



Association of Black Country Authorities
Dudley, Sandwell, Walsall and Wolverhampton

Our Ref: HP/CW
Date: 26 April 2022

Dear Colleagues,

Black Country Plan Review
Duty to Cooperate: Strategic Housing and Employment land issues

The Black Country Authorities (BCAs) are progressing the Black Country Plan (BCP) which will replace the Black Country Core Strategy as the overarching strategic planning and regeneration strategy for the area.

You may recall that we contacted neighbouring authorities including yours, in July 2018 and again in August 2020, to request assistance in accommodating identified housing and / or employment land needs arising from the Black Country. We received a number of positive responses to this request and note that a number of authorities have since progressed their Local Plan reviews in a consistently positive manner. We have also held Duty to Cooperate meetings in January 2020, June 2021 and August 2021 – the latter alongside the commencement of the BCP Regulation 18 consultation.

We were also fully supportive of South Staffordshire Council's convening of a meeting of all local authorities in the Greater Birmingham, Solihull and Black Country Housing Market Area (the HMA) and other neighbouring authorities with a functional relationship with the HMA in December 2021. The BCA suggested a series of actions in advance of that meeting, building on our Duty to Cooperate engagement to date, and which are directly relevant to our strategy of working with you to ensure that the Black Country evidenced growth needs can be met in full.

The purpose of this letter is to update you on progress with the BCP and to outline next steps. We also set out our strategy for ongoing engagement through the Duty to Cooperate with a focus on strategic housing and employment land issues. This includes a set of proposals which we are seeking your response to by way of a series of specific requests.

Recent progress

1. The Regulation 18 BCP consultation took place between August and October 2021. We received around 20,800 responses and all of the representations can be viewed online via the link - <https://blackcountryplan.dudley.gov.uk/bcp/> . The bulk of feedback centred around the potential use of green belt land for development and we are currently reviewing all of the responses to inform the preparation of the Regulation 19 BCP programmed for consultation in the Autumn of this year.
2. We received responses from a number of neighbouring authorities – Bromsgrove, Cannock Chase, Lichfield, Redditch, Solihull, South Staffordshire, Stafford, Staffordshire and Worcestershire. These representations raised a variety of issues at a strategic level, recognising the broad scale of the shortfall and the need for ongoing and better aligned engagement going forward, in order to ensure a consistent and fair approach be taken to address longer term needs once the final shortfalls are confirmed.
3. The next sections of this letter summarise the current scale of the housing and employment land shortfalls and how we intend to address them.

Strategic Housing Issues

4. The Regulation 18 BCP identifies a housing shortfall of 28,234 homes over the period 2020-39 (16,346 by 2031 and 11,888 2031-39). This shortfall is based on the most up to date local housing need (including the 35% uplift for Wolverhampton), the most recent housing monitoring information and land supply on sites allocated in the draft BCP including land currently designated as green belt. The Regulation 18 BCP proposes that this shortfall is addressed via the Duty to Cooperate through 'exporting' to sustainable locations in neighbouring areas.
5. As part of the preparation of the Regulation 19 BCP, we are undertaking further evidence gathering in relation to urban land supply. This will involve an update of the existing Urban Capacity Study including a detailed assessment of the implications of the ongoing restructuring of some retail and commercial sectors which may 'free up' space in town and city centres. However, the scale of any additional capacity is likely to be limited and is not anticipated to make significant headway into the shortfall outlined above.
6. As set out above, through the Duty to Cooperate, we are pleased that some Local Plans have responded positively to our request initially raised in 2018 for assistance in addressing our future growth needs. Potential contributions through our Duty to Cooperate engagement to date are outlined in the table below.

Table 1 – Duty to Cooperate contributions (in order of Local Plan progress)

Local Plan	Status	Potential contribution to meeting Black Country housing needs	Comments
Solihull	Submission (May 2021) Examination underway	2,000 (minority)	Contribution is to meet needs arising across the whole of the HMA and not limited to the Black Country, 2,000 HMA contribution noted by Local Plan Inspector February 2022. However, Solihull has a stronger functional relationship with Birmingham than with the Black Country.
Shropshire	Submission (September 2021) Examination underway	1,500 (all)	Contribution towards the Black Country only, confirmed in Statement of Common Ground (August 2021)
Lichfield	Publication (July 2021) Submission due April 2022	2,000 (all)	Contribution forms majority of 2,665 contribution to meet the needs of the HMA as a whole.
Cannock Chase	Preferred Options (March 2021)	Up to 500 (majority)	Contribution is to meet needs arising across the whole of the HMA and not limited to the Black Country. However, Cannock Chase has a stronger functional relationship with the Black Country than with Birmingham.
South Staffordshire	Preferred Options (November 2021)	Up to 4,000 (majority)	Contribution is to meet needs arising across the whole of the HMA and not limited to the Black Country. However, South Staffordshire has a stronger functional relationship with the Black Country than with Birmingham.
Total		3,500-10,000	

