

**Third draft of outline of  
WMRA representations to EiP Panel by 8 December 2008**

(based on WMRA Interim Position Statement)

[This paper sets out a revised outline structure for the Assembly's representations to the EiP Panel by 8 December 2008. The paper focuses on providing an outline of the general structure/content of the representations; it does not aim to suggest the level of detail of the representations. A key principle that underpins the proposed structure is the need to interrelate three elements: i) key objectives of the existing RSS, ii) a brief explanation/justification of the submitted RSS Phase Two Revision Draft, and iii) a critique of the NLP study.]

**1. Introduction**

- 1.1 This section sets the scene and outlines the structure of the representations.

**2. The existing RSS for the West Midlands**

- 2.1 This section briefly explains the background of the RSS Phase Two Revision and places it in the context of the existing RSS by summarising key elements of the overall RSS strategy.

i) Placing the partial revision into the RSS context

- 2.2 Existing strategy adopted in 2004. Strategy marked step change in regional policy. Aligned with RES (Regeneration Zones, HTCs etc.). Existing RSS adopted in June 2004. When the Secretary of State approved the current RSS, he supported the overall strategy but identified several issues that needed to be developed further.

- 2.3 Need to stress that this is a partial revision of selected elements of the RSS to further develop policies to support the existing overall RSS strategy. It is not a full review that reviews the fundamental principles of the existing strategy (i.e. a 'partial revision' of selected elements of the RSS, not a 'full review' of the RSS).

ii) Key elements of the existing RSS

[Summary of key challenges facing the Region and key elements of the existing strategy to address these challenges.]

- 2.4 Restate the four key challenges facing the Region that underpin the existing strategy. Particular emphasis on Urban Renaissance (need for 'step change' and 'a fundamental change of direction', see e.g. paras, 2.7, 2.8, 3.5, 3.11) and Rural Renaissance (e.g. para 3.3). , increasing meeting local needs, redistribution of new development, investment and action (para 3.5)
- 2.5 Set out key elements of the strategy:

- 2.6 Urban and Rural Renaissance require integrated approach (spatial planning, PPS1). The strategy adopts an integrated approach, both across policy fields (integration of transport, housing, economic development, environmental protection and enhancement etc.) and across areas (e.g. recognising and dealing with interrelationships between MUAs and surrounding areas).
- 2.7 holistic approach to Urban and Rural Renaissance including planning of social and community infrastructure, environmental protection and enhancement (including build environment/public realm)
- 2.8 Spatial focus and concentration of development and investment to achieve sustainable patterns of spatial development and sustainable communities that benefit from a range of services and opportunities (e.g. urban and rural regeneration zones, MUA focus, sub-regional foci, local regeneration areas, town and city centres, other large settlements, Market Towns – see UR1, UR2, UR3, RR2, RR3, CF1, CF2, PA1, PA2, PA3, PA11, QE1, T1).
- 2.9 Need to stress the importance of existing urban fabric, including the existing housing stock (sustainable communities in all parts of the Region/‘a decent home for everyone’, not just focus on new development/new built).

iii) The continuing relevance and appropriateness of the overall strategy

- 2.10 Need to demonstrate ongoing relevance of the fundamental challenges and objectives of the existing strategy (from ‘Choices’ document of 2000 to approved RSS Phase One Revision in January 2008: RSS strategy, especially the Urban Renaissance objectives for the Black Country, were affirmed by Government in WMRSS Phase One Revision approved in January 2008). Include supporting material from Panel reports (2002: ‘period of policy stability’, focus on implementing the strategy, and 2007) and from Secretary of State letters (especially Keith Hill letter of 15 June 2004: ‘confirming significant change in direction’, ‘focus on urban renaissance’).
- 2.11 Need to include reference to key evidence supporting this (e.g. Index of Multiple Deprivation, socio-economic data, social polarisation/community cohesion, intra-regional migration patterns, successes in step change since adoption of existing strategy). Also refer to recent appeal decisions by Secretary of State regarding impact of proposed housing development in South Staffordshire on Urban Renaissance.
- 2.12 Also need to stress alignment with WMES (especially as regards objectives of Urban and Rural Renaissance and spatial focus for intervention and investment). Also need to highlight alignment with RHS, RTS, RFA, Regional Transport Priorities etc.

