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Councillor David Smith,
Chairman
West Midlands Regional Assembly
Albert House Quay Place
92-93 Edward Street
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09 FEB 2009

Dear Councillor Smith,

Thank you for your letter of 8 December 2008 to the Rt Hon Margaret Beckett MP regarding the West Midlands Regional Spatial Strategy (RSS). I apologise for the delay in replying but I felt it important to provide as full a response as possible given the Secretary of State's position and the pending Examination in Public (EiP).

I do recognise the effort that the Assembly has put into the draft revision and very much appreciate the commitment of all those involved in the process. I also appreciate the co-operation of the Regional Assembly in extending the consultation on the Phase 2 Revision to allow the findings of the NLP Study to be considered by participants in the RSS process. The on-going consultation through the NLP Study and its publication on time will have facilitated this process.

You refer to my previous letter, dated the 7th January, when I wrote to you outlining my concern that the level of housing proposed in the draft revision did not meet the housing needs and demand of the Region. I reminded you of the Government's concerns about housing affordability, the importance of housing delivery and the need to meet the Government's ambitions for growth as set out in the 2007 Housing Green Paper. I also advised you that I had asked the Government Office for the West Midlands (GOWM) to commission consultants to look at options for delivering higher levels of housing.

I would like to set out some of the background which led to the decision to commission further work. On 7th December 2005 Mike Ash wrote to the RPBs outlining that when reviewing RSS, they should have regard to Government's overall ambition for affordability, including advice from the NHPAU, and that plans and policies should take account of the needs of the housing market including the need and demand for housing. Both PPS3 and PPS11 have translated this requirement into planning policy.

PPS3 specifically requires that in assessing appropriate levels of housing, a range of demographic and economic factors are considered including advice from the NHPAU. Prior to the publication of their advice to Ministers in October 2007 on developing a target range for the supply of new homes, the NHPAU published a series of documents analysing the issue of housing supply and affordability which indicated that the levels of planned housing provision within current RSS would not sufficiently address affordability.

Therefore the need for the RPB to test appropriate levels of housing through the RSS process should not have come as a surprise and I understand that during the preparation of the draft revision GOWM consistently advised Assembly officers of the need to test higher levels of housing.

Despite concerns as to the levels of housing provision proposed in the draft revision, as Caroline confirmed in her letter to you of July 2008, the withdrawal of the document was not deemed necessary. The testing of the NHPAU range through the NLP Study represented a pragmatic approach which avoided the need to abandon the considerable amount of work that the region had undertaken in preparing the draft revision whilst ensuring that the requirement for the region to plan for sufficient levels of housing was tested. As Caroline expressed to you in her letter, due to the stage that the draft revision had reached in the RSS process it was necessary to balance propriety concerns with Government's desire to consult more widely with regional stakeholders during the course of the study. Given this, the GOWM was as open with you as it could be throughout the process.

GOWM has now submitted a response on behalf of Government to the Phase 2 Revision Preferred Option consultation. The response confirms continued support for the overall objectives of the strategy. However, there are concerns that the rigid application of some of the principles of the urban renaissance strategy may be constraining the region's ability to meet both housing and economic needs and demands as well as growth aspirations. This will be a matter for further discussion at the forthcoming EIP.

The series of appeals for residential development on sites in South Staffordshire to which you refer were dismissed for a number of reasons including concern that the proposals could undermine the urban renaissance strategy of the Black Country. The NLP Study recognised this risk and did not propose additional housing within South Staffordshire District. However, the Study found no firm evidence to support the principle that allowing settlements outside the Major Urban Areas to meet their need and demand for housing would necessarily undermine the urban renaissance strategy.

The Study does propose additional housing development in the southeast of the region. It also proposes additional housing to serve the MUAs, Birmingham in particular. This is not an alternative strategy as these are complementary additions to, and should be seen in the context of, the submitted Phase 2 revision. On-going development is necessary across the whole region to ensure a sustainable future for all. Enabling settlements outside of the Major Urban Areas to meet their housing needs and demand should enhance and strengthen the region through allowing every place to play its role, rather than detracting from the urban renaissance strategy.

As I outlined above, both PPS3 and PPS11 emphasise the need to take an evidence based approach in determining appropriate levels of housing at the regional level. Whilst it is important to attempt to maintain a consensus amongst stakeholders it is also important to ensure the overall level of delivery meets economic and social needs whilst minimising the impact on the environment. Consensus can sometimes result in none of the latter being achieved. To deliver a sustainable strategy for the region which is robust for the long term, not just the plan period, it may be necessary to make hard decisions.

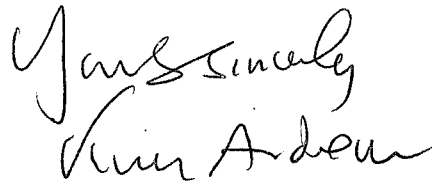
I understand the difficulties faced by many regions in making their contribution to the need to significantly increase the level of housing supply to address the long-term affordability pressures that we face as a country. Unfortunately the draft revision does not meet the

2004-based household projections or the bottom end of the NHPAU housing supply range. It is for these reasons that I asked GOWM to commission the NLP Study. You refer in your letter to the delay that undertaking the NLP Study has caused to the Phase 2 Revision process. It was felt this was preferable to progressing the submitted draft Phase 2 proposals which would then have required an immediate mini-review in order to consider the higher levels of housing already recommended by the NHPAU.

You raised a number of concerns in your letter which it is difficult to respond to in advance of the EiP. However, I can assure you that whilst we have made the Government's position quite clear in relation to the need for higher housing numbers to be tested through the RSS process we expect the Panel to examine the issues independently taking account of all the available evidence. Ministers will then carefully consider the Panel Report before the Secretary of State's Proposed Changes are prepared.

Your letter also raises concerns regarding delays in progress on Local Development Frameworks (LDFs) in the Region. PPS12 emphasises the need to build flexibility into Development Plan Documents. GOWM, along with the Planning Advisory Service, Planning Inspectorate, and CABE, are encouraging local authorities to use a range of tools to help them keep on track in preparing their DPDs. Although the uncertainty over the RSS outcomes may expose additional issues to be considered this should not be a reason to delay the publication and submission of Core Strategies.

I hope this clarifies the current position.

A handwritten signature in black ink, appearing to read 'Yours sincerely, Baroness Andrews'. The signature is written in a cursive, flowing style.

BARONESS ANDREWS