

### WEST MIDLANDS REGIONAL ASSEMBLY BOARD 3 December 2008

#### West Midlands Regional Strategy: Phase 2 Revision Assembly Response for 08 December 2008

#### 1. Purpose

- 1.1 To provide the context for the Board to consider and approve the Assembly's response to the Independent Panel which will be considering the Assembly's West Midlands Regional Spatial Strategy: Phase 2 Revision (RSS2) at an Examination in Public in Spring 2009. A full technical response, has to be submitted by the 08 December 2008 to the Panel Secretary. In addition, Members of the Joint Executive felt that it was appropriate for the Chairman to write to the Minister, The Rt Hon Mrs Beckett giving Assembly's views about the process that is being approved and the strong support for the RSS Phase 2 Revision.

#### 2. Recommendation(s):

- 2.1 It is recommended that the Board: -
- a) Considers and approves the Assembly's 08 December 2008 technical submission to the Panel for the Examination in Public, as set out in **Appendix 1**.
  - b) Approves delegated powers to the Chief Executive, in consultation with the Chairman of the Assembly and the Chairman of the Planning & Environment Executive, to agree any necessary minor refinements or adjustments to either the technical submission or the letter to the Minister.
  - c) Approves delegated powers to the Chief Executive, in consultation with the Chairman of the Assembly and the Chairman of Planning & Environment Executive, to enable the Assembly to be able to respond promptly to any requests from the independent Panel which is convening the Examination in Public.
  - d) Considers and approves the letter from the Chairman of the Assembly to the Government minister, the Rt Hon Mrs Margaret Beckett, as set out in **Appendix 2**.

### **3. The preparation of the Assembly Response**

- 3.1 At the various Regional Assembly meetings in October 2008, it was agreed that WMRA and its partners were in an unusual situation. At this stage in the RSS 2 process, regional stakeholders would normally be only commenting on the RSS Phase Two Revision Draft (The Preferred Option: RSS2).
- 3.2 Since the Government intervention of Baroness Andrews in January 2008, the whole process had been changed, including the recent publication of the Nathaniel Lichfield and Partners (NLP) Housing Study for GOWM. Nevertheless, the NLP study is only technical evidence and the GOWM's policy stance will not be known by any regional stakeholder before the 08 December 2008 deadline.
- 3.3 It was agreed at the October Assembly meetings that the focus should remain on the RSS Strategy and the Preferred Option which the WMRA would explain and defend at the Examination in Public.
- 3.4 Throughout the autumn period, the importance of engagement with all regional stakeholders has been crucial. An interim Assembly position statement was prepared by the RSS Co-ordination Group so that the regional thinking could be shared with all planning authorities and key stakeholders throughout the region. This has enabled the development of an encouraging pattern of alignment of regional responses and very positive support for the emerging Regional Assembly response.
- 3.5 At the following Regional Assembly meetings in October, Members have discussed the outline of the Regional Assembly response on RSS2 and the GOWM NLP Study.

Regional Environment Partnership	09 October 2008
Regional Housing Partnership	16 October 2008
Regional Planning Executive	17 October 2008
Regional Transport Partnership	20 October 2008
Regional Planning Partnership	28 October 2008
Regional Assembly	29 October 2008

(followed by a regional conversation on RSS2 & NLP that same afternoon)

- 3.6 A special 'Shadow' meeting of the Strategic Advisory Panel was convened to discuss the Assembly's response on the morning of 18 November, to which planning, housing, transport and environment members were all invited. There was a very positive 2 hour meeting and the feedback from this session and the previous autumn Assembly meetings were fed back to a special joint meeting of the

Regional Planning Executive and Regional Housing Executive. (Senior representatives of both the Regional Transport Partnership and the

- 3.7 Regional Environment Partnership were also in attendance at this meeting.) This Joint Executive resolved unanimously to give endorsement of the outline of the Assembly response and for its progression to the Assembly Board at its 03 December 2008 meeting.
- 3.8 Accordingly, the full submission to the Panel Secretary, the context and basis of which are considered in sections 4 and 5 of this report, needs to be approved (recommendation 2a refers). Delegated powers are sought to enable minor changes and refinements to be made to these documents but at the time of writing this report it is not envisaged that any major change will be necessary in either case (recommendation 2c refers).
- 3.9 The Joint Executive also resolved that it agreed with the strong views of support for RSS 2 expressed by the Shadow Strategic Advisory Panel. It resolved unanimously that these should be expressed by the Assembly in a 'positive and passionate' manner to the relevant Government Minister. It considered that this was best achieved by a letter from the Chairman of the Regional Assembly to the relevant Minister, The Rt Hon Mrs Beckett.

#### **4. Context for Assembly Response**

##### **a) Overview**

- 4.1 The Housing study by Nathaniel Lichfield and Partners (NLP) proposes three potential 'growth scenarios' for the West Midlands. The study and its recommendations raise some fundamental questions and issues for the Region.
- 4.2 If adopted, a number of the NLP Options and each of the three 'scenarios' identified could seriously undermine the current RSS Strategy: above all by increasing the scale of development beyond the Major Urban Areas (particularly increased green field land releases which will be more attractive to the market) and, as a result, changing the spatial balance of development opportunities in favour of these areas.
- 4.3 In practice, therefore, such suggested changes cannot be regarded as acceptable partial 'revisions' to the RSS strategy but, in effect, would most probably represent a form of strategy 'review'.

4.4 However, if the NLP study is seen in this way (i.e. as implying a strategy review), it has clearly reached its conclusions through what is a tenuous process as it is based on nationally based housing projections and a one dimensional review of the RSS Strategy. It leads on to suggested development proposals, which have not properly and explicitly considered and addressed the many fundamental challenges facing the region.

**b) The Fundamental Challenges Facing the Region**

4.5 The fundamental challenges facing the Region were fully examined in the process of developing the strategy in the original RPG11 exercise in the early 2000s and these challenges still continue to exist.

4.6 At the heart of preparing the strategy was a clear acknowledgement that the current change processes occurring in the Region (where population and investment are moving away from the Major Urban Areas (MUAs) with increased pressure for development in surrounding areas) were unsustainable trends.

4.7 In particular, it was acknowledged that, if these trends were allowed to continue, it would lead to a potential 'hollowing out' of the MUAs (already evident in some areas) with very serious long term economic, social and environmental consequences; equally, the objective of Rural Renaissance was to be achieved through reducing unsustainable development pressures in the Shires while meeting the needs of the Region's rural areas.

4.8 The RSS strategy therefore developed by the Region (and supported subsequently by the EiP Panel and the Secretary of State in 2004) was, in effect, a 'needs-based' strategy aimed at promoting a 'step change' in urban renaissance (e.g. taking up the opportunity for economic and physical restructuring through the re-use of redundant employment land); it was NOT a strategy aimed at maximising growth in areas of opportunity which was rejected at the 'choices' stage of the RSS process.

4.9 The Phase One RSS Revision, which was approved by the Government in January 2008, reiterated and emphasised this approach by developing a vision-led strategy for the regeneration of the Black Country.

4.10 Similarly, the current 2007 West Midlands Economic Strategy, which is closely aligned with the RSS, shares the objectives of Urban and Rural Renaissance and identifies the same spatial emphasis and priorities.

### **c) The Continued Need to Support the Strategy**

- 4.11 It is acknowledged that, since the RSS strategy was developed, there have been a number of significant contextual changes which, in theory, could potentially warrant a re-examination of these principles, particularly climate change and housing issues.
- 4.12 Perhaps the most fundamental of these is the increasing concern with regard to Climate Change. However, it is evident that consideration of this issue has in practice further increased support for the existing RSS, not least the emphasis on reducing the need to travel by limiting social and economic dispersal, increasingly important given the energy costs and concerns. This issue is not fully considered in the NLP report.
- 4.13 Community cohesion issues also remain high on the agenda but again it can be seen that, in this context, the existing RSS should be supported given the important roles that Urban and Rural Renaissance can play in reducing social polarisation and divisions in society. This issue does not seem to be explicitly considered in the NLP report.
- 4.14 This, therefore, leaves the housing issue which has already been fully addressed in the RSS Revision process and where, on the basis of current evidence with regard to the impact of the 'credit crunch' it would appear that, in the short and medium term, the proposals in the submitted Preferred Option are both realistic and desirable.

### **d) The Housing Issue**

- 4.15 Sitting with this overarching policy framework, the housing policies in the Preferred Option provide a challenging but realistic strategy for the Region which also aims to ensure the Greenfield Sites are not released excessively which could hamper the development of urban sites, especially in the Major Urban Areas. This has been tested and demonstrated by the 2007 Risk Assessment exercise that was undertaken as part of developing the Preferred Option. In addition, the strategy identifies a need to increase substantially the provision of affordable/subsidised housing as a means of directly addressing the housing affordability issues.
- 4.16 It is generally accepted that the downturn in the housing market will continue for some time which will affect housing delivery at least in the short term. All regional stakeholders need to take account of this factor which will require some re-profiling of housing delivery. In particular, there will be a need to consider how any potential short term shortfall will impact on mid to longer term housing requirements and what the level of development can be realistically achieved in the later stages of the plan period. NLP recognise this in their work but their proposals seem to involve some significant risks

and pitfalls which merit for further analysis by WMRA and its partners. Moreover, such re-profiling, if applied to a much higher regional housing target would lead to the need to set unrealistic and undeliverable annual targets towards the end of the plan period.