### **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. The section does not attempt to summarise all revised policies but focuses on key elements of the Revision which are particularly relevant to the overall RSS strategy.

i) Key principles underpinning the RSS Phase Two Revision

- 3.2 A partial revision to support overall strategy of Urban and Rural Renaissance (not a full review).
- 3.3 An integrated approach to developing new/revised policy in that consideration has been given to a) the interconnections between all policies areas in the RSS and b) the interrelationship with overall RSS strategy. A holistic approach to developing the strategy, taking into account all policy fields that are relevant to creation of sustainable communities as set out in PPS1 and PPS11 (i.e. mindful of, but not driven by number of new houses to be built). (Risk Assessment to assess impact on overarching spatial strategy objectives, Sustainability Appraisal which draws on Regional Sustainable Development Framework and Rural Proofing which ensures that needs of rural areas are taken into account).
- 3.4 Take 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 (including Climate Change Supplement), new PPS3, New Growth Points initiative etc. In addition, the government policy in Waste Strategy 2007 and the doubling of the Landfill Tax in 3 years from 2008 to 2011 requires to region to develop significant capacity to recycle and reuse waste and also it presents a challenge with how to restore old mineral workings.
- 3.5 Consideration of infrastructure implications/requirements and the deliverability of the proposals, including a new Implementation Plan.

ii) Key elements of the RSS Phase Two Revision Draft

[This section summarises key elements of the revised strategy. It does not intend to summarise all revised policies but focuses on key elements/revisions that are of particular relevance a) to the overall RSS strategy and b) to the challenges arising from the NHPAU/NLP work. The section is structure around a number of cross-cutting 'headings'.]

- **Sustainable development:** climate change considerations integral in developing new/revised policy (SR1). Strengthened the approach in the existing RSS to promote sustainable development and the creation of sustainable communities in urban and rural areas (SR2, SR3). Move away from landfill to managing waste as a resource (Policy W1).
- **Integrated approach:** within the framework of the overarching RSS strategy, close links have been made between policy areas, including housing, employment and transport, and the priorities for infrastructure provision and investment. For example, close alignment of scale and distribution of housing development with provision of employment land and figures for office and retail development.
- **Increasing housing provision:** being mindful of the Government's housing policy objectives and based on an assessment of regional housing need, the RSS Phase Two Revision Draft provides for a significant increase in housing provision in the Region compared to previous strategies and past delivery rates. This includes a 'front-loading' and phasing of provision to deliver higher levels of housing development in the Region, while at the same time working within the

framework of the overarching RSS strategy and providing an integrated package of housing, employment and infrastructure provision.

- **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 are both underpinned by the principles of Urban and Rural Renaissance and share the spatial focus for development, investment and intervention.
- **Spatial focus and balanced development:** reinforce importance of creating sustainable communities in existing urban areas and rural settlements. Retain strong emphasis on Urban Renaissance and the concentration of development and investment with the Major Urban Areas (see CF1). Important of improving the existing housing stock to maintain or create urban communities that are economically vibrant, socially balanced and environmentally friendly. Also Rural Renaissance and creation of sustainable communities in rural areas (see CF2), e.g. through concentrating strategic housing development in and adjacent to towns which are capable of balanced and sustainable growth, in particular in SSDs and other urban areas and market towns. At the same time, facilitate development in villages to support the need to meet local housing requirements, particularly affordable housing. This approach of spatial concentration and balance is also underpinning employment and centres policies (see PA1, PA6A, PA6B, PA11, PA12A, PA12B, PA13B, PA13B). Similarly, as regards waste management, the concept of each waste planning authority managing an equivalent tonnage of waste to that arising within its area – but not prescribing the sites or the technologies – and indicating broad locations (Policies W1 & W3).
- **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. 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 significant 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 Spatial Strategy chapter which aim to provide more detailed, integrated guidance at sub-regional level.
- **Flexibility of the strategy:** The strategy has been developed to provide long-term guidance over the whole plan period. However, it also recognises that circumstances may change during the plan period. While setting a policy framework that sets a robust strategic long-term guidance, the revised RSS also provides for a degree of flexibility to respond to changing circumstances and unforeseen events, in particular through the process of 'plan, monitor and manage/strategy review' (see Chapter 10). This flexibility has been built particularly into

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 concerned, flexibility has also been built into the strategy as the figures for the Metropolitan Major Urban Areas are expressed as 'minima' (see CF3). Thus, should ongoing monitoring indicate the need to make further provision, such provision can be made which will be guided in a planned way in line with spatial strategy principles (see also paras 6.66-6.68 and Chapter 10)].

