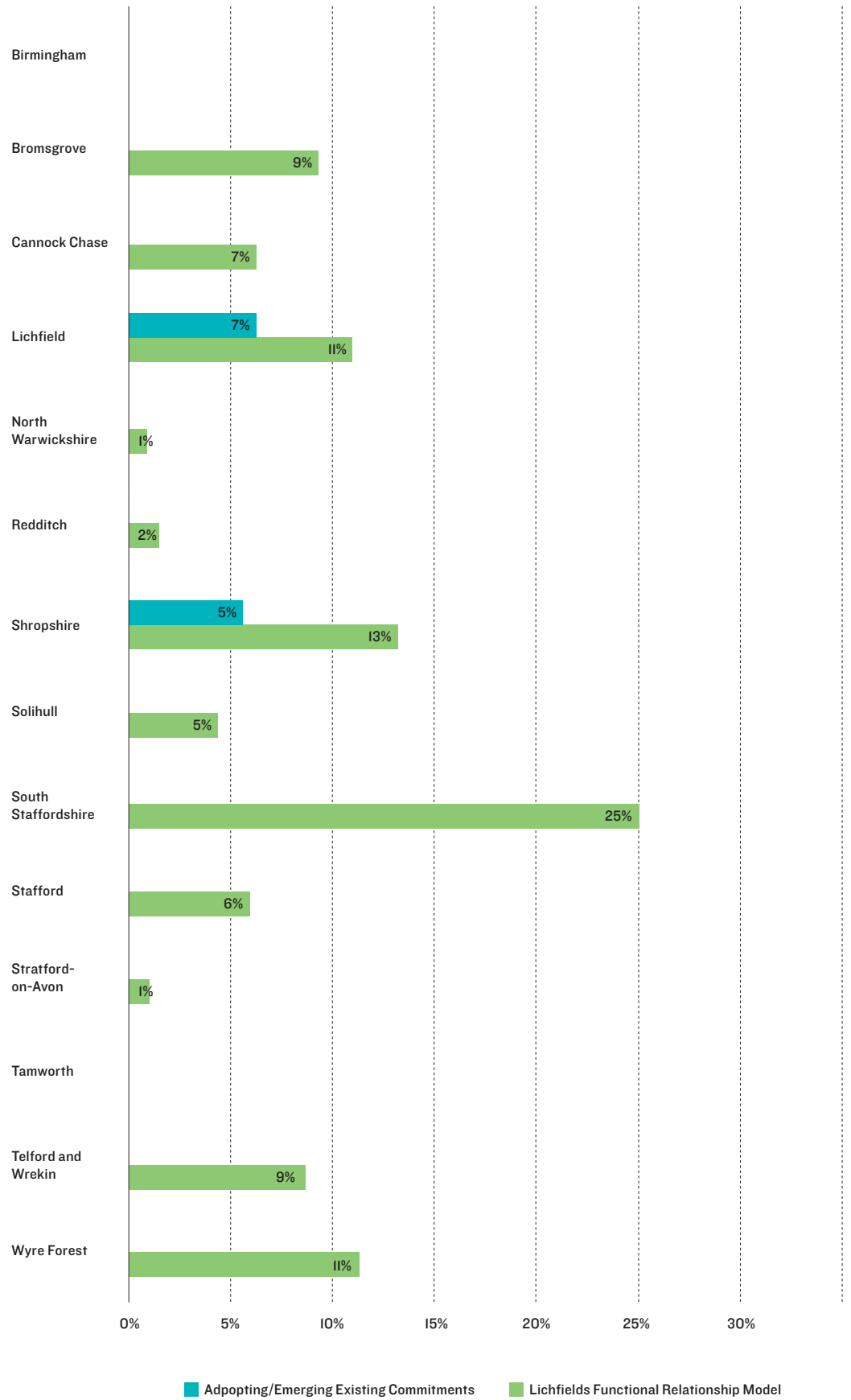
contributions to sustainably and appropriately address these needs.

Notably, this sub-HMA approach highlights the plan-making tensions caused by a fractured regional approach, as these figures do not take account of any future unmet needs arising from Birmingham, which the GBBCHMA authorities will need to grapple with. Indeed, by way of example, in addition to helping to address the unmet needs of the Black Country, South Staffordshire would also need to assist in meeting the unmet needs of Birmingham up to 2031 and very likely up to 2039/40. Albeit, if a similar exercise was undertaken for Birmingham it is likely that South Staffordshire contribution to Birmingham would be markedly lower than its contribution to the Black Country's shortfall, by virtue of its reduced socio-economic linkages with the city. Nevertheless, the above highlights that many of the GBBCHMA authorities will be being pulled in two separate directions when it comes to this strategic cross-boundary matter.

On this basis, crucially, the authorities identified within this report should work together in order to ensure that these needs are effectively met, particularly if other planning considerations indicate that they are unable to accept the apportionment suggested by the Study (i.e. following Green Belt Reviews / Sustainability Appraisals).

The Appendix to this report sets out the results of our 'Functional Relationship Gravity Model' approach to distributing the unmet needs in more detail and can be used as a starting point for considering the scale of additional supply LPAs should be seeking to make provision for.