- 4.17 However, these are fundamental issues and strategic decisions which are subject to major uncertainties. In this situation the key question for the Region, and indeed Government, is whether such choices and any review of the RSS strategy should be based on the rather narrow and one-dimensional approach adopted by NLP. The emphasis, at least in the short to medium term, will clearly need to be on delivering the housing figures set out in the Preferred Option which in the light of past rates of development and current market and economic conditions already represent a major challenge. As a consequence, there is no urgency to increase housing land provision over and above the significant provision already made in the Preferred Option at this point in time, and there are significant strategic risks of providing even more land in the RSS at this stage as suggested by NLP.
- 4.18 Against this backdrop, it is concluded that any fundamental review of the Region's approach to housing provision that may or may not be required in the medium to long run is better done by a proper review of the Regional Spatial Strategy's successor, the Single Integrated Regional Strategy proposed under the Government's Sub-National Review. This would provide the opportunity to adopt an integrated approach which takes into account the latest information on housing need and demand, together with the full range of considerations and implications for all policy fields.

## **5. The Basis of the Regional Assembly Response**

- 5.1 The NLP report potentially represents a major challenge to the Assembly and its partners. However, the Regional Assembly will have no clear indication of the Government position before 08 December when GOWM is also due to submit its response. Therefore, the Assembly in its response needs to reaffirm its commitment to the government approved regional spatial strategy and the partial revision of this Strategy, as set out in the RSS 2 submitted document. It is within this context that NLP should be considered by the Panel.
- 5.2 It has been important that the Assembly's response should be made at a strategic regional level. It then provides a platform for other responses at both the sub regional and local level.

- 5.3 The full Assembly response is a significant document targeted at the professional audience of the Independent Panel which will conduct the Examination in Public in spring 2009. It is aimed to be as helpful as possible to the Panel as the Panel begins to deliberate on the next steps of preparing for the Examination in Public (see section 6). The Assembly's full response is still just a summary of its position and this will be complemented by all Assembly documents which will be in the EiP Panel Library and supplemented by all the EIP papers which the Assembly will be invited to submit by the end of March 2009. Further information on the Assembly's full evidence base can willingly be supplied to Members upon request.
- 5.4 It should be noted that, in accordance with the helpful guidance of the Panel Secretary, all responses on the NLP study have to be submitted in a separate parallel document.
- 5.5 The full Assembly response is set out in Appendix 1. However, in order to summarise the key points, the synopsis of that response is set out below: -

### **West Midland Regional Assembly representations on the RSS Phase Two Revision – 8<sup>th</sup> December 2008**

#### ***Synopsis***

*This submission sets out the Assembly's views on the RSS Phase Two Revision in order to assist the Examination in Public process. The submission highlights key elements of the approved Regional Spatial Strategy for the West Midlands and places the Phase Two Revision within this important context. The work of the National Housing and Planning Advice Unit and the Nathaniel Lichfield and Partners (NLP) study are then assessed against this background.*

*Key conclusions from the Assembly's submission are:*

- i. The Assembly's continuing strong support for the overall RSS strategy of Urban and Rural Renaissance for the distinctive and diverse West Midlands Region and the crucial importance of maintaining and promoting the fundamental principles of the strategy;*
- ii. As agreed with Government, the Phase Two Revision is a partial revision of selected elements of the RSS in order to further develop and strengthen the existing overall strategy to 2026 – it is not a full review of fundamental principles of the approved RSS;*
- iii. The Assembly has significant concerns about the narrowness and soundness of the NLP study and its conclusions and its over-reliance on just the NHPAU figures and a largely trend-based, market-led*

*approach. The Assembly is very concerned about the implications for the approved RSS and for the West Midlands Region, if the propositions in the NLP study were to be adopted by the Government;*

- iv. The Assembly fundamentally challenges key assertions and conclusions in the one-dimensional NLP study, and strongly believes that NLP's proposals would seriously undermine the Urban and Rural Renaissance strategy of the Region;*
- v. There are major delivery challenges and risks, especially in the light of current economic circumstances, and it is therefore even more important to avoid tenuous 'quick fix' approaches and apply prudent and robust solutions that meet the Region's needs in a sustainable way, based on the RSS strategy;*
- vi. Any fundamental review of the Region's approach to housing provision that may or may not be required in the medium to long term should be done through a full review of the RSS's successor, the Single Integrated Regional Strategy;*
- vii. In conclusion, the Assembly therefore strongly believes that the submitted RSS Phase Two Revision Draft is the right strategy for the West Midlands. The Draft demonstrates the willingness of the Assembly and its regional partners to tackle the challenges facing the Region in a holistic and sustainable way. In contrast, the recommendations of the NLP study are not consistent with the key principles of the approved RSS and the underlying sustainable development objectives.*

## **6. The Next Steps towards the Examination in Public**

6.1 The next steps in the intensive process towards the RSS Examination in Public are mainly technical and administrative. However, these are important and intensive weeks for the Regional Assembly and, therefore, the EiP timetable is summarised below. It should be noted that the EiP itself and all preliminary and technical meetings are to be held at the Molineux Stadium, Wolverhampton: -

08<sup>th</sup> December 2008: Deadline for responses to Panel Secretary

12<sup>th</sup> December 2008 – 16 January 2009 : Analysis by the Panel of all the responses and preparation of draft list of matters and participants for each day of EiP.

20<sup>th</sup> January 2009: Publication by Panel of draft list of matters to be discussed and draft list of participants for a 4 week consultation period.

27<sup>th</sup> January 2009: First EiP preliminary meeting to consider matters of process.

28<sup>th</sup> January 2009 (provisional): Housing technical session to hear NHPAU numbers.

20<sup>th</sup> February 2009: End of Consultation on "draft list".

13<sup>th</sup> March 2009: Publication by Panel of final list of matters to be discussed and list of participants.

18<sup>th</sup> March 2009: Second EiP preliminary meeting to consider matters of process.

31<sup>st</sup> March 2009: Final submission of technical papers to Panel Secretary for each matter under consideration at the EiP.

April 2009: Panel and all participants consider all submissions.

28<sup>th</sup> April 2009 – 26<sup>th</sup> June 2009 (inclusive): Examination in Public in session at Molineux Stadium, Wolverhampton (with some recess periods).

6.2 Broadly speaking, the final stages in the process are as follows: -

July and August 2009: Panel prepare their independent report and submit to the Planning Inspectorate for their approval.

Autumn 2009: Publication of Panel Report and then subsequent Proposed Changes by the Secretary of State are published for formal consultation.

2010: Finalisation of RSS 2 and approval by the Secretary of State.

6.3 From past experience of the 2002 and 2007 West Midlands EiPs (and other EiPs elsewhere in England), the next 8 months will be largely a technical, professional process. Your officers have a clear brief at the EiP to explain and defend the RSS 2, as submitted. However, all good practice emphasises the importance of being able to respond very promptly and positively to requests from the Panel for information, for policy advice and for professional judgements. Given the unique circumstances with RSS 2, caused by the Government's intervention, this is even more likely to be true with the RSS 2 EiP. It is established good practice and in the best interests of the Regional Assembly to grant delegated powers so that your officers, in consultation with Senior Assembly Members, can respond to Panel requests in a prompt and positive way. This is set out in recommendation 2d.

- 6.4 Given the dynamics of the situation, the Board may wish to receive a progress report at its March 2009 meeting and subsequent meetings.

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WMRA

**John Pattinson**  
Head of Planning  
WMRA

**Stefan Preuss**  
Strategic Advisor  
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**Appendix 1 –  
WMRA RSS2 Response for 08 December 2008**

**Appendix 2 –  
Letter from Chairman of the West Midlands Regional Assembly  
(Cllr David S Smith) to the Minister, The Rt Hon Margaret  
Beckett**

## Appendix 1

### 1. Introduction

- 1.1 The West Midlands Regional Assembly (WMRA), in its role as the statutory Regional Planning Body (RPB), submitted the RSS Phase Two Revision Draft to the Secretary of State in December 2007. Following the intervention by Baroness Andrews in early January 2008, the Government Office for the West Midlands (GOWM) commissioned Nathaniel Lichfield and Partners (NLP) to undertake a study to develop options for higher levels of housing growth for the West Midlands RSS. This work was undertaken in response to initial work by the National Housing and Planning Advice Unit (NHPAU) and took into account subsequent formal advice from the NHPAU on housing supply ranges.
- 1.2 The Government also issued brief formal guidance in July 2008 on how the NHPAU advice should inform RSS reviews<sup>1</sup>. In the case of the West Midlands, the then Minister for Housing and Planning, Caroline Flint MP, confirmed in September 2008 that the Assembly was not expected to withdraw its submitted Draft Revision and that the NLP study would be a vehicle to allow the NHPAU advice to be tested and considered at the Examination in Public (EiP)<sup>2</sup>. The Minister also informed the Assembly that she anticipated that the NLP study would enable GOWM to explore in its evidence to the EiP the spatial implications of delivering a level of growth within the NHPAU supply range.
- 1.3 As a result of these events, all of those involved in the RSS Revision process, including the RPB and the Panel, are faced by an unprecedented situation. In the light of this, the Assembly through this submission wishes to provide as much assistance as possible to the EiP process and trusts that the Panel will find this helpful. However, it should be noted that the Assembly has had to prepare these representations without knowing the position GOWM would take in their representations to the Panel and, in particular, GOWM's view on the spatial implications of delivering higher levels of housing growth, as anticipated by the Minister.
- 1.4 The representations set out below are intended to contribute positively to the EiP process. Section 2 sets the scene and briefly summarises the key principles and the main elements of the existing RSS for the West Midlands. Section 3 gives a short overview of the submitted RSS Phase Two Revision Draft and Section 4 reflects on

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<sup>1</sup> Letter from the Minister for Housing and Planning, Caroline Flint MP, to the Chairman of the West Midlands Regional Assembly, Cllr David Smith, 16<sup>th</sup> July 2008.