- **Deliverability and implementation:** assessment of infrastructure implications and requirements across a range of topics. New Implementation Plan. Also underpinned the revision of the Priorities for Investment (Policy T12). Re-iterated and strengthened the importance of planning and delivering in partnership, especially links the housing and economic development. Delivery of the strategy also promoted through close alignment of RSS with current RHS and WMES, especially as regards spatial focus for intervention and investment (see e.g. Chapter 3).

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

4.1 This section sets out key changes in circumstances since submission of the RSS Phase Two Revision Draft that are of particular relevance to the RSS. This would include [short description of each of these elements to follow]:

- Credit crunch. Significant reduction in availability of finance and mortgage lending.
- Economic recession.
- Major reduction in house building and developers abandoning sites.
- Public finance being used to support the financial sector of the economy.
- Cut back in public sector support for regeneration and development activities (including through English Partnerships) due to reduction in land values of assets on which future development funding depends.
- Overall, very difficult time for regeneration.

4.2 These are fundamental changes and challenges that affect the RSS and development in the Region in general. In the light of this, it is important to bear in mind (and not lose sight of) some key issues:

- The fundamental challenges facing the Region remain, especially Urban and Rural Renaissance;
- The recent changes in circumstances reinforce to a large extent the existing challenges (e.g. concerted effort needed to support regeneration initiatives, including through public sector investment, especially in times of weak markets); and
- The dangers of adopting short-term solutions that pretend to offer a 'quick fix', while neglecting wider underlying challenges and policy

considerations. (include reference to recent report of House of Commons Environmental Audit Committee regarding the Government's housing targets)

[Page break to separate comments on NHPAU/NLP]

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

- 5.1 This section comprises two parts: A) a response to NHPAU advice; and B) a response to NLP study.

**A) Response to NHPAU advice**

- 5.2 This section provides a short overall critique of the NHPAU advice and then highlights key issues and potential implications for the West Midlands RSS.

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

- 5.3 Highlight the narrowness of the NHPAU approach, i.e. narrowly based on modelling work at national level, and putting it into the context of the much wider set of considerations that needs to be taken into account in developing an RSS [draw on ERN work and credit crunch research]
- 5.4 Highlight the sensitivities of the underlying assumptions and findings, and the uncertainties about the underlying evidence, e.g. affordability problems and house prices not so much influenced by supply of land but by fiscal policies, the availability of finance/mortgages etc.
- 5.5 Highlight the trend-based approach and the uncertainties that arise from this.

**ii) Critique of the NHPAU advice for the West Midlands**

- 5.6 Critique of the lower end figure, e.g. higher than what is required to stabilised affordability.
- 5.7 Critique of upper end figure, e.g. considerably higher than official household projections, criticism of approach to 'backlog of demand'.
- 5.8 Need to put figures into context of regional strategy. NHPAU work includes no assessment of the implications of the proposed levels of development on the spatial strategy, particularly Urban Renaissance. Housing figures above the level indicated in the RSS would involve either a higher level of migration than it is reasonable to assume or high vacancy rates.

**B) Response to NLP study**

- 5.9 This section provides a critique of the NLP study (including the approach, methodology and evidence base of the study) and highlights a number of key issues in relation to potential implications of the findings of the study.

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

- 5.10 Highlight the narrowness of the study, including:

- focus on housing numbers while neglecting interrelationship with, and implications for, other policy fields,
- simple adding of numbers on top of Draft Revision without consideration of interrelationship and cumulative impacts,
- approach which is largely based on past trends and market led,
- spatial strategy considerations not the starting point but simply bolted on during the appraisal process,
- ...

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

5.11 Highlight shortfalls and limitations of the methodology in the study, including

- missing links between evidence base and generation of options and scenarios,
- option and scenario generation a 'black box' (e.g. no explanation of new 'mid' range figure of 50k plus),
- options/scenario generation and risk/impact assessment carried out in a linear way without interactive, iterative process,
- narrow definition of risks and impacts, focusing on 'fundamental barriers' to delivery,
- the selective/narrow way in which the study deals with 'trade offs'
- the narrow focus on single environmental elements and lack of consideration of cumulative and synergistic impacts
- ...