7. These Plans are providing for a minimum of 3,500 homes to specifically meet Black Country needs and up to some 10,000 homes to meet the needs of the HMA as a whole, a proportion of which will be available to the Black Country.
8. Of these HMA contributions, given the physical proximity and functional relationship between the Black Country and South Staffordshire, it is anticipated that the majority of the 4,000 contribution being tested through the South Staffordshire Local Plan could be available to meet Black Country needs. Conversely, given its relationship to Birmingham, we anticipate that the majority of the 2,000 home contribution from Solihull is unlikely to be available to meet needs arising in the Black Country. Under these scenarios, the contributions from the authorities listed in Table 1 could realistically provide up to some 8,000 homes towards meeting needs arising in the Black Country.
9. In addition, the highest growth scenarios set out in the earlier iterations of the Lichfield and Cannock Local Plans could also provide some 5,550 homes in excess of local needs (in comparison with the 3,165 currently offered). This additional capacity (3,000 homes in total over and above current contributions to the Black Country) has been highlighted by the BCAs and will be tested through the forthcoming Local Plan examinations.
10. Further contributions are being sought from Stafford (of up to 2,000 homes) and as yet undetermined contributions from Bromsgrove and Telford & Wrekin, both at the early stages of their Local Plan reviews. In the case of Telford and Wrekin, the higher growth option set out in the Issues and Options Report could provide some 3,700 homes over and above local needs, and the Black Country is well placed to provide a source of 'need' for this housing. The BCAs see this as being a minimum level of contribution given the historic role of Telford as a New Town to help address issues of overcrowding and living conditions in the West Midlands conurbation, and very high rates of housing completions over and above local needs in recent years. In total, this additional capacity from Stafford and Telford & Wrekin could provide some 5,700 homes towards meeting needs arising in the Black Country.
11. Taking into account this potential extra capacity of up to some 8,700 homes from Stafford, Telford & Wrekin, Lichfield and Cannock, added to current potential contributions (around 8,000 homes), could provide up to some 16,700 homes to meet needs arising in the Black Country.

12. Going forward, it is critical that those contributions currently expressed as meeting needs arising across the HMA as a whole are apportioned to individual Local Plans areas through Statements of Common Ground to provide the BCAs with certainty over the scale of contributions that is available to meet our shortfall. **However, even in the event of a contribution being secured at the higher end of the range of scenarios outlined above, a significant ‘gap’ of some 11,500 homes would remain for the Black Country up to 2039 (with a proportion of this gap arising before 2031). It is therefore critical that additional sources of land must be identified through the Duty to Cooperate if the Black Country is able to show how its identified growth needs can be accommodated.**

Request 1 - We request that any contributions that your authority is making to meet the needs of the HMA as a whole includes an apportionment to solely address needs arising in the Black Country.

Request 2 – We request that you provide confirmation that you have either explored all opportunities to accommodate unmet housing needs arising in the Black Country within your Local Plan work, or that you will actively test opportunities going forward.

Strategic Employment Land Issues

13. As is the case with housing needs, the Black Country is unable to meet its identified employment land requirements in full. The Black Country Plan employment land shortfall to 2039 is 210ha as set out in the Regulation 18 Black Country Plan – this figure the difference between the need of 565ha and an anticipated supply of 355ha. This is consistent with the employment land requirement set out in Policy EMP1 of the draft Black Country Plan and section 4 of the 2021 Black Country EDNA. Para 2.22 of the 2021 EDNA recommends that the split of employment land provided for by the Plan comprise around 30% of B8 activity and 70% for E(g)(ii)(iii)/B2 use class. This means that the total B8 requirement is 170-176ha and for E(g)(ii)(iii)/B2 a requirement of 396-410ha. We are reviewing these requirements in the light of updated economic projections which include a more up to date understanding of the CV-19 recession recovery trajectory. This work may result in a refinement of the requirements but it is highly likely that our shortfall will remain.
14. In accommodating this shortfall, in the first instance we will look to those authorities within the areas of strong economic transactions with the Black Country (South Staffordshire and Birmingham) and areas of moderate economic transactions with the Black Country as identified in the 2017 EDNA (Cannock Chase, Lichfield, Tamworth, Solihull, Bromsgrove and Wyre Forest). In addition, the Shropshire Economic Development Needs Assessment (December 2020) highlights strong labour market linkages between Shropshire and the Black Country.