<sup>2</sup> Letter from the Minister for Housing and Planning, Caroline Flint MP, to the Chairman of the West Midlands Regional Assembly, Cllr David Smith, 5<sup>th</sup> September 2008.

key changes in circumstances since submission of the Draft in December 2007. The separate Section 5 then provides the Assembly's initial assessment of the NHPAU advice and the NLP study and, in particular, highlights a number of important issues and concerns in respect of the potential implications of the NLP study. Finally, Section 6 draws together some brief conclusions.

## **2. Background – The existing RSS for the West Midlands**

2.1 As agreed with Government, the RSS Phase Two Revision is a partial revision of selected elements of the 2004 RSS, not a full review. It is important, therefore, to place the Phase Two Revision into the context of the approved RSS. This section provides a brief summary of the approved RSS and demonstrates the continuing relevance and appropriateness of the overarching RSS strategy.

### **i) Placing the partial revision into the context of the approved RSS**

2.2 The existing RSS was approved by Government in 2004 after extensive consultation with regional partners, an intensive EiP in 2002 and close involvement of Government throughout the whole process. The approved strategy marked a step change in regional policy. At the heart of the RSS strategy was a fundamental change of policy direction that, in particular, aims to tackle decentralisation of development through the combined processes of Urban and Rural Renaissance.

2.3 It was widely recognised that, to be successful, this step change will require a holistic, integrated approach to planning and development in the Region. This approach was also closely aligned with the national Sustainable Development Strategy<sup>3</sup> and Government guidance. From early on, the Assembly and its regional partners have therefore ensured close alignment with other regional strategies and programmes, most importantly the Regional Housing Strategy and the West Midlands Economic Strategy (WMES).

2.4 When issuing the RSS in 2004, the Secretary of State supported the overall strategy of Urban and Rural Renaissance and identified a number of issues that required further work. These issues have been taken forward in a phased revision process, including the RSS Phase Two Revision. However, it is important to stress that this is a partial revision of selected elements of the RSS which is intended to further develop and strengthen policies to support the existing overall RSS strategy. It is not a full review of the fundamental principles or emphasis of the existing strategy. This approach was enshrined in the Project Plan<sup>4</sup>, which was agreed with Government, and has guided the revision process.

### **ii) Key elements of the approved RSS**

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<sup>3</sup> 'A Better Quality of Life', 1999, subsequently developed further in the national Sustainable Development Strategy 'Securing the Future', 2005.

<sup>4</sup> See West Midlands RSS Phase Two Revision Project Plan, March 2006, particularly page 9.

- 2.5 The approved RSS for the West Midlands<sup>5</sup> identifies a number of major challenges facing the Region and sets out a policy framework to address these challenges. The continuing outward movement of people and jobs away from the Region's Major Urban Areas<sup>6</sup> (MUAs) was identified as a particular challenge. This unsustainable trend was seen as increasing pressures on the environment, leading to development of greenfield sites, increasing the need for car-based travel and creating dangers of abandonment and greater social polarisation within the Region (see e.g. paras 2.7-2.8 and 3.2 of the approved RSS).
- 2.6 In response to these challenges, the RSS promotes a fundamental change of direction and sets out an ambitious strategy to achieve this goal. It aims to reverse the unsustainable decentralisation through the dual approach of Urban and Rural Renaissance so that all parts of this distinct and diverse Region increasingly meet their own needs in a mutually supportive and sustainable manner. In spatial planning terms, this strategy is based on a number of key cornerstones, including:
- a) An integrated approach to Urban and Rural Renaissance, both across policy fields (housing, economic development, transport, environment etc.) and across geographic areas (e.g. recognising and dealing with the interrelationships between MUAs and surrounding areas). The renaissance strategy spatially joins up, and critically depends on, land use policies and wider measures, including improving skills, education, transport and social infrastructure and the natural and built environment;
  - b) A spatially focussed concentration of development and investment to achieve sustainable patterns of development, e.g. through spatial emphasis on Urban and Rural Regeneration Zones, Sub-Regional Foci, Local Regeneration Areas, Town and City Centres, Other Large Settlements and Market Towns – see Policies UR1, UR2, UR3, RR2, RR3, CF1, CF2, PA1, PA2, PA3, PA11, QE1, T1 of the approved RSS<sup>7</sup>;
  - c) A significant redistribution of new development, investment and action, in particular to facilitate and promote development in areas of greatest need;

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<sup>5</sup> As in the Regional Spatial Strategy for the West Midlands issued by the Secretary of State in January 2008 which incorporates the completed RSS Phase One Revision.

<sup>6</sup> The Major Urban Areas in the West Midlands are made up of Birmingham, Solihull, Coventry and the Black Country local authorities of Dudley, Sandwell, Walsall and Wolverhampton, as well as the urban area of the North Staffordshire conurbation in the Stoke-on-Trent and Newcastle-under-Lyme local authority areas.

<sup>7</sup> The submitted RSS Phase Two Revision proposes a further development of this spatial structure, including the replacement of Sub-Regional Foci with Settlements of Significant Development (see Policy CF2).

- d) Increased rates of development in the MUAs, combined with a comprehensive restructuring and revitalising of the urban areas to counter out-migration;
- e) Facilitating regeneration in rural areas and the creation of sustainable rural communities with a focus on meeting locally generated needs;
- f) The critical importance of improving the existing urban fabric, including the existing housing stock (in line with the Government's objective of 'decent homes for all'<sup>8</sup>), whilst ensuring that new development takes place in a sustainable way.

### **iii) The continuing relevance and appropriateness of the overall RSS strategy**

- 2.7 The RSS sets out an ambitious and challenging strategy and, when it was adopted in 2004, the then Minister for Housing and Planning, Keith Hill MP, confirmed the need for the significant change of direction and the importance of urban renaissance<sup>9</sup>. Whilst the strategy was only adopted a relatively short time ago, there are already signs of success and progress towards Urban and Rural Renaissance objectives. The monitoring work of the Assembly and the Regional Observatory has shown, for example, a significant increase in housing and employment land development within the MUAs, combined with a slowing down of out-migration from these areas<sup>10</sup>.
- 2.8 However, notwithstanding these encouraging signs, sustained long term commitment and investment are required to tackle the underlying, deep-rooted problems and challenges and to accomplish the fundamental change process. Indeed, the need for concerted, sustained effort was recognised by the Panel of the EiP in 2002 who saw a need for 'a sensible period of policy stability'<sup>11</sup>.
- 2.9 In line with these principles, both the Assembly and Government Ministers have subsequently stressed the urgency of action in relation to the regeneration of the Black Country as a key element of the regeneration of the conurbation at the heart of the Region. The overall approach of the regeneration strategy for the Black Country was also fully supported by the Panel of the RSS Phase One Revision

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<sup>8</sup> As set out in the Government's Housing Green Paper 2007 and PPS3.

<sup>9</sup> Letter from the Minister for Housing and Planning, Keith Hill MP, to the Chairman of the West Midlands Regional Assembly, Cllr Bransby Thomas, 15<sup>th</sup> June 2004.

<sup>10</sup> See, for example, the Assembly's Annual Monitoring Reports (submitted to the EiP document library) and the State of the Region reports prepared by West Midlands Regional Observatory.

<sup>11</sup> RPG11 for the West Midlands, EiP Panel Report, October 2002, para 11.3.3.

EiP<sup>12</sup>. When approving the Phase One Revision in January 2008, Baroness Andrews again emphasised and supported this approach of a vision-led strategy for the regeneration of the Black Country.

- 2.10 While the key challenges underpinning the approved RSS remain, further changes have taken place since the strategy was developed. Perhaps the most fundamental of these is the increasing concern with regard to Climate Change. However, this issue has in practice further increased the support for the existing RSS, not least the emphasis on improving the existing stock of buildings and reducing the need to travel by limiting social and economic dispersal, which is increasingly important in the face of rising energy costs and carbon emission concerns.
- 2.11 The need for economic restructuring and modernisation in the Region also continues, not least in the context of current economic conditions (see Section 4 below). This requires a coordinated, joined-up approach to facilitate economic development and to improve the Region's competitiveness. Crucially, the current West Midlands Economic Strategy, which is closely aligned with the RSS, shares the objectives of Urban and Rural Renaissance and identifies the same spatial emphasis and priorities for investment and intervention.

### **3. The RSS Phase Two Revision Draft**

- 3.1 This section introduces key elements of the RSS Phase Two Revision Draft as submitted by the Assembly in December 2007 which are particularly relevant to the overall RSS strategy and which provide a basis for analysing the NLP study.

#### **i) Key principles underpinning the RSS Phase Two Revision**

- 3.2 A number of key principles have guided the work of the Assembly and its regional partners in developing the RSS Phase Two Revision, including:
- a) It is a partial revision which is intended to support and strengthen the overall strategy of Urban and Rural Renaissance in the period up to 2026;
  - b) The need for adopting an integrated, holistic approach to spatial planning in developing new/revised policy for that Renaissance, taking into account all aspects that are relevant to the creation of sustainable communities as set out in PPS1<sup>13</sup>;

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<sup>12</sup> See, for example, West Midlands RSS Phase One Revision EiP Panel Report, March 2007, para O.6.

<sup>13</sup> This has been ensured, among other things, through the Sustainability Appraisal process which has drawn heavily on the Regional Sustainable Development Framework for the West Midlands.