**iii) Evidence base of the study**

5.12 Highlight the narrowness and selectiveness of the evidence base that is used in the study, including

- selectiveness of the evidence base review undertaken by NLP which seems to be biased towards information that supports the case for higher housing figures and evidence that would go against this is underrepresented,
- selective and partial 'evidence' obtained through selective stakeholder involvement (apparent dominance of development industry),
- the lack of critical appraisal of evidence, especially lack of critical assessment of 'stakeholder' views,
- ...

**iv) Issues concerning the study findings**

5.13 Highlight issues of concern about the conclusions and findings of the study, including

- questioning of the argument that there are no links between development within and outside the MUAs (see e.g. in light of monitoring information and recent appeal decisions by Secretary of

State regarding impact of proposed housing development in South Staffordshire on Urban Renaissance),

- concern that neither options nor scenarios are based on spatial strategy principles (e.g. South East focus),
- concern about the way in which 'trade offs', risks and impacts are downplayed and relegated to local level,
- concern about the extent to which strategic impacts and risks are downplayed or ignored,
- the very weak and superficial justification for regarding the lower end NHPAU figure as 'de-minimis' [this is a key issue that needs to be highlighted],
- need to expose the difference between increasing the supply of land for housing development (this is the focus of NLP) and effective demand for additional housing development,
- the need to expose the difference between whether additional housing growth is physically 'possible' (this is the focus of NLP) and whether this is 'desirable' (in strategy terms) and realistically 'deliverable' (in light of credit crunch, past rates of development, cherry picking by developers etc.)
- ....

v) Implications of the NLP proposals for the RSS

5.14 This section sets out a series of questions about the NLP work and points at potential implications for the RSS/the Region, if NLP proposals were to be adopted by Government, including questions/pointers at issues to be considered at the EiP.

- the implications for urban renaissance associated with the higher levels of development (proposed by NHPAU and NLP) and the distribution of development (proposed by NLP).
- What will the economic circumstances of the region require in terms of the level and pattern of development
- The NLP study states that housing completions for the West Midlands Region are only likely to reach just over 8,000 for the years 2008 to 2010 and it will take until the year 2012/13 before they reach 18,000 a figure still below the NHPAU bottom of the range figure of 19,000 per annum. This hardly suggests a need to promote a higher figure at this stage particularly as work on the Single Integrated Strategy (SIRS) will commence soon.
- The ability to deliver both the preferred option and the higher NLP proposals, given the likely medium and long term effects of the credit crunch and economic recession; and the implications which this could have for urban renaissance. This could include issues associated with:
  - i) having to phase back housing trajectories for up to 8 years and the likelihood that it will not be possible to make up any shortfall by 2026
  - ii) cherry picking of Greenfield sites

iii) shortage of public finance to support infrastructure provision and land assembly to open up sites and create sustainable communities

iv) risks for urban renaissance associated with identifying too much Greenfield land, too early in the time scale.

v) with the down turn in housing development the preferred option will last us until 2031(?) anyway so why run the risks now of proposing even higher levels of development.

- the implications for the Green Belt around our towns and cities of both the preferred option and the NLP proposals
- the implications for development on brownfield and greenfield land
- the implications for environmentally sensitive areas, air quality etc.
- implications for transport provision and limiting any deterioration in the flow of essential local and through traffic.
- The implications of the different NLP proposals (and how these relate to the preferred option), particularly in relation to:
  - i) deliverability
  - ii) potential constraints
  - iii) loss of Green belt
  - iv) infrastructure issues, including social, community and Green infrastructure provision
  - v) phasing and housing trajectories.
- what decisions can or should be taken by the Government following the examination given that the Government agreed that the Regional Assembly should undertake a partial revision not a full review of the strategy and it was on this basis, that work proceeded, including public consultation.
- In light of revised national target for carbon dioxide emissions reduction of 80% by 2050, if the region/RSS is to contribute to this extremely challenging national target, development will need to be located and designed to achieve very high levels of emissions reduction. The higher levels of housing growth and the emphasis on greenfield locations rather than the restructuring of the major urban areas in the NLP proposals are likely to result in greater overall levels of carbon dioxide emissions, both from the housing sector and from transport. To offset this increase in emissions will require significantly higher standards of design, construction and occupier behaviour, which is likely to be technologically demanding, impractical and compromise the delivery of targets for new housing.