

West Midlands Regional Assembly

# Sustainability Appraisal of Draft Regional Spatial Strategy (RSS) Phase 3 Revision for the West Midlands – Final Scoping Report

TOPIC PAPER 1: SUSTAINABLE CONSUMPTION AND  
PRODUCTION

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# **1 SUSTAINABILITY APPRAISAL OF DRAFT REGIONAL SPATIAL STRATEGY (RSS) PHASE 3 REVISION FOR THE WEST MIDLANDS – TOPIC PAPER 1: SUSTAINABLE CONSUMPTION AND PRODUCTION**

## **1.1 INTRODUCTION**

### **1.1.1 Sustainability Appraisal of Phase 3 of the West Midlands RSS**

The West Midlands Regional Assembly (WMRA) is currently carrying out a revision of its Regional Spatial Strategy (RSS). The purpose of the RSS is to guide the preparation of local authority development plans, local waste plans and local transport plans, so that together they can provide a coherent framework for regional development up to 2021.

The revision is being carried out in three phases; this is the third and final phase of the revision. Phase Three of the revision considers various environmental issues, minerals provision, accommodation for Gypsies and Travellers and Travelling Showpeople, culture, sport and tourism, and critical rural services. The phase was begun in November 2007 with the launch of the Draft Project Plan, and is likely to conclude in the summer of 2009 when the Preferred Option and Policies will be submitted to the Secretary of State.

Sustainability Appraisal (SA) aims **to promote sustainable development through the integration of social, economic and environmental consideration into plans, programmes and strategies**. Sustainability Appraisal is mandatory for Regional Spatial Strategies under Section 39(2) of the *Planning and Compulsory Purchasing Act 2004*. Therefore, an SA is being carried out as part of the Phase Three Revision of the West Midlands RSS.

An SA is carried out in stages. Producing a *Scoping Report* is the first stage in the SA process.

### **1.1.2 The Scoping Report**

This *Topic Paper* is part of the *Scoping Report* for the Sustainability Appraisal of Phase Three of the RSS Revision. The purpose of the *Scoping Report* is to set out the scope of the Sustainability Appraisal of the Phase Three of the RSS Revision. In particular, the report sets out the Sustainability Appraisal Framework, which includes questions which will be used to 'interrogate' proposals developed as part of the revision process.

The *Scoping Report* is designed to provide a focus for consultation with relevant environmental authorities and other sustainable development stakeholders within the West Midlands, in order to gain feedback on the various elements which will frame the subsequent appraisal process.

The *Scoping Report* comprises five elements:

- An *Introductory Paper*, which provides introductory material on Sustainable Development, sustainability appraisal, and Phase Three of the RSS

Revision, and summarises the main findings and conclusions of scoping work, including setting out the ‘Sustainability Appraisal Framework’; and

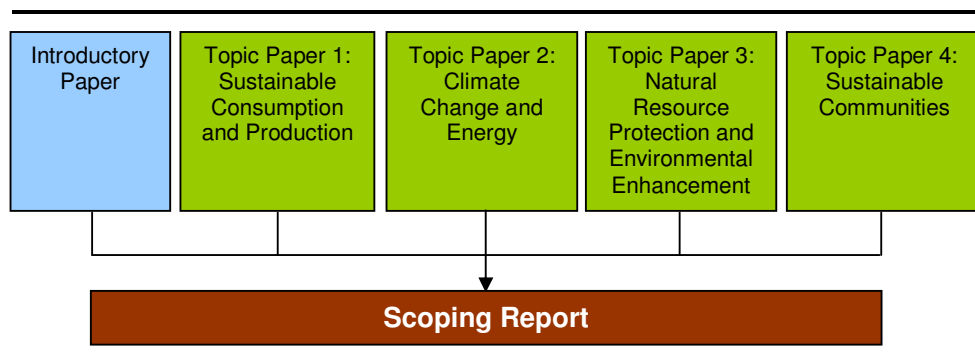
- Four *Topic Papers*, which provide detailed information on 33 Sustainable Development objectives, particularly focusing on how those objectives relate to Phase Three of the RSS Revision and the West Midlands more generally.

The four *Topic Papers* are as follows:

- Topic Paper 1 – Sustainable Consumption and Production
- Topic Paper 2 – Climate Change and Energy
- Topic Paper 3 – Natural Resource Protection and Environmental Enhancement
- Topic Paper 4 – Sustainable Communities

This approach is designed to help stakeholders in locating topics and information of most interest to them.

**Figure 1.1** *Structure of the Scoping Report*



### 1.1.3 *Structure of Topic Papers*

Each topic paper is divided up into sections on each of the RSDF Objectives. For example, Topic Paper 1 on Sustainable Consumption and Production has eleven sections covering each of the objectives relating to that RSDF theme.

Each section presents the following information:

1. **RSDF Objective**, with an explanation of how it is believed the Objective can be impacted on, affected or delivered by Phase 3.
2. **Baseline**. An analysis of current (and reasonably foreseeable future) conditions on the issues relating to the Objective in the West Midlands. This is designed to satisfy a key requirement of the SEA Directive – the ‘Environmental Report’ required under the Directive must include “*the relevant aspects of the current state of the environment and the likely evolution thereof without implementation of the plan or programme*” (Annex I (b)) and “*the environmental characteristics of areas likely to be significantly affected*” (Annex I (c)).

3. **Policy Context.** A review of the policies, plans and programmes relevant to Phase 3 and that RSDF Objective. Also designed to satisfy a key requirement of the SEA Directive – the ‘Environmental Report’ required under the Directive must include *“an outline of the contents, main objectives of the plan or programme and relationship with other relevant plans and programmes”* (Annex I (a)) and *“the environmental protection objectives, established at international, Community or Member State level, which are relevant to the plan or programme...”* (Annex I (e)).
4. **Key Sustainability Issues and Problems.** An analysis of the sustainability issues and problems facing the West Midlands as regards that RSDF Objective, on the basis of baseline information and the review of policy. Also designed to satisfy a key requirement of the SEA Directive – the ‘Environmental Report’ required under the Directive must include *“any existing environmental problems which are relevant to the plan or programme including, in particular, those relating to any areas of a particular environmental importance, such as areas designated pursuant to Directives 79/409/EEC and 92/43/EEC”* (the Birds and Habitats Directives under which Special Protection Areas and Special Areas of Conservation, respectively, are established) (Annex I (d)).
5. **Sustainability Appraisal Framework.