- c) Close consideration of both the interconnections between policy fields and, importantly, the alignment of new/revised policy with the overall RSS strategy (including an innovative 'Risk Assessment'<sup>14</sup>);
- d) Taking into account changes in circumstances (e.g. Climate Change issues) and new/revised government policy since the preparation of the existing strategy, including new PPS1 (and the accompanying Climate Change Supplement), new PPS3, new PPS4, the New Growth Points initiative, the Government's Waste Strategy 2007 etc.;
- e) Consideration of the deliverability of the proposals, including a comprehensive assessment of infrastructure implications and requirements, and the preparation and ongoing progression of a RSS Implementation Plan.

## **ii) Key elements of the RSS Phase Two Revision Draft**

3.3 This section summarises key elements of the Phase Two Revision Draft under a number of cross-cutting 'headings'. It does not intend to summarise all revised policies but focuses on key elements/revisions that are of particular relevance to the overall RSS strategy and to the challenges arising from the NHPAU/NLP work.

- a) **Sustainable development:** The Phase Two Revision has been guided by the principle of sustainable development and aims to meet regional needs in a sustainable way. The revision has strengthened the approach in the existing RSS to the promotion of sustainable development and the creation of sustainable communities in urban and rural areas (new Policies SR2 & SR3). Climate change considerations have also been integral in developing new/revised policy (see Draft Revision para 2.21 and new Policy SR1). In addition, the proposed new/revised waste policies promote more sustainable ways of waste management (Policy W1).
- b) **Integrated approach:** The RSS Phase Two Revision has followed the integrated approach which underpins the strategy of the existing RSS, aimed at developing holistic policy responses (see 2.6 above). Within the framework of the overarching RSS strategy, close links have been made between policy areas, including housing, employment, environment and transport. For example, the scale and distribution of housing development has been carefully aligned with provision of employment land and figures for office and retail development. This has also included,

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<sup>14</sup> An innovative 'Risk Assessment' process was undertaken in 2007 and again in 2008 to assess the impacts on overarching spatial strategy objectives; together with a 'Rural Proofing' in 2007 to ensure that needs of rural areas are taken into account (both where submitted together with the Phase Two Revision Draft).

where necessary, the identification of priorities for further infrastructure provision and investment. In addition, the Regional Transport Strategy, which is an integral part of the RSS, has been developed further in tandem with other new/revised policies.

- c) **Increasing housing provision:** The RSS Phase Two Revision Draft makes provision for a substantial increase in house building in the Region, including affordable housing, compared to previous regional planning strategies and past delivery rates. This takes full account of the Government's overall housing policy objectives and a regional assessment of housing needs. The proposals include a 'front-loading' and phasing of provision to deliver higher levels of housing development (see Policies CF3 & CF4), while at the same time working within the framework of the overarching RSS strategy and providing an integrated package of housing, employment and infrastructure development. The provision of additional housing, in particular affordable housing, has been a key element of the revision. However, the strategy has not been driven by numbers; rather it has considered and developed housing policies within the context of the approved RSS strategy and wider policy considerations.
- d) **Promoting sustainable economic growth:** Supporting the modernisation and diversification of the regional economy is a cornerstone of the existing RSS. The RSS Phase Two Revision Draft has been developed in parallel with the revision of the West Midlands Economic Strategy (WMES) and, as a result, the two strategies are closely aligned. They share the same spatial focus for development, investment and intervention<sup>15</sup> which has guided, for example, the new/revised policies on housing and employment land provision, retail and office development in the RSS.
- e) **Spatial focus and balanced development:** The RSS Phase Two Revision Draft retains a strong emphasis on overall Urban Renaissance and on promoting development and investment in the MUAs (see e.g. Policies CF1 and PA1). This includes, among other things, an emphasis on improving the existing housing stock to maintain or create urban communities that are economically vibrant, socially balanced and environmentally friendly. Similarly, the RSS housing policies aim to create sustainable communities in rural areas, e.g. through concentrating strategic housing development in and adjacent to towns which are capable of balanced and sustainable growth (see Policy CF2). This approach of spatial concentration and balance is also underpinning the RSS employment and centres policies (see Policies PA1, PA6A, PA6B, PA11, PA12A, PA12B, PA13B and PA13B). Moreover, as regards

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<sup>15</sup> See West Midlands Economic Strategy, December 2007, in particular Chapter 8 ('Focus & Delivery'), which was published alongside the RSS Phase Two Revision Draft (see RSS Phase Two Revision Draft, in particular Chapter 3 and Policies CF1, CF2, PA1, PA6-6B).

waste management, the concept of each waste planning authority managing an equivalent tonnage of waste to that arising within its area has been adopted, including an indication of broad locations for waste management facilities (but not prescribing the sites or the technologies) (Policies W1 & W3).

- f) **Sub-regional implications of the strategy:** The revision of the RSS has led to the development of more detailed policies, not least through incorporating district level figures for housing and employment land provision. In developing these new policies, including those for housing, employment land, office and retail development, consideration has been given to their sub-regional implications in order to ensure policy integration at sub-regional level. This process has been informed to a large extent through sub-regional advice from the Section 4(4) Authorities from across the Region. This has led to the development of sub-regional sections in the Spatial Strategy (Chapter 3) and the RSS Implementation Plan (see below) which aim to provide more detailed, integrated guidance at sub-regional level. This provides the integrated context for the preparation of LDF Core Strategies by the local planning authorities in the Region.
- g) **Robustness and flexibility of the strategy:** The strategy has been developed to provide long term guidance over the whole RSS plan period to 2026. However, it also recognises that circumstances are likely to change during the plan period. While setting a policy framework that gives robust, strategic long term guidance, the revised RSS also provides for a degree of flexibility to respond to changing circumstances and unforeseen events. This will be achieved in particular through the process of 'plan, monitor and manage' and strategy review (see Chapter 10)<sup>16</sup>. Flexibility has been built particularly into those policies that set figures for the level of development, e.g. in relation to scale and distribution of housing, employment land, retail and office development (see Policies CF4, CF10, PA6A, PA12A, PA13A). As far as housing development is concerned, flexibility is also provided as the figures for the Metropolitan Major Urban Areas are expressed as 'minima' (see Policy CF3); similarly, the employment land figures for the MUAs are also expressed as 'minima' (see Policy PA6A). Thus, should ongoing monitoring indicate the need and capacity to make further strategic allocations, such provision can be made in a planned way in line with spatial strategy principles (see also paras 6.66-6.68, Policy PA6A and Chapter 10 of the Draft Revision).
- h) **Deliverability and implementation:** The consideration of issues around deliverability and implementation has been an integral part

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<sup>16</sup> In line with Government policy guidance set out in PPS11 (para 2.1 and Chapter 3), PPS3 (para 52) and the Government's Good Practice Guidance on 'Monitoring Regional Spatial Strategies'.

of the Phase Two Revision process. The Assembly, together with regional and sub-regional partners, has undertaken a comprehensive assessment of infrastructure implications and requirements across a wide range of topics. This has underpinned the preparation of the Draft Implementation Plan and has also informed the revision of the Priorities for Investment (Policy T12). The revised strategy re-iterates and strengthens the importance of planning and delivering in partnership. In this respect, the delivery of the strategy has been promoted through close alignment with current Regional Housing Strategy and the revised WMES, especially regarding the spatial focus for development, investment and intervention (see Chapter 3).

#### **4. Changes in circumstances since submission in December 2007**

- 4.1 When submitting the Draft Revision in December 2007, the Assembly and its regional partners believed that it was the right policy package for the West Midlands, providing a strategic framework for the long term sustainable development of the Region which is consistent with the principles of the overall RSS strategy. The Assembly strongly believes that this is still the case in December 2008.
- 4.2 However, it is also acknowledged that there have been a number of very significant contextual changes since the Draft Revision was submitted. The following issues are considered to be of particular relevance to the RSS:
- a) The significant reduction in the availability of finance and mortgage lending as a consequence of world wide difficulties in the banking system – the ‘credit crunch’;
  - b) A significant economic downturn which has led to considerable reduction in economic activity and additional strains on public sector spending;
  - c) A major reduction in house building together with the abandonment and ‘mothballing’ of sites by the development industry. The most recent monitoring data shows a reduction in housing completions in the West Midlands to around 15,800 (net) in 2007/08 and it is estimated that completions could be as low as around 8,000 (net) in 2008/09 and 2009/10<sup>17</sup>;
  - d) In the current economic climate, public finance has been used increasingly to support the economy;

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<sup>17</sup> This accords with the estimate made by the NLP in their discussion with developers (see NLP report, Volume 1, para 8.18).

