

# **West Midlands Regional Assembly**

## **Summary of Key Issues for DEFRA Commission into Rural Affordable Housing**

**Waters Upton 9<sup>th</sup> Nov 2005**

### **1. Introduction<sup>1</sup>**

The West Midlands Region is home to 5.3 million people. At its heart lies the densely populated conurbation with a population of 2.25 million. At the other extreme lies the remoter rural parts of Shropshire, Herefordshire and Staffordshire Moorlands, which are amongst the least densely populated.

More than 80% of the land area of the West Midlands is rural or semi-rural and in terms of residential land, more than half of the land area is identified as containing isolated settlements such as hamlets, compared to 40% of the land mass across England as a whole. Such settlements, however, account for less than 3.5% of the Region's housing stock whereas the vast majority (85%) of dwellings are located in urban areas with a population of more than 10,000 people. Densely populated 'urban' settlements and 'isolated communities' are twin features of the West Midlands scene and this brings particular challenges for building sustainable, cohesive communities and in delivering high quality public services across the Region.

The West Midlands Regional Spatial Strategy (WMRSS) is central to balancing priorities to deliver sustainability across rural and urban areas and the Regional Housing Strategy complements the WMRSS by identifying the housing priorities and set of actions to deliver a transformation in both urban and rural areas.

### **2. West Midlands RSS (RPG11) – confirmed June 2004**

Overall strategy – joint Urban and Rural Renaissance

Working Groups on both Urban and Rural Renaissance to implement RSS policies.

Objective – to create a sustainable Region by reversing 30- 40 years of out migration of better off into the rural settlements from the Conurbation and Major Urban Areas(MUAs).

One 'technical' consequence is the reduction in non- MUA housing land release from 2011 to reduce provision for out migration.

This creates a tension for those relying on private sector development to generate Sec 106 opportunities to secure affordable housing.

However – need to note the WMRSS Rural Renaissance Policies do not prevent affordable housing being built in non – MUAs, and other settlements nor in villages. (This challenges an oversimplification some have about the RSS policies).

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<sup>1</sup> Please see Chapter 2 and paras 3.113 and 3.114 of the West Midlands Regional Housing Strategy 2005 at <http://www.wrma.gov.uk/page.asp?id=63>

Equally where Local Planning Authorities have exhausted their planning consents agreement has been reached with GOWM for continuing affordable housing development to meet local needs and to directly support economic development.

The RSS housing policies will be subject to a Partial Review in 2006. When the Office of National Statistics (ONS) household projections are known technical work can be undertaken to assess their implications. It is to be expected that in the Partial Review of the WMRSS,-

- the overall housing land release figures will be reviewed ,
- the amount of affordable and social housing will be reassessed for the Regional Housing Strategy (and probably the RSS) and,
- these figures will be disaggregated to LA district level – though this may be subject to a further direction from GOWM to refocus these on Housing market areas, the basis for which has yet to be made plain.

**3. The 2<sup>nd</sup> West Midlands Regional Housing Strategy 2005** follows ODPM and West Midlands Regional Assembly (WMRA) requirements that it aligns with the strategic objectives of the RSS. The headline housing land release figures are as in the current RSS.

In accordance with ODPM requirements of Regional Housing Boards (RHBs) the RHS has identified through a robust methodology, four distinct sub regional housing market areas, (Please see Fig 1 below).

The empirical research (to be found at <http://www.wmra.gov.uk/page.asp?id=66>) has also shown more about the way housing markets operate especially at sub regional level. This has opened a proper debate about the housing requirements of the West Housing Market Area (HMA). Here whilst there is a link between the out migration of the conurbation and the West, it is only half as strong as the inter- regional in migration pressures from the surrounding regions, especially the South East and South West. This poses a question for the Partial Review as to how these housing pressures should be addressed.

#### **4. Implementing Regional Spatial and Housing Strategies.**

The ODPM guidance to RHBs and some of the draft guidance recently issued for consultation on Planning, envisages closer working between Local Authorities to resolve housing issues on in relation to housing market areas, not being constrained artificially by administrative boundaries. In principle, this is welcomed by the Regional Assembly though we are very conscious of the staffing and resource pressures this may imply for our local authority colleagues.