Figure I3 Meeting the unmet needs – Re-balanced for existing commitments and compared to Adopted/Emerging commitments



Source: Lichfields analysis

District	Stage 1: Functional Relationship			Stage 2: Sustainability & Market Signals								Stage 3: Constraints										Stage 4: Outcomes							
	Migration	Commuting	Functional Link	Rail Links		Affordability			Total Uplift Factor		Environmental/Policy Constraints																		
Birmingham	% of Gross out-migration from Black Country to LPA in GB&CHMA and wider LPAs	% of Gross in-commute from LPA in/outside GB&CHMA to Black Country		Fastest Train from District to Black Country Terminus (Mins)	Uplift Factor	Affordability Ratio	Standard Method Theoretical Uplift	Urban Centre Uplift	Uplift Factor		Baseline % Following Uplifts	Fundamental Constraints (SSSI, AONB, National Park) % Coverage	Uplift Factor	Green Belt % Coverage of Non-Urban Land	Uplift Factor	Underbounded Authorities (Unlikely to meet even their own needs)				Total Uplift Factor				Share of Black Country Unmet Housing Needs (Rebased Proportion)	Share of Black Country Unmet Housing Need 2039	Adopted/Examination Existing Commitments	Share of Black Country Unmet Housing Need 2039 - Re-Balanced if Commitments exceed model	Does the share exceed the 25% Cap?	Share of Black Country Unmet Housing Need 2039 - Re-Balanced Commitments and 25% Cap
	44.4%	33.4%	38.9%	3	20%	5.58	9.88%	Yes	20%	40%	54.4%	1.3%	20%	74%	-10%	92.6%	Yes	-100%	-100%	0%	0%	0%	-	0%	No	0%			
Bromsgrove	4.5%	4.6%	4.5%	3	20%	10.13	38.31%	No	20%	40%	6.3%	35%	20%	98%	-20%	13.8%	No	0%	0%	6%	7.3%	7%	-	7%	No	9%			
Cannock Chase	5.2%	8.0%	6.6%	7	20%	6.72	17.00%	No	10%	30%	8.6%	62.0%	-20%	95%	-20%	38.5%	No	0%	-40%	5%	6.0%	6%	-	6%	No	7%			
Lichfield	4.6%	5.9%	5.3%	20	0%	9.27	32.94%	No	20%	20%	6.3%	2.9%	20%	49%	10%	10.5%	No	0%	30%	8%	9.5%	10%	2,000	10%	No	11%			
North Warwickshire	0.7%	0.6%	0.6%	29	0%	7.18	19.88%	No	10%	10%	0.7%	3.8%	20%	64%	0%	7.1%	No	0%	20%	1%	1.0%	1%	-	1%	No	1%			
Redditch	0.9%	1.1%	1.0%	57	-20%	8.08	25.50%	No	20%	0%	1.0%	1.6%	20%	70%	-10%	54.8%	No	0%	10%	1%	1.3%	1%	-	1%	No	2%			
Shropshire	6.4%	5.7%	6.1%	11	10%	7.92	24.50%	No	20%	30%	7.9%	28.0%	0%	8%	20%	3.2%	No	0%	20%	9%	10.9%	11%	1,500	11%	No	13%			
Solihull	2.5%	2.6%	2.5%	19	10%	9.31	33.19%	No	20%	30%	3.3%	1.1%	20%	98%	-20%	38.5%	No	0%	0%	3%	3.8%	4%	-	4%	No	5%			
South Staffordshire	17.0%	24.8%	20.9%	4	20%	7.88	24.25%	No	20%	40%	29.2%	8.0%	20%	84%	-10%	8.4%	No	0%	10%	32%	37.2%	37%	-	37%	Yes	25%			
Stafford	2.4%	3.0%	2.7%	16	10%	7.15	19.69%	No	10%	20%	3.2%	6.8%	20%	20%	20%	7.7%	No	0%	40%	5%	5.2%	5%	-	5%	No	6%			
Stratford-on-Avon	0.7%	0.4%	0.6%	38	-10%	10.23	38.94%	No	20%	10%	0.7%	12.9%	10%	23%	20%	4.6%	No	0%	30%	1%	1.0%	1%	-	1%	No	1%			
Tamworth	0.9%	1.0%	1.0%	35	-10%	8.45	27.81%	No	20%	10%	1.1%	11.3%	10%	17%	20%	67.5%	Yes	-100%	-100%	0%	0%	0%	-	0%	No	0%			
Telford and Wrekin	4.9%	4.0%	4.5%	23	0%	5.89	11.81%	No	0%	0%	4.5%	5.6%	20%	0%	20%	25.2%	No	0%	40%	6%	7.2%	7%	-	7%	No	9%			
Wyre Forest	4.9%	4.9%	4.9%	7	20%	7.24	20.25%	No	20%	40%	6.8%	8.3%	20%	65%	0%	14.3%	No	0%	20%	8%	9.5%	9%	-	9%	No	11%			

# The Lichfields perspective

What makes us different? We're not just independent but independent-minded. We're always prepared to take a view. But we always do that for the right reasons – we want to help our clients make the best possible decisions.

We have an energetic entrepreneurial culture that means we can respond quickly and intelligently to change, and our distinctive collaborative approach brings together all the different disciplines to work faster, smarter, and harder on our clients' behalf.

## Sharing our knowledge

We are a leading voice in the development industry, and no-one is better connected across the sector. We work closely with government and leading business and property organisations, sharing our knowledge and helping to shape policy for the future.

## Publishing market intelligence

We are at the forefront of market analysis and we track government policy and legislation so we can give fresh insight to our clients. Our Think Tank is a catalyst for industry-leading thinking on planning and development.

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Assessing how many permissions are needed for housebuilders to increase the supply of homes



### Tracking Progress

Monitoring the build-out of housing planning permissions in five local planning authority areas



### Fine Margins

Viability assessments in planning and plan-making



### Evaluate

Making the economic case for development

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