15. At this stage, we would not identify a specific functional geography for addressing the E(g)(ii)(iii)/B2 shortfall as distinct from the B8 element of the shortfall, but recognise the consented West Midlands Interchange site is reserved exclusively for B8 activity. With this in mind, we refer you to the West Midlands Interchange Apportionment Study produced by Stantec to support the Black Country Plan and published earlier this year (<https://blackcountryplan.dudley.gov.uk/t2/p4/t2p4b/>). This suggests that a minimum of some 67ha of land at West Midlands Interchange could be apportioned to meet needs arising in the Black Country, with the potential for a larger contribution if other areas within the market area are able to meet their B8 needs in full. This would suggest that the quantitative B8 shortfall could be largely satisfied by this site should the programmed South Staffordshire EDNA update confirm a surplus of employment land against local needs. **This could reduce the Black Country employment land shortfall to 138ha. Any additional surplus of employment land arising from the South Staffordshire EDNA update would reduce the shortfall further.**
16. In terms of other potential contributions, the Shropshire Regulation 19 Local Plan is making a contribution of 30ha of employment land towards needs arising in the Black Country, **reducing the shortfall to some 108ha**. We are engaging with other emerging Local Plans through the Duty to Cooperate including Bromsgrove, Lichfield, Cannock, Telford & Wrekin, Solihull and Stafford, but no contributions have been put forward by those authorities and the BCAs will continue to press this matter through Local Plan examinations, particularly those authorities within the areas of strong economic transactions with the Black Country as listed above. We will also be seeking the participation of authorities listed in paragraph 14, and any others able to contribute to BCA employment shortfalls, in a Statement of Common Ground (SoCG) addressing this issue to inform the Black Country's Regulation 19 plan and will use the responses to this letter to inform the draft SoCG. **As is the case with housing, additional sources of land supply must be identified if the Black Country is able to meet its growth needs in full.**

Request 3 - We request that you provide confirmation that you have either explored all opportunities to accommodate unmet employment land needs arising in the Black Country within your Local Plan work, or that you will actively test opportunities going forward, and that you will be willing to enter into a Statement of Common Ground with the Black Country under the scope set out in paragraph 16 of this letter.

17. We draw your attention to the West Midlands Strategic Employment Sites Study (WMSESS) (<https://blackcountryplan.dudley.gov.uk/t2/p4/t2p4b/>) published in 2021. The Report was produced by Avison Young and Arcadis consultants and commissioned by three of the West Midlands Local Enterprise Partnerships (the Black Country, Greater Birmingham and Solihull and Coventry Warwickshire) and Staffordshire County Council. The Study updates the 2015 West Midlands Strategic Employment Sites Study which identified a demand for strategic employment sites in the West Midlands, but a lack of suitable sites.

18. The Study advises that based on evidence of past trends in relation to take-up, and assuming that no additional strategic employment sites are brought forward to replace those that remain, the supply of allocated and committed employment land would appear to represent a maximum of 7.41 years supply. As it was in 2015, this represents a limited supply of available, allocated and/or committed sites across the Study Area that meet the definition of 'strategic employment sites', and there is an urgent market demand for additional sites to be brought forward to provide a deliverable pipeline, noting the very substantial lead-in times for promoting and bringing forward such sites. The Study identifies five areas where strategic employment sites should be identified and this includes the Black Country and southern Staffordshire.
19. The Study makes a number of recommendations for further work. This is because the shortfall in the availability and future supply of strategic employment sites cannot be robustly quantified without an assessment of market dynamics and projected sector growth patterns through an econometric demand forecast, which would add materially to the findings of this Study and would inform the strategy for delivering a sufficient supply of strategic employment land. The Study has already been given weight in the Local Plan process – most recently through the examination of the North Warwickshire Local Plan and the resulting Policy LP6 – Additional Employment Land.
20. There is clearly a potential relationship between the need to address the Black Country employment land shortfall and the need to bring forward additional strategic employment sites as set out in the WMSESS. Through the HMA Group and liaison with those bodies who were party to the 2021 Study, a draft brief has been prepared to address the recommendations for the 2021 Study and strongly recommend that this work is progressed in partnership with the local planning authorities across the 2021 Study geography, and other areas which share a functional relationship with the Black Country, for example Shropshire.

Request 4 - We request that you indicate whether your authority is willing to participate in the further work to address the recommendations of the WMSESS.

Next steps

21. As set out above, there is a significant level of unmet need for housing and employment land to address evidenced Black Country growth requirements which cannot be met within the Black Country administrative area. There are three elements to our strategy to address the shortfall through the Duty to Cooperate and these are summarised below.

