

Housing Investment in the Regions

WEST MIDLANDS REGIONAL ASSEMBLY RESPONSE

1. Proposed Changes to Existing Indicators – general comment

- 1.1 There are some concerns arising from changes to some of these indicators as well as points of support. Many of the indicators have particular resonance in the West Midlands housing markets since both high affordability, and low demand issues affect different parts of the Region. The indicators tend to place significance on these polarities in ranking the English Regions. When applied to the West Midlands as a series of averages the effect of the indicators are dampened, potentially disguising the intensity of some very serious factors which characterise large parts of the Region.

2. Proposed Changes to Existing Indicators – specific comments

Homeless households in temporary accommodation

- 2.1 The changes to indicators which may justify concern include the reliance on the latest figures for the use of temporary accommodation as the measure of homelessness. The recent emphasis on prevention of homelessness and the targets to reduce homeless households in temporary accommodation is felt to belie a continued and even growing pressure for social rented housing as affordability worsens in parts of the West Midlands and the supply of affordable housing continues to be below current estimates of need as set out in the West Midlands Regional Housing Strategy 2005. This is evidenced by the increased numbers registered on housing waiting lists in the Region as the same time as there is a reduction in homeless households in temporary accommodation.

Thus by relying on one aspect of homelessness statistics, namely the success of prevention and the targeted approach to reducing households in temporary accommodation, the effect on the allocation of capital to the Regions may not reflect the real profile of needs.

Affordability measures – ratio of lower quartile house prices to lower quartile earnings

- 2.2 The consultation on affordability measures uses Regional lower quartile house prices to lower quartile earnings figures. The affordability profile given in the Technical Report (pg 10) has the scale of the pressure predominating in London, SE, SW, and East of England. The representation in the DCLG document of this indicator suggests that the West Midlands Region does not appear to suffer high affordability pressures to anything like the same degree as these Regions. However as the West Midlands Regional Housing Strategy 2005 (Appendix 13, Table A4) shows three of the four sub regional housing markets have entry-level

house price affordability ratios from 7 to 9.7, the same indicators DCLG are proposing to use.

If this use of the indicator unreasonably disadvantages the West Midlands, either additional sub-regional information should be used or the weighting be configured to do justice to the extent of the affordability problem in three of the four sub-regional housing markets in the Region. The Commission for Rural Communities (CRC) 'Tackling Rural Disadvantage' Affordable Housing Study used Evesham and surrounding areas as a case study to highlight the scale and consequences of this very problem. In the light of this and our own published evidence we would expect Government to respond positively to the case made for more funding for Affordable Housing.

Additional affordable housing due to housing growth in specific areas

- 2.3 As for the extension to the additional 'affordable housing due to growth in specific areas' indicator, this is designed to reflect the additional affordable housing which will be built as a result of commitments by local authorities in their the 29 New Growth Points agreed in the wider South East and **Midlands**. The more firm the New Growth Point proposals are it would seem the indicator needs to plainly operate in their favour to ensure, for example, site assembly and appropriate levels of affordable housing. Since this applies in the West Midlands Region, the Regional allocation should be positively affected.

Overcrowded, sharing and concealed households

- 2.4 The measures for Overcrowding and Regeneration work relatively well for the West Midlands identifying the needs of the conurbation and North Staffordshire, placing the Region in the upper middle order of the English Regional ranking. The Regional Assembly feels that these indicators are crucial and should not be diluted in any way. They address housing stress and the broader long term goal of urban renaissance.

3. The New Indicators - specific comments

Numbers of unemployed or economically inactive households

- 3.1 The two new indicators may help the West Midlands and to this extent are supported in principle, but the degree of helpfulness is by no means clear. The Unemployment and Economically Inactive indicator could help the West Midlands given its levels of unemployment and emphasis on manufacturing industry. After London and the Northern Regions, the West Midlands is fifth out of nine Regions. However the detail on what this measure may be is not given nor is the link to housing need clearly made. Can further information be given on how this relationship between economic stress and housing is seen to operate?

Mixed Communities Indicator

- 3.2 The new indicator for Creating and Maintaining Mixed Communities is thin on detail. However as a policy objective requiring investment this should be very useful to the West Midlands where the major theme underpinning the West Midlands Regional Housing Strategy 2005 is the pressing need to redress the imbalance in the housing markets across its sub regions. Almost all parts of the West Midlands need to respond to this strategic policy, so an indicator to attract supportive investment is to be welcomed.

4. Additional Comments

- 4.1 The indicators are very largely trend based. Although some are being updated to refer only to the most recent data, thereby losing the weight of longer term past trends, none rely on the future intentions set out in the Region's Spatial Strategy and Regional Housing Strategies. The reference to Growth Areas and Growth Points is forward looking but this does not engage effectively with the full weight of the requirements inherent in the West Midlands RSS Urban and Rural Renaissance strategies for which continue, effective Government funding support, of which this is a part, is needed.
- 4.2 Although changes to the indicators 'Overcrowding', 'Concealed families' and 'shared households' and 'Regeneration' are noted to have a positive effect on Black and Minority Ethnic households. The role of investing to secure Community Cohesion is not identified directly. Greater clarity is required to target appropriate housing investment to ensure that both longer term demographic changes are properly matched with the right mix and type of housing, as required in the new PPS 3, but also to meet needs arising from more recent and current migration especially where new household formation is to be expected.

Capital housing investment that more effectively addresses community cohesion and the household formation trends following migration flows are missing from the policy priorities and hence the indicators.

- 4.3 The growing need to fit the housing offer of the West Midlands housing markets for the Regional economy of the future also needs to be taken into account. This forward facing dynamic link between the Regional Housing Strategy and Regional Economic Strategy could help to target investment more effectively.

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