- e) The negative impact on regeneration and development activities due to reductions in land values of assets on which future development funding depends;
  - f) A reduction in the capacity of the building industry, with significant job losses and back-migration of skilled builders, particularly from the UK to Central and Eastern Europe;
  - g) Overall, this is creating a very difficult time for regeneration and development in the Region and nationally.
- 4.3 In addition, there is increasing evidence that inter-regional migration, particularly between the West Midlands and the Greater South East, is moving away from the exceptional patterns seen over the past few years and is returning to its longer term historic relationship.
- 4.4 These are significant changes and challenges that affect the RSS and development in the Region in general. Some of these factors may have short term impacts but there are also some more fundamental issues at play. In the light of this, it seems important to bear in mind a number of key issues:
- a) The fundamental challenges facing the West Midlands Region remain, especially the need for Urban and Rural Renaissance;
  - b) Many of the recent changes in circumstances reinforce to a large extent the existing challenges, e.g. the need for sustained concerted effort to support regeneration, including public sector investment, especially in times of weak markets;
  - c) It is generally accepted that the downturn in the housing market will continue for some time and this will affect housing delivery at least in the short term. There will be a need to consider how any potential short term 'shortfall' will impact on medium to longer term housing requirements and what level of development can be realistically achieved in a sustainable way in the later stages of the plan period;
  - d) The current 'credit crunch' is seen to be much more than just a temporary phenomenon and could lead to a fundamental restructuring of financial markets. It seems unlikely that the credit markets will be offering as much credit in the medium term and perhaps even in the long term. Clearly, this will have a significant impact on effective demand for housing and the level and type of private sector house building that can be expected in the medium and longer term;
  - e) The economic and financial situation also raises issues in relation to the funding and delivery of the infrastructure. Whilst in many cases infrastructure provision would need to be 'front-loaded' (i.e. as a precondition for housing and other development), there are serious concerns that this will not be provided by the private

sector development industry. At the same time, public sector resources are already scarce and it seems unlikely that sufficient Government funding will be available to secure the provision of all necessary infrastructure upfront;

- f) These are very complex and fundamental issues and changes which are also subject to major uncertainties. There are great dangers in adopting short term measures that appear to offer 'quick fixes', while neglecting wider underlying challenges and strategic policy considerations which are set out in the RSS strategy;
- g) The emphasis, at least in the short to medium term, will clearly need to be on delivering the housing figures set out in the Draft Revision which, in the light of past rates of development and current market and economic conditions, already represent a major challenge;
- h) There seems to be no urgency to increase housing land provision over and above the significant additional provision already made in the RSS Phase Two Draft Revision at this point in time. Indeed, there are significant strategic risks of providing even more land in the RSS at this stage, as demonstrated by the Risk Assessment undertaken for the Assembly<sup>18</sup> and the recent report of the House of Commons Environmental Audit Committee<sup>19</sup>;
- i) Any fundamental review of the Region's approach to housing provision that may or may not be required in the medium to long run should be done through a full review of the Regional Spatial Strategy's successor, the Single Integrated Regional Strategy proposed under the Government's Sub-National Review. This would provide the opportunity to adopt a holistic approach which takes into account the latest information on housing need and demand, together with the full range of considerations and implications for all policy fields.

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<sup>18</sup> Alan Wenban-Smith/Urban & Regional Policy: Risk Assessment of RSS Phase Two Revision - update following publication of the NLP study, November 2008.

<sup>19</sup> House of Commons Environmental Audit Committee: 'Greener homes for the future?', published November 2008.

## **5. Response to NHPAU advice and NLP study**

- 5.1 The Assembly would also like to take the opportunity to provide its initial views on the work of a) the NHPAU and b) the NLP housing study, which the Panel may find useful. The NLP study was published on 7 October 2008, so any assessment can only be a preliminary one at this stage. The Assembly is aware that these issues may be discussed at a seminar following the first Preliminary Meeting and the Assembly will be pleased to offer further advice and an input at that seminar.

### **Comments on the NHPAU advice**

- 5.2 This section provides a short overall assessment of the NHPAU advice<sup>20</sup> and then briefly highlights key issues and potential implications for the West Midlands RSS. It should also be noted that the Chairman of the English Regions Network (ERN) is writing to the Minister about the use of the NHPAU work across all English regions, in particular, in RSS processes<sup>21</sup>. Above all, the ERN emphasises the need for the NHPAU work to be set into a proper planning and wider policy context when being used in the production of RSSs.

### **i) Overall approach and scope of the NHPAU advice**

- 5.3 The Assembly considers that, while the NHPAU's technical calculations on housing supply provide an interesting analytical tool, a considerable degree of caution is required when using this work in the RSS process. There are a number of significant limitations, implications and wider considerations that need to be taken into account, including<sup>22</sup>:
- a) The narrowness of the NHPAU approach which is based on high level arithmetic and mechanistic modelling work at national level;
  - b) Concerns about key assumptions that underlie the NHPAU approach, for example, the degree to which housing affordability is determined by the supply of land as opposed to fiscal policies and the availability of finance/mortgages;
  - c) An overemphasis on (land) supply side issues in addressing housing affordability as opposed to demand side factors such as the effective demand for housing. This also includes inadequate

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<sup>20</sup> NHPAU, 'Meeting the housing requirements of an aspiring and growing nation: taking the medium and long-term view. Advice to the Minister about the housing supply range to be tested by Regional Planning Authorities', June 2008.

<sup>21</sup> The letter will be forwarded to the EiP Panel as soon as it becomes available.

<sup>22</sup> A short critique of the NHPAU work is also included in the 'Risk Assessment' undertaken for the Assembly in November 2008 (see in particular Chapter 4).

- distinction between effective demand for private sector housing and the needs of households requiring social housing;
- d) The mechanistic approach underlying the housing 'trajectories' used by the NHPAU which does not appropriately consider effective demand and deliverability issues;
  - e) The sensitivities of the NHPAU modelling work; for example, as the outputs are highly sensitive to the input assumptions, particularly those on nominal income growth and mortgage interest rates;
  - f) The great uncertainties inherent in the input data and the assumptions that underlie the NHPAU work, including those relating to household, migration, income and mortgage rate projections. For example, the NHPAU's approach to regard a projected increase in net households as synonymous with new households or the needs of new households with the need for new dwellings appears to be flawed<sup>23</sup>;
  - g) The emphasis on market housing and the lack of consideration of the role of affordable/subsidised housing and the rented market, especially social rented accommodation;
  - h) The focus on 'new build' housing, whilst neglecting the crucial role the existing stock has to play in achieving the Government's objectives of 'decent homes for all';
  - i) The trend-based nature of the NHPAU approach which is subject to major uncertainties and, very importantly, largely ignores the impact of current and future policy across a wide range of relevant policy fields;
  - j) The NHPAU tends to understate the impact of the 'credit crunch' which could be much more than just a temporary phenomenon and could lead to a fundamental restructuring of financial markets. In this respect, the NHPAU seems to be out of line with current Government macro economic analysis and policy. This casts significant doubts, for example, as to whether sufficient money will be available to support the exceptionally high house building figures suggested by the NHPAU;
  - k) The lack of consideration of the practicalities and deliverability of the housing building rates suggested by the NHPAU which are the result of an arithmetic exercise with very little consideration of their deliverability (e.g. unprecedented levels of private sector housing completions); and
  - l) Crucially, the absence of the NHPAU taking into account the much wider set of policy considerations and implications that needs to

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<sup>23</sup> See Risk Assessment undertaken for the Assembly in November 2008, in particular para 7.8.

be considered in developing integrated, holistic policy in an RSS, particularly sustainable development, in line with the planning principles set out in PPS1. The narrowness of this platform is recognised by the NHPAU but not always acknowledged when others deploy their analysis.

## **ii) Assessment of the NHPAU advice for the West Midlands**

5.4 In the context of the overall assessment set out above, a few further issues are highlighted regarding the NHPAU housing supply range figures for the West Midlands. The Assembly is aware that this may be the subject of discussion at the proposed seminar in January 2009 and further advice can be provided at the appropriate time, should the Panel find this helpful. At this stage, the Assembly would therefore like to provide pointers at issues that seem to be particularly relevant, including:

- a) The NHPAU housing supply figures are derived from modelling work at national level but there has been very little consideration of the specific circumstances of the distinctive West Midlands;
- b) There is no recognition that the situation in the West Midlands is markedly different from that in the southern and northern regions. In addition, the assumptions made by the NHPAU in respect of inter-regional migration between the West Midlands and the rest of England, particularly the South East, do not reflect the longer term trend (see 4.3 above);
- c) No consideration has been given to the bespoke policy context in the West Midlands and the impacts of current and future regional strategies; for example, on housing supply and demand, economic activity and incomes, migration etc.;
- d) There is no consideration in the NHPAU work of the wider implications of the proposed levels of housing development, including the impact on the Urban and Rural Renaissance strategy. Technical work undertaken for the Assembly<sup>24</sup> has highlighted some key risks for the West Midlands RSS arising from the NHPAU approach;
- e) There has been no assessment of the deliverability of the NHPAU housing figures in the West Midlands context. Indeed, the NHPAU supply ranges are substantially higher than the levels of housing development achieved in the Region over a long period of time<sup>25</sup>;

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<sup>24</sup> See Risk Assessment, November 2008, in particular Chapter 4.

<sup>25</sup> See, for example, para 4.2 above and the RSS Annual Monitoring Report (AMR) of February 2008. Please note that the next AMR is due in February 2009 which will be made available to the EiP Panel and the EiP document library as soon as practical.

- f) There are also questions in relation to the specific housing supply range proposed for the West Midlands. For example, as regards the lower end figure, it is noted that the NHPAU figure is higher than what would be required to stabilise housing affordability in the Region. The upper end of the NHPAU range for the West Midlands is considerably higher than the outputs from the latest official household projections and the Assembly has significant reservations about the NHPAU's approach to 'backlog of demand' which, in turn, is a key contributory factor to the high figure.
- 5.5 In the light of this, the NHPAU housing supply range work provides an interesting technical, though fairly narrow, perspective. Clearly, in progressing the RSS Phase Two Revision, consideration will need to be given to the findings and limitations of the NHPAU work, together with a much wider range of considerations, particularly policy objectives and spatial implications in the distinctive West Midlands context.