Both the RHS 2005 and the GOWM Regional Allocation Strategy 2006-08, refer to the next stage of work being the development of more fine grained sub regional housing strategies. There is no guidance on what these are to be from central government. However the RHB and WMRA's Regional Housing Partnership view is that these should be about delivery, and especially the delivery of affordable housing.

The first RHS in 2003, may not have been as sensitive to rural issues as it needed to be, perhaps due to the pace at which it had to be produced and a certain lack of rural interest in some quarters. Over the last two years the independently researched evidence and the contributions from the consultation process including the West Midlands Rural Housing Network and other sub regional housing partnerships have stressed the importance of rural housing perspectives.

This voice has now been heard and the proof of this is in the GOWM Regional Allocation Strategy 2006-08. Compared with the 2004-6 level the ADP<sup>2</sup> for the South HMA (Worcestershire and South Warwickshire has doubled to £61.5 M for 2006-08. In the West the increase is from £12.5M in 2004-6 to £18.3M. The pressure is now on to show the RHB and the Housing Corporation that the planning and housing enabling processes in these areas can commit these funds in line with Regional Housing Strategy against the policy priorities.

The RHB, WMRA, and Housing Corporation are encouraging local housing and planning authorities to work together to shape the strategic policy view at sub regional level. These structures are taking shape and very encouragingly in the West and South. This is including the engagement of some of the County LSPs where affordable housing has risen high on the political agenda.

Both the Central and North HMAs have important rural areas which are to varying degrees tied into the urban housing markets. The configuration of the membership of the HMAs here reflects this and allows for a much clearer dialogue between authorities as to how they intend to address these issues of mutual interest.

The RHB has already funded key pieces of research and action plan development in the North HMA to compliment the Pathfinder activity and also in the former South Staffordshire / North Warwickshire coalfields area. These will continue to provide strong platforms for informing the sub regional layer of housing strategy.

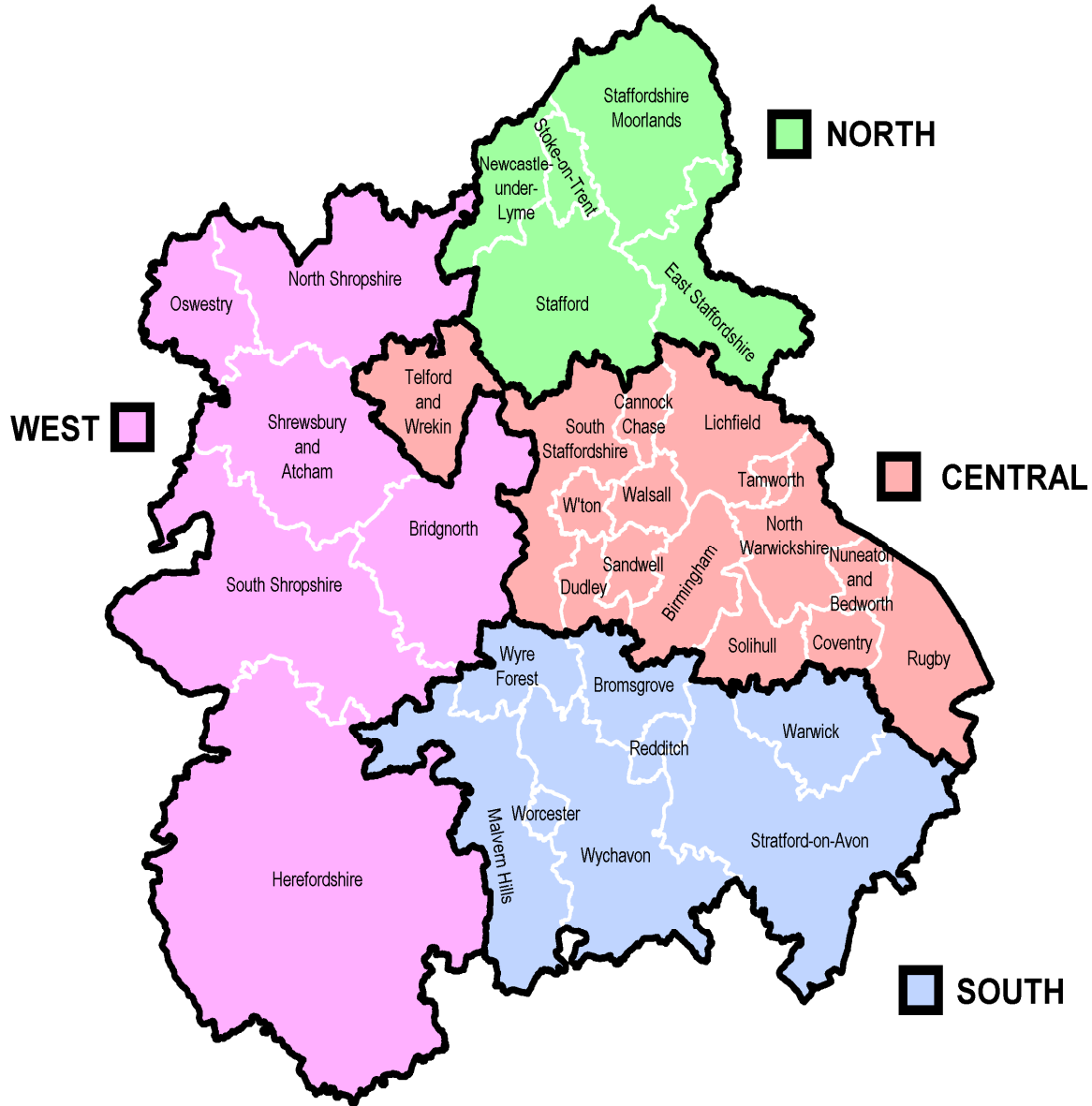
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<sup>2</sup> ADP (Approved Development Programme) the term used until recently for the Central Government capital funds channelled by the Housing Corporation to Housing Associations for new and refurbished housing development schemes for social rent and shared ownership.



