

West Midlands Regional Assembly response to specific questions raised by ODPM

**1. Consultees are invited to put forward their views on the proposed approach. Section 2 introduced some specific questions on which we are grateful for consultees views and experience:**

**2. Consultees are invited to highlight good practice that would deliver the collaborative approach to planning for housing markets set out here, or to suggest particular structures, mechanisms and incentives that would support planning and decision making at the level of the housing market.**

The RHS 2005 was submitted to GOWM/ODPM on 30 June 2005. The work undertaken by Sheffield University on the identification of sub regional housing market areas demonstrated a set of functional housing market areas which it was reasonable to use as a basis for developing the RHS. These were derived from a clear set of economically defined principles and tested a wide range of variables against house prices and incorporated as appropriate evidence from journey to work patterns.

The four sub regional HMAs are;-

- The North HMA (North Staffordshire)
- The West HMA (Herefordshire and Shropshire)
- The South HMA (Worcestershire and Stratford and Warwick)
- The Central HMA (the Conurbation of the Seven Mets plus South Staffordshire and North Warwickshire)

The four functional HMAs were very close to the administrative boundaries of the LHAs and in only two counties were there two HMAs. In order to operationalise the empirical work the functional boundaries were taken as the closest administrative boundary. These required compromises in three significant locations, and appropriate policies were included in the RHS to address these.

How were the HMAs Set Up?

The GOWM and Housing Corporation approached the individual LHAs affected where there was room for some debate about where their authorities should lie. The final arrangement was achieved through this process. The same discussions also identified at least two key lead authorities in each HMA.

The HMAs in relation to the RSS and RPB

The confirmed RSS Para 6.25 anticipated the definition of the Sub regional HMAs and incorporates them into the operation of the affordable housing policies. However the officer group of the RPB has stressed the Section 4 (4) role of the County Councils who are very committed to identifying planning sub regions with the Counties or existing sub regional arrangements such as the Coventry Solihull Warwickshire sub regional partnership. The RSS Partial Review on housing figures will include presentations for both the new HMAs and LPAs.

## Aim of the HMAs

- **To evolve new Housing Partnership structures** in accordance with the RHS policies which correspond to the new HMA boundaries.
- **The HMAs will be lead by LHAs** as these are the Strategic Housing Authorities with the responsibilities and powers of the strategic enabling role.
- The **County Councils** are expected to be invited to the HMA meetings covering their area. In the cases of Warwickshire and Staffordshire this will be two sets of meetings.
- The HMAs are to be strongly urged to invite and involve their **planning** colleagues to the HMA meetings. In some parts of the Region such as Worcestershire there is an established relationship which needs to be continued. This closely relates to the ODPM Planning consultation idea of each LPA leading a separate housing partnership. In the West Midlands these existing and emerging relationships are preferable, being actually related to whole market areas, capable of being resourced by local authorities and Regional bodies, *(unlike the ODPM idea referred to in the Local Housing Assessment Guide Discussion Draft)* and place the relationship between planning and housing on a more sound basis.
- There is encouragement to undertake **joint LHSs and joint LA housing needs and market assessments**. The current ODPM Planning for Housing Provision also plainly states the joint LDDs will be the norm based upon Housing Market Areas, though quite whether these will be the same as the RHS ones or smaller geographical areas is as yet unclear.
- It is vital the **joint RSS and RHS policy framework**, the numbers set out in the RSS/ RHS for total housing requirements, and the affordable and social housing needs within those overall figures, are adhered to by the sub regional HMA groupings in the further refinement of the RHS to their specific more local circumstances.

### **3. Consultees are invited to give their views on how a tailored approach to planning for housing could work or whether a single approach, but in the context of different levels of growth, is preferable.**

The suggestion that policies for housing land provision should vary across the country and region depending on whether a housing market area is identified as a high growth area, a managed growth area or a low demand area is supported if the new planning system were operated at the RPB's discretion. It is essential that the different characteristics of different housing market areas can be taken into account if urban and rural renaissance are to be successful. The identification of 'floor' and 'ceiling' targets for housing proposals for different types of areas fits in well with the existing RSS for the West Midlands, which includes minima proposals for the Major Urban Areas and maxima proposals for elsewhere in the Region.

However, the concern is that the ODPM proposals will remove this in the West Midlands. Thus, an issue for the West Midlands, within the national context, will be how

to define the typologies of housing market areas. In the national context, the Milton Keynes and Medway areas are presumably high growth areas. In this context, then, are Birmingham and the Black Country high growth areas? It is essential that the regional planning body is able to define what is meant by high and managed growth areas in the RSS, in terms of what is happening in the West Midlands.

**4. Consultees are invited to give their views on how assessments of land availability covering sub-regional housing markets could best work and provide examples of existing practice that achieves this.**

The West Midlands Regional Assembly believes that it operates best practice in its assessment of housing land availability. The West Midlands has a long history of assessing land availability for housing and publishes a regional synopsis every year. This is based on collaboration by all local authorities in the Region. The information underpinning the published analysis is very detailed and backed up by site based information. It is available to any regional stakeholder. Because information is published at local planning authority level, it is available to be amalgamated to any area that is necessary for any particular piece of work – whether regional, sub regional or local. If a housing market area were to split a local authority (which they don't in the West Midlands at the moment), the processes already in place and the availability of site based information would make detailed analysis a practical proposition. Currently the Region publishes two reports in relation to housing monitoring issues – the Annual Monitoring Report required by ODPM and the Plan, Monitor, Manage report which sets land supply figures into the wider housing market context.