### **Comments on the NLP housing study**

- 5.6 The NLP housing study is a significant piece of work, above all, because the then Minister for Housing and Planning, Caroline Flint MP, confirmed that the study would be a vehicle to allow the NHPAU advice to be tested and considered at the EiP (see para 1.2 above). The Minister also anticipated that the NLP study would enable GOWM to explore in its evidence to the EiP the spatial implications of delivering a level of growth within the NHPAU supply range. As already explained, the Assembly had to prepare these representations without knowing the position GOWM would take in their representations to the Panel and in advance of GOWM's view on the spatial implications of delivering higher levels of housing growth, as anticipated by the Minister.
- 5.7 Against this complex background, this section provides an initial assessment of the NLP housing study based on the detailed knowledge and expertise of regional partners and local planning authorities across the West Midlands. It covers the approach, methodology and evidence base of the NLP study and highlights a number of key concerns in relation to the findings of the study. Finally, numerous questions are identified which provide pointers at potential implications for the RSS and the West Midlands Region, if the NLP proposals were to be adopted by Government. As set out below, there are significant concerns about the potential severe impacts of the NLP proposals on the spatial strategy for the West Midlands, in particular on Urban and Rural Renaissance objectives.

### **i) Overall approach and scope of the NLP study**

5.8 While the study brief issued by GOWM<sup>26</sup> already set a narrow remit, it is important to highlight the narrowness of the NLP study, especially when compared to the RSS and the Phase Two Revision. This is in clear contrast to the much more holistic approach set out in PPS1, PPS3 and PPS11. The narrowness of the NLP study is exemplified by, in particular:

- a) A clear lack of understanding of a) the established RSS strategy, particularly Urban and Rural Renaissance, b) the integrated policy approaches and delivery mechanisms required to achieve that strategy, and c) the risks for the RSS strategy arising from NLP's propositions;
- b) Overarching policy objectives (such as Urban and Rural Renaissance, climate change, sustainable development) have not been the starting point of the study but have rather been 'bolted on' in the analysis and the derivation of findings and conclusions of the study;
- c) No consideration of what is required to meet housing and wider needs in the West Midlands in a sustainable manner (i.e. a 'needs based' approach), but focus on how arithmetically derived housing supply numbers could be physically accommodated in the Region;
- d) Similarly, a narrow focus on housing numbers is adopted which pays little regard to interrelationships with, and implications for, other policy fields in the RSS (e.g. employment land, transport, environment);
- e) A simple arithmetic adding of housing numbers on top of the RSS Phase Two Revision Draft without consideration of the interrelationships between the two or their cumulative impacts;
- f) The analysis and derivation of findings in the study is to a large extent based on past trends and market oriented, whilst little consideration is given to wider policy objectives and strategy led approaches. Consequently, for example, the NLP study seems to condemn great swathes of housing as 'low demand' (private) or 'difficult to let' (social) on the basis of their physical and locational characteristics<sup>27</sup>;
- g) The study focuses on net additional housing development and neglects the importance of the existing stock in meeting housing objectives ('decent home for all'), wider spatial strategy objectives (such as Urban and Rural Renaissance) and Government policy in PPS1 and PPS3. It does not consider the close interrelationships between these issues and in particular ignores the potential

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<sup>26</sup> The Planning Inspectorate/Government Office for the West Midlands, 'Development of Options for the West Midlands RSS in response to the initial NHPAU report – Statement of Requirements', February 2008.

<sup>27</sup> See Risk Assessment undertaken for the Assembly in November 2008, para 7.10.

dangers of drawing investment away from the existing urban stock arising from an oversupply of land in surrounding areas.

## **ii) Issues concerning the methodology of the NLP study**

- 5.9 There are also a number of concerns about methodological shortfalls and limitations of the NLP study, including:
- a) The process of how NLP have moved from their evidence base review to the generation of options and scenarios is not clear and the links between these two elements seem to be missing (e.g. it is not clear how the nine options in Chapter 6<sup>28</sup> derive from the evidence base review in Chapter 4);
  - b) Similarly, the process of how the options and scenarios have been generated remains a 'black box'. For example, there is no explanation or justification of how the figures of 51,500 and 54,000 additional dwellings in scenarios one and two respectively<sup>29</sup> were derived;
  - c) The generation of options/scenarios and the assessment of risks and impacts has been carried out in a linear way and not via an interactive, iterative and holistic process;
  - d) The study applies a narrow definition of risks and impacts; for example, focusing on what are called 'showstoppers' and 'fundamental barriers' to delivery, with a tendency to disregard significant risks and impacts below such excessively high and simplistic thresholds;
  - e) The selective and rather simplistic way in which the study deals with 'trade offs' between policy objectives (see paras 1.25 and 4.8);
  - f) The tendency to analyse and assess impacts in isolation from each other and a lack of consideration of cumulative and synergistic impacts (see e.g. NLP's assessment of the impact of the nine options, Table 7.1 and para 7.20);
  - g) The uncritical use of probably tenuous correlations, e.g. the correlation of net-migration and net build rates (see para 8.52). This is even more concerning as, on the one hand, NLP acknowledge the 'spurious accuracy' of such numeric calculations and modelling (para 6.15) but, on the other hand, the analysis and conclusions of the study draw heavily on such work.

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<sup>28</sup> Unless stated otherwise, references in this Section of the submission refer to NLP's main report, i.e. Volume 1 of the NLP study.

<sup>29</sup> For example, the 'mid' range for the options was around 46,500 additional dwellings and was, as NLP explained, simply the arithmetic mid-point in the NHPAU range. However, there is no explanation of how the level of housing growth in the two scenarios has been arrived at.

### **iii) Evidence base of the NLP study**

5.10 There are also serious concerns about the narrowness and selectiveness of the evidence base that is used in the NLP study, including:

- a) The narrowness of the evidence based used by NLP to inform the appraisal of options and scenarios (see paras 3.26 and 7.1);
- b) The selectiveness of the evidence base review undertaken by NLP which seems to be biased towards information that supports the case for higher housing figures, whilst evidence that would go against this is underrepresented (see Chapter 4);
- c) The soundness of some of the evidence used and the conclusions that are derived from it. For example, the case for the new settlements proposed by NLP seems to be based solely on 'a high-level desktop analysis' (para 6.18);
- d) In a number of important cases, the assertions and conclusions in NLP's main report are not supported by evidence and, indeed, contradict the findings of the detailed Sustainability Appraisal (SA) and Habitat Regulations Assessment (HRA) undertaken by NLP. For example, the assertion in the main report that there is no evidence that increased housing supply outside the MUAs increases out-migration from the MUAs is not supported by the findings of NLP's own SA (see NLP Volume 5, page 64);
- e) The selective, uncritical and partial 'evidence' obtained through selective stakeholder involvement, with an apparent dominance of the views of the development industry;
- f) The lack of critical appraisal of evidence, especially the absence of a critical assessment of 'stakeholder' views which tend to be taken at face value (see e.g. Table 8.1, paras 8.30 and 8.60);
- g) It should also be noted that there has been very little direct engagement by NLP with the Assembly, especially at the options/scenario generation and assessment stages, despite repeated requests for such engagement from the Assembly to the Government at the highest level.

### **iv) Issues concerning the findings of the NLP study**

5.11 There are a number of considerable concerns about key findings and conclusions which NLP reach in their study. Overall, the Assembly strongly believes that the propositions in the NLP study would seriously undermine the approved RSS strategy. If adopted, this would go far beyond a 'partial revision' and would represent a fundamental review of the approved strategy. The Assembly's main concerns include the following:

- a) Neither the options nor the scenarios are based on established and approved spatial strategy principles, e.g. all three scenarios are heavily biased towards the south east of the Region. In fact, the NLP study explicitly acknowledges that its options 'are not always closely aligned to elements of existing RSS policy' (Table 3.1, page 18). It should also be remembered that there is no basis in the RSS or the RSS Phase Two Revision Draft for new settlements or substantial Green Belt releases outside the MUAs, as proposed by NLP;
- b) The assessment of the potential impact of the housing options does not reflect the key principles and objectives of the West Midlands RSS (see e.g. para 8.14). NLP has also ignored the Risk Assessment undertaken by the Assembly in 2007 (see paras 7.13 and 8.13);
- c) There are significant concerns that the detailed SA and HRA work undertaken as part of the NLP study has not been fully considered or, in some instances, has even been ignored in drawing conclusions (e.g. the SA/HRA findings in relation to climate change, noise and light pollution and pressures on employment land);
- d) There are considerable concerns about the inconclusiveness and uncertainties in the analysis and conclusions of the NLP study (*'there is no evidence that...'*, *'need not...'*, *'no insurmountable barrier...'*, *'could in principle...'* etc.) and the absence of any precautionary principle;
- e) NLP's conclusion that *'there are no options which need represent a fundamental barrier to achieving the RSS objectives'* (para 9.7) is diametrically opposite from the independent Risk Assessment undertaken for the Assembly<sup>30</sup>;
- f) NLP's assertion that there are no links between development within and outside the MUAs and between development outside the MUAs and Urban Renaissance (see paras 8.51-8.55) is not backed by any substantial evidence and runs fundamentally against the existing RSS strategy (see Section 2 above). This assertion by NLP can be highly questioned and rebutted in the light of:
  - i. Longer term monitoring information which demonstrates, for example, selective migration of population and jobs from the MUAs to the surrounding areas, particularly to 'close-in' locations;
  - ii. The warning expressed by the then Planning Minister, when approving the strategy in 2004, of significant land allocations,

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<sup>30</sup> Risk Assessment, November 2008, in particular Chapter 6.

particularly of greenfield sites, which could undermine the overall RSS strategy<sup>31</sup>;