22. In the short term we will be continuing to engage with individual Local Plans to ensure 2018 Growth Study recommendations are maximised and to confirm current contributions to help address the Black Country shortfall, particularly in relation to those housing contributions which have been expressed at HMA level and not yet distinguishing a specific Black Country apportionment. For those Local Plans which are less progressed, we will engage in a positive and robust manner to ensure that the unmet needs of the Black Country are fully recognised and all opportunities to assist in meeting our needs are comprehensively explored. This will include opportunities identified in the 2018 Growth Study.
23. **But these current workstreams may not address our needs in full, and we strongly recommend to you that there is a compelling need to address this matter in a comprehensive and inclusive manner across a wide but functional geography.** We are also mindful of the forthcoming Birmingham Local Plan review and the potential for this to further increase the shortfall arising from the West Midlands conurbation. We outlined our suggestions on a potential programme of work as part of the 15th December South Staffordshire Duty to Cooperate meeting. This was shared with you in advance and we attach it to this letter. The key elements of this work programme are:
- To review the extent of the HMA in order to understand if this is the most appropriate geography by which housing needs and mechanisms to accommodate any shortfalls can be considered;
 - To confirm the scale of the housing shortfall across the whole of the HMA over a period of at least 15 years to inform the approach taken by current and emerging Local Plan reviews.
 - A review of whether the growth locations identified in the 2018 Growth Study work remain appropriate and whether new growth areas should be identified for testing through Local Plan preparation. This work may well result in the need for a new Growth Study but we would not want to pre-judge the work before confirming that is the case.
24. This work programme is currently subject to ongoing discussions largely through the HMA officer group, and we recognise that the existing governance arrangements are in need of review to ensure that we have in place mechanisms to manage and oversee the implementation of this work. The nature of these governance arrangements and the parties involved should be informed by the evidence but at this stage, a Statement of Common Ground across the HMA geography and including other authorities which have a functional relationship with it which sets out the nature of how we work together going forward is essential. We strongly encourage your authority to fully engage in this work.

Request 5 - We request that you indicate whether your authority is willing to participate in the further work outlined in the bullet points above, and that your authority would be willing to confirm this commitment through a Statement of Common Ground and review of governance arrangements to deliver these actions.

25. Turning to employment land, as with housing we will pursue a Statement of Common Ground with functionally related authorities to both secure current contributions and engage with less progressed Local Plans through the Duty to Cooperate to establish potential for further contributions. We have set out the compelling need for a follow-up study to address the recommendations of the 2021 West Midlands Strategic Employment Sites Study and have asked if your authority would be willing to participate in this work and assist with its resourcing.
26. Common to both the housing and employment land shortfalls is the final element of our strategy – for Local Plans to include an early review mechanism. This is important given the potential for there could continue to be a shortfall following the current round of Local Plan preparation. This shortfall should trigger the detailed evaluation of opportunities identified from the recommendations of the proposed work outlined above in relation to both housing and employment land through updated Local Plans. This approach has been used in a number of West Midlands Local Plans - most recently Wyre Forest, Stratford on Avon and North Warwickshire. We consider that a failure to include an early review mechanism is a serious omission and must be addressed in order for the Plan to be sound.

Request 6 - We request that you indicate whether your authority is willing to consider the inclusion of a commitment to an early review mechanism in your emerging Local Plan to enable the consideration of additional growth opportunities outlined in the work listed above in a timely manner should this be necessary.

Timetable for responses

27. Moving forward, the BCAs are progressing the preparation of the Regulation 19 Plan having regard to the issues raised in the Regulation 18 consultation responses and evidence currently under preparation. This includes the Transport Study, updated urban capacity study and employment land update. The Transport Study in particular will provide us with a better understanding of the constraints and opportunities associated with the levels of and location of growth set out in the Regulation 18 Plan with potential implications for the development capacity of some sites.

28. To enable us to meet this timetable, and clear understanding of opportunities through the Duty to Cooperate is critical. **We therefore ask that you consider the requests set out in this letter and respond in writing to: blackcountryplan@dudley.gov.uk within six weeks of the date of this letter.** If you wish to discuss the contents of this letter before responding, please get in touch. We appreciate that this letter may raise difficult issues that need thorough consideration from both officers and Councillors. However, given the time that has already passed since the Black Country initially identified a shortfall in 2018 and the wider work already being undertaken across the HMA, we would be grateful if you could adhere to these timescales. If you anticipate a delay is being able to provide a response, it would be helpful if you could let us know as soon as possible.

Yours sincerely

Councillor Patrick Harley
Leader
Dudley Metropolitan Borough Council

Councillor Mike Bird
Leader
Walsall Metropolitan Borough Council

Councillor Kerrie Carmichael
Leader
Sandwell Metropolitan Borough Council

Councillor Ian Brookfield
Leader
City of Wolverhampton Council