**Fig 1 West Midlands RHS 2005 Sub Regional Housing market Areas adjusted to Local Housing Authority Boundaries.**

**Appendix 3:in Regional Allocation Strategy 2006-08**  
**Table to illustrate breakdown of ADP by funding and output.**

	ADP Funding (£m)		Outputs		
	2004/06	2006/08 (Projected)	2004/06 (units)	2006/08 (Projected units)	2006/08 projected outputs as % of 2004/06
<b>North</b>	7.5 (4.5% of total ADP 04/06)	9.9 (5.0% of total ADP 06/08)	245 (5.5% of total units 04/06)	312 (5.5% of total projected units)	127.3%
<b>Central</b>	116.7 (69.3%)	109.2 (55.0%)	2667 (64.4%)	2852 (50.0%)	106.9%
<b>South</b>	31.5 (18.7%)	61.3 (30.84%)	922 (22.5%)	2007 (35.2%)	217.7%
<b>West</b>	12.5 (7.4%)	18.3 (9.2%)	303 (7.5%)	533 (9.3%)	175.9%
<b>Total</b>	<b>168.2 (100%)</b>	<b>198.6 (100%)</b>	<b>4137 (100%)</b>	<b>5704 (100%)</b>	<b>137.9%</b>

**Appendix 4: in Regional Allocation Strategy 2006-08**  
**Table to show HIP/ADP split for 2004/06 and 2006/08 periods**

	2004/06			2006/08		
	HIP	ADP	Total	HIP	ADP	Total
<b>North</b>	18.5	7.5	26.0	17.7	9.9	27.6
<b>Central</b>	138.0	116.7	254.7	140.8	109.2	250.0
<b>South</b>	13.7	31.5	45.2	4.8	61.3	66.1
<b>West</b>	10.0	12.5	22.5	4.3	18.3	22.6
<b>Total</b>	<b>180.2</b>	<b>178.2</b> <b>(Includes</b> <b>£10m</b> <b>currently</b> <b>unallocated)</b>	<b>358.4</b> <b>(Includes</b> <b>£10m</b> <b>unallocated)</b>	<b>180.1</b> <b>(Includes</b> <b>£12.4m in</b> <b>reserve.)</b>	<b>198.6</b>	<b>378.69</b> <b>(Includes</b> <b>£12.4m in</b> <b>reserve)</b>

Note – all figures in £m.