- iii. The conclusions of the EiP Panel during the RSS Phase One Revision as regards the risks of greenfield urban extensions for the redevelopment of urban sites and the regeneration strategy<sup>32</sup>;
  - iv. Several recent appeal decisions by the Secretary of State rejecting large scale housing developments in South Staffordshire district on the grounds that significant peripheral housing development could attract out-migration from the MUAs that would undermine urban regeneration<sup>33</sup>; and
  - v. The recent report of the House of Commons Environmental Audit Committee<sup>34</sup>.
- g) In the light of this, the Assembly strongly asserts that it is important to emphasise the close inter-relationships between development in the MUAs and the surrounding areas which are at the heart of the approved RSS strategy of Urban and Rural Renaissance (see Section 2 above). The Assembly is severely concerned that excessive development beyond the MUAs, as set out in the NLP proposals, will undermine the regeneration in the MUAs by diverting developer interest and public investment away from the MUAs, undermining fragile housing markets and increasing the potential for continued selective out-migration, abandonment and social polarisation;
- h) NLP also fail to understand what constitutes the MUAs and do not recognise the difference between MUAs and administrative boundaries. The net result of this is that the MUA/ex-MUA ratio in the NLP study is biased so as to imply that the shift in balance away from the MUAs is less than it would be. For example, the NLP proposals for Solihull must involve substantial development outside the MUA but NLP include all of the provision in the MUA figure as an arithmetic makeweight;
- i) The NLP report also shows a lack of understanding of Rural Renaissance objectives and of what is required to maintain and create sustainable rural communities. NLP's proposals, including the reliance on market housing, are likely to have very little effect on housing affordability in rural areas and risk running counter to

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<sup>31</sup> See letter from the Minister for Housing and Planning, Keith Hill MP, to the Chairman of the West Midlands Regional Assembly, Cllr Bransby Thomas, of 15<sup>th</sup> June 2004 which accompanied the approved RPG11.

<sup>32</sup> West Midlands RSS Phase One Revision EiP Panel Report, March 2007, para 1.17.

<sup>33</sup> These relate to the dismissal of three planning appeals by the Secretary of State on 30th October 2008 in respect of residential development in South Staffordshire district.

<sup>34</sup> See para 4.4 h above and para 5.11 j below.

- rural sustainability objectives, such as travel patterns and meeting locally generated needs;
- j) NLP's assertion that increased land supply in the most attractive areas will not lead to 'cherry picking' by developers (see paras 8.56-8.60) has not been substantiated by credible evidence and goes against NLP's own assertions elsewhere in their report (e.g. para 8.30 vii) and the findings of the Environmental Audit Committee report. 'Cherry picking' is likely to happen and would be damaging to Urban Renaissance objectives without achieving any substantial increase in housing supply<sup>35</sup>. In fact, at the presentation of the final NLP report on 9 October 2008 a representative of the Home Builders Federation explicitly confirmed that housebuilders would 'cherry pick' and that they would adopt a selective, market-led approach towards developing sites;
  - k) There are significant concerns about the way in which 'trade offs', risks and impacts are downplayed and abdicated to the local level in the NLP report (see e.g. Tables 7.2 and 9.2);
  - l) Similarly, there is also serious concern about the extent to which strategic impacts and risks are downplayed or indeed ignored. In fact, infrastructure implications and requirements are largely left to be resolved at the local level and there is no strategic overview or assessment of infrastructure needs and funding. The constant relegation of responsibility for infrastructure planning to the local level falls well short of the principles of sound and robust strategic planning;
  - m) There is very little consideration of Climate Change issues. Indeed, the higher levels of housing growth and the spatial emphasis in the NLP proposals on greenfield locations rather than the restructuring of the MUAs are likely to result in greater overall levels of carbon dioxide emissions, both from the housing sector and from transport<sup>36</sup>;
  - n) The explanation and justification provided by NLP for regarding the bottom end of the NHPAU housing supply range as 'de-minimis' in terms of its impacts (see para 9.30) is very weak and can be strongly questioned. Indeed, the SA and HRA that accompany the NLP work (Volumes 5 and 7 of the NLP report) highlight a number of significant impacts which are not reflected in NLP's main report and contradict NLP's conclusion that the bottom end can be regarded as 'de-minimis';

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<sup>35</sup> See e.g. the Risk Assessment undertaken in November 2008, paras 5.23 and 5.25.

<sup>36</sup> See West Midlands Carbon Dioxide Emissions Study undertaken by AEA Energy & Environment on behalf of the Assembly, November 2008.

- o) There is a significant difference between increasing the supply of land for housing development and effective demand for additional housing development. NLP focus on the former and fail to recognise the strategic risks arising from a mismatch between land supply and effective demand<sup>37</sup>;
- p) The NLP study focuses on the question whether additional housing growth in the West Midlands is in theory physically 'possible' but it tends to neglect whether such growth is 'desirable' (in RSS strategy terms) and whether it is realistically 'deliverable' (in light of past rates of development, the 'credit crunch' and restructuring of financial markets, 'cherry picking' by developers etc.);
- q) Issues around deliverability tend to be 'glossed over' by NLP, not only in relation to delivery of higher housing numbers but also as regards the provision of infrastructure and mitigation measures. NLP ignores that infrastructure funding and resources are already stretched, that implementing the proposals in the Draft Revision already pose a major challenge and that the higher levels proposed by NLP create even greater delivery risks. The NLP report over-estimates considerably the amount of funding that is likely to come forward through the private sector (Section 106 contributions, Community Infrastructure Levy, Regional Funding Allocations etc.) and neglects the impact of the economic and financial situation in this respect.

#### **v) Implications of the NLP study proposals for the RSS**

5.12 Finally, this section raises a series of questions about the NLP work and highlights potential implications for the West Midlands RSS and the Region, if NLP's conclusions were to be adopted by Government. As shown below, this is also relevant to the RSS Phase Three Revision and the preparation of the future Single Integrated Regional Strategy (SIRS). This section may also provide pointers at issues that could be considered at the EIP. These include:

- a) The risks of carrying out a fundamental review of the RSS strategy based on the one-dimensional NLP work, when all regional players, including GOWM, had signed up to the partial but integrated revision of selected elements to strengthen the approved overall strategy for the distinctive West Midlands Region;
- b) The implications for the overall RSS strategy, especially Urban Renaissance, associated with the higher levels of development suggested by NHPAU/NLP and the distribution of development proposed by NLP;

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<sup>37</sup> The relationship between land supply and effective demand and the risks arising from an oversupply of land are discussed in detail in the Risk Assessment undertaken for the Assembly in 2007 and 2008.

- c) The implications for sustainable development in the West Midlands, given that NLP's own Sustainability Appraisal shows that the positive impacts of their proposals are heavily outnumbered by the negative impacts;
- d) The implications of NLP's approach which is largely based on past trends and market preferences as opposed to the vision-led strategy in the approved RSS that focuses on areas of greatest need;
- e) The strategic risks of over-provision of land for housing, especially in the light of diminishing effective demand for housing, including:
  - i. The potential diversion of development and investment away from the MUAs as a result of higher levels of development outside these areas;
  - ii. The impact on the existing urban fabric, community cohesion, the existing housing stock and the Government's objective of 'decent homes for all';
  - iii. The socio-economic structure of the MUAs and processes of spatial and social polarisation in the Region;
- f) The spatial implications of delivering the higher levels of housing development proposed by NLP, including the implications for:
  - i. All other policy areas in the RSS (employment land, centres, transport, environment, waste etc.); for example, the implications for the availability of employment land or the impact on the overarching sustainable region policies;
  - ii. The impact of additional growth as proposed by NLP on the Region's current infrastructure (transport, water, social and green infrastructure etc.), including the impact on infrastructure that serves key regional assets (Birmingham International Airport, the NEC etc.) and the extent to which NLP's proposals could prejudice their continuing viability and future success;
  - iii. The scale of infrastructure requirements (including transport, water, social and community and green infrastructure) and the likelihood of securing the right type and level of infrastructure at the right time to facilitate higher levels of higher growth and create sustainable communities;
  - iv. The potential impact of increased competition for infrastructure resources (which are already considerably stretched) and the dangers that scarce public resources are diverted from regeneration areas to facilitate development on greenfield sites;

- v. The scale of development on greenfield land as opposed to the reuse of previously developed land and the achievement of brownfield recycling targets;
- vi. The loss of Green Belt and the extent to which the NLP proposals undermine the strategic functions of Green Belt as set out in PPG2 (including restricting urban sprawl, preventing coalescence of settlements, safeguarding countryside from encroachment and assisting urban regeneration);
- vii. The environment, including environmentally sensitive areas, air quality, water supply and treatment and flooding issues. The SA and HRA carried out by the Assembly and indeed NLP's own assessments raise a number of serious concerns in this respect;
- viii. The Region's approach to tackling Climate Change and the need to reduce carbon dioxide emissions (contributing to the national target of 80% reduction by 2050), including whether the measures required to offset higher emissions from housing and transport sectors can be realistically implemented (e.g. the feasibility of 'zero carbon' developments in the light of the credit crunch)<sup>38</sup>;
- ix. The impact of the more dispersed patterns of development arising from the NLP scenarios on travel behaviour, especially by private car, congestion levels and public transport usage and viability;
- x. Potential constraints to higher levels of development, particularly infrastructure and environmental constraints, including the availability of construction aggregates that would be required to achieve the higher levels of development proposed by NLP;
- xi. The impact on the regional economy (e.g. in terms of agglomeration advantages of the MUAs) and on initiatives to promote those parts of the Region which are economically under-performing (e.g. in terms of GVA per resident, employment levels);
- xii. The deliverability of the NLP proposals, e.g. as the housing trajectory suggested by NLP (Fig. 8.1) indicates build rates for the second half of the plan period which would have to be at a level unprecedented in this Region;

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<sup>38</sup> Indeed, technical work undertaken for the Assembly shows that the NLP housing scenarios will make it more difficult for the region to meet national greenhouse gas and carbon dioxide emission targets (see West Midlands Carbon Dioxide Emissions Study undertaken by AEA Energy & Environment on behalf of the Assembly, November 2008).