The annual survey includes an analysis of whether capacity is available within or beyond five years and whether or not it is free from physical and policy constraints. The accuracy of the information within the system is dependent on the knowledge of the local planning authorities and whether they are willing to share this knowledge with the regional planning body. The regional planning body however works hard, year on year, to ensure that the information is the best that can be made available. Ownership issues are much more difficult to handle. While most local authorities have a good understanding of local issues, during the preparation of their local development documents, it has proved difficult to cascade this knowledge up to a regional level.

The advice from the Government in recent years in relation to the production of AMRs and monitoring frameworks has not always been conducive to developing a real understanding of issues at the regional and sub regional level. There has been too much emphasis on standard data collection to present a national picture rather than creating an understanding of the particular issues in different parts of the region. For example, there now needs to be much more emphasis in published monitoring reports on understanding the reasons for non implementation of allocations and permissions in the wider housing market context.

**5. Consultees are asked to give views on the best means to manage windfall in different areas in order to deliver sustainable development.**

It is good to see the consultation report at last recognising the contribution that large windfall sites make to potential housing development land. While the report talks about

local authorities overestimating the contribution of windfall capacity to future development prospects, many local authorities have been forced to underestimate the contribution because Government policy has not enabled them to count large windfall site capacity that they knew was likely to become available for housing development over the next few years. It is difficult for local authorities to prove capacity on specific sites because of confidentiality constraints on discussions with land owners and the concerns of publicising the potential availability for housing of current employment sites where firms are still active and local residents are in employment. However, the local knowledge is there and available to the local planning process.

Government policies on priority for the development of 'brownfield' land and increased densities have encouraged the development of windfall sites and this encouragement should be continued except where the site is required to maintain or provide for new employment uses or for local services. It is essential, particularly in high growth areas or areas which are physically constrained, that development of land for housing purposes does not displace other uses which are required to maintain and create sustainable communities.

Under current policies, local planning authorities find it difficult to reject applications for appropriate windfall sites even if the level of housing development has significantly exceeded the ceiling target. This needs to be born in mind when inspectors are determining the level of allocations and the contribution of windfall sites at local development plan enquiries. Unless there are very clear indications that the development of a windfall site could undermine other local or regional policies, development needs to be allowed although, dependent on other policies, greater priority could be given to the provision of affordable housing in the development.

**6 & 7. Consultees are invited to give views on how far monitoring market information such as house prices could add value to ensure that the judgements local authorities make about rolling forward are soundly based.**

Monitoring market information is important to the future development of planning policies and proposals for housing and it is recognised that this is fairly embryonic, although, not as implied in the consultation paper, non-existent. The market information has to cover much more than house prices which are set at the macro-economic rather than the micro-economic level. It is a pity that the consultation paper does not explicitly recognise the importance of other information. Perhaps this could be covered in best practice guides.

Contextual monitoring is very important to a consideration of local housing issues and this is covered, in the West Midlands, in the Annual Monitoring Report. Of particular interest is information on patterns of migration and population change and patterns and projections of employment change both in total and by types of employment.

Looking more explicitly at the housing market, the information which is required to assess prospects and requirements for the future includes:

- a) House types and tenures within the existing housing stock and how these are changing over time
- b) Turnover of the stock in both the private and social sectors

- c) Household stress e.g. homelessness, overcrowding and living in unsatisfactory conditions
- d) The desirability of the existing housing stock e.g. the level of vacancies, hard to let accommodation, and the existence of very low house price, which inhibit investment in an area.

as well as

- e) Changes in house prices relative to regional and national averages.

Demographic projections should remain an important consideration in determining the level of housing proposals for a region or sub region. It is important that there is a good understanding of the implications of issues such as the ageing of the population, the growth in one person households and the effects of large volumes of international migration. Such projections are however only one consideration and trend based projections should never be used alone to determine planning policies. Planning is about regulating the market not blindly following current market conditions which may themselves be subject to rapid change depending on the state of the national economy.

It is also essential that planning policies take account of peoples' ability to purchase housing. This is not covered in the consultation paper at all. Probably 20 – 25% of the population will never be able to afford to buy a house because of low or insecure income, irrespective of the level of house prices. Another section of the population may have to postpone setting up home independently because of low incomes or outstanding debts such as student loans but this does not necessarily mean that they are poorly housed and that specific provision need to be made for this group of the population.

The further development of appropriate monitoring systems should occur as part of the further development of shared evidence bases between the Regional Spatial Strategy and the Regional Housing Strategy and LDDs and local housing strategies.

When looking at sub regional or local housing markets, it is important that cross regional boundary issues are taken into account.

**8. We would welcome views on whether the RIA highlights the key costs and benefits – and whether these impacts can be quantified**

We have no specific comments/views on this question.

**9. We would welcome views on whether any another groups are likely to be affected of the proposals.**

We have no specific comments/views on this question.

**10. We would welcome any further information on the structure of the industry to assist a more detailed assessment of the impact on competition.**

We have no specific comments/views on this question.