- xiii. Phasing and housing trajectories, especially as NLP's proposals appear to lead to a 'back-loading' of provision in the later parts of the plan period;
- g) The implications of the lack of locational priorities and spatial guidance in the NLP work (which largely follows market preferences) which is likely to inhibit coordinated infrastructure planning and provision;
- h) The ability to deliver both the RSS Phase Two Revision Draft and the higher NLP proposals, given the likely medium and long term effects of the credit crunch and economic recession, as well as the implications this could have for Urban and Rural Renaissance. This could include issues associated with:
  - i. The need to phase back housing trajectories for up to 8 years (as suggested by NLP<sup>39</sup>) and the likelihood that it will not be possible to make up any shortfall by 2026;
  - ii. The risks associated with identifying excessive greenfield land, especially early in the plan period, and the impact on the reuse of brownfield land and urban regeneration;
  - iii. The potential shortage of public finance to support infrastructure provision and land assembly to open up new sites and maintain and create sustainable communities;
  - iv. The extent to which the strategic risks arising from higher housing figures (including the provision of affordable housing) will be magnified if the approach set out in PPS3 is followed, whereby the five year supply of land at the local level is continually increased to meet an ever increasing trajectory target towards the end of the plan period.

## **6. Conclusions**

6.1 This submission demonstrates the significant threat to the Government's own Urban and Rural Renaissance strategy for the West Midlands that is posed by the NHPAU/NLP's higher housing ranges. Our conclusions are reached, not on trend based projections or theoretical economic modelling, but on the detailed knowledge and expertise of regional partners and an analysis underpinned by close monitoring over a long period of time. The approved RSS is recognised as being ambitious because it seeks to reverse unsustainable historic patterns of out-migration from the MUAs. There are already clear indications that the focus of development has begun to shift back to the MUAs where it is most needed. The Assembly concludes that it is critical to the sustainable development

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<sup>39</sup> See NLP report, Volume 1, pages 88-89.

of the West Midlands that this strategy is supported and not undermined by higher levels of dispersed greenfield housing development that are unsustainable in either environmental, social or economic terms.

- 6.2 The Assembly trusts that these representations are of assistance to the Panel, and the Assembly is looking forward to engaging fully in and providing further inputs to the Examination process. The Assembly will respond positively and promptly to any requests from the Panel in the run-in period and at the EiP itself.

**Letter to the Rt Hon. Margaret Beckett M.P**  
**Minister for Housing and Planning**

Dear Minister,

**West Midlands Regional Spatial Strategy:  
Phase Two Revision**

The Regional Assembly finds itself in the unprecedented position of having to make representations on our own RSS Phase Two Revision Draft which we submitted to your predecessor in office in December 2007. I thought I should write to you personally to explain why we have decided to do this.

Following our submission last December, we received a letter from your colleague Baroness Kay Andrews on 8 January 2008. This informed us that she felt the Assembly's submitted housing targets were not high enough to meet the Government's aspirations. Baroness Andrews therefore asked the Government Office for the West Midlands (GOWM) to commission a study into higher regional housing ranges, in the light of advice from your National Housing and Planning Advice Unit (NHPAU). Although the study was intended to be technical advice to inform the Examination in Public Panel, the Assembly felt it to be of such fundamental concern to the Region that we agreed to extend the period of public representations on the Phase Two Revision. This was to enable all regional partners and stakeholders to comment both on the Phase Two Revision itself and on the impact of the Government commissioned housing study on it. Due to GOWM having difficulty letting the contract for this study, the representation period had to be extended twice and finally ended on 8 December, almost a full twelve months after our original submission.

Last summer, we exchanged letters with your predecessor Caroline Flint. This correspondence clarified that the commissioned housing study would, in the West Midlands uniquely, meet her requirement that the NHPAU advice be tested by Regional Assemblies through the RSS process. This saved the Assembly having to abandon and re-start our RSS Phase Two Revision. It has, however, meant that we have not been able to oversee the process as the statutory Regional Planning Body and have been forced to make representations on our own RSS submission and a study controlled by GOWM into which we had very limited input. This is an issue on which I expressed my considerable concerns and disappointment in writing to Caroline Flint and I am at least grateful that this resulted in some slightly improved consultation by GOWM towards the end of the study preparation period. However, overall the Assembly was granted very little input into the study.

The housing study produced on the Government's behalf by consultants Nathaniel Lichfield and Partners (NLP) was finally published at the beginning of October. This gave the Assembly and its regional partners only little time to examine it and make representations by the 8 December deadline. We have now done this and have serious concerns about the potential implications for the approved RSS strategy that flow from its recommendations.

I firstly need to re-iterate the obvious point that we have submitted Revisions to the Government's own approved Regional Spatial Strategy for the West Midlands. In this document, the Government emphasises the need for us to pursue the central aims of urban and rural renaissance. We believe this to be your continued policy because of the Phase One Revision to the RSS that your colleague Minister Baroness Andrews approved in January 2008 in respect of the Black Country sub-region. The Minister said that this Revision "will support the much needed regeneration of the sub-region".

Indeed earlier this month, your Department dismissed a series of appeals for residential and associated development on sites in South Staffordshire District, close to the West Midlands Conurbation. In your decision letters you emphasise the detrimental impact on urban renaissance that these developments would have. It was agreed with Government from the outset that the RSS Revision, including Phase Two, would further develop and strengthen the existing overall strategy and that it is not a review of fundamental principles of the approved RSS.

The NLP housing study proposes increased green field housing development spread across the Region, with emphasis on the south easterly parts where market demand is perceived to be strongest. This is fundamentally at odds with the urban renaissance strategy to which both the Government and the Assembly are committed. It undermines our attempts to re-focus housing and regeneration activity on the Region's major urban areas where need is concentrated and most severe.

The Assembly and its partners feel a high degree of frustration and concern with this situation. Our RSS Phase Two Revision proposes the highest ever level of house building in the Region. Indeed, the proposed target of an additional 365,600 by 2026 more than doubles the Government's own target of 180,000 contained in Regional Planning Guidance 11. The Assembly has also set very ambitious targets for provision of affordable housing, so critical to maintaining and creating sustainable communities.

Our Phase Two Revision submitted to your predecessor was, moreover, based on the almost unanimous support of the Region's local planning authorities and other regional stakeholders. The Phase Two Revision was also closely aligned with the West Midlands Economic Strategy which was revised in tandem with the RSS. Through the West Midlands' unique degree of partnership working, we were able to achieve this high consensus, thereby managing the historic tensions between city and shire that fifty years of population overspill have generated. Even more than this, we achieved support, not just for higher housing targets in the conurbation, but also higher housing targets for a series of shire "settlements of significant development" such as Worcester and Burton on Trent. This degree of development across the region is based on your Government's sensible "brown field first" policy. It was accepted by the Assembly that some green field development, and indeed some release of Green Belt in sustainable locations was necessary to achieve this ambitious target, but the NLP study takes this far beyond of what is desirable and sustainable for the Region.

We now feel that all this effort has been wasted because of Baroness Andrew's response on behalf of the Government, unhelpfully coming as it did immediately after our Phase Two submission rather than during the process of Revision formulation itself, a process in which Government Office played an active part. Without this intervention, we could by now (on the jointly agreed original programme) have completed the Examination in Public and be awaiting the Panel's report to you, with a prospect of your decision early next year and speedy delivery of higher housing targets. As it is, we must wait for an Examination in Public that will not close until at least late June next year.

We are frustrated, too, because we believe the package of policies submitted in the Phase Two Revision was integrated, sustainable and deliverable. We do not believe that the NLP housing study has any of these characteristics. Rather, it has only served to move the public debate and focus from the policies needed to create sustainable communities to a mechanistic argument over housing numbers.

The Assembly has severe concerns about the NLP study and its conclusions, including:

- The lack of understanding of the West Midlands Region and the Urban and Rural Renaissance strategy in the approved RSS;
- The propositions in the study would undermine the Government's own RSS strategy for Urban and Rural Renaissance in the West Midlands;
- Great concerns about the deliverability of the NLP proposals, especially in the light of current economic and financial circumstances and the longer term effects on private sector and Government spending; and

- The completely inadequate and insufficient consideration and costing of infrastructure implications and requirements which, again, raise serious concerns about the deliverability and sustainability of the NLP proposals.

Finally, I must record on behalf of our local government partners the damage this has done to the delivery of development plans system in the West Midlands. We appreciate fully that the 2004 Act requires RSS Revisions and Local Development Frameworks to be progressed in parallel; but the above outlined delays are creating great difficulties for local planning authorities in framing options that have to anticipate what you may decide at the end of the RSS Revision process.

I appreciate that you will not wish to comment in detail on the merits of your commissioned housing study outside the Examination in Public process. The Assembly would nonetheless appreciate your assurances that the strategy of urban and rural renaissance – coupled with appropriately located higher housing targets – on which we are expending such efforts to take forward, is indeed the Government's continuing policy for the West Midlands Region.

I would be most grateful to receive your response to the serious concerns outlined in this letter and to receive your assurances as requested.

Yours Sincerely,

**Cllr David S Smith**  
**Chairman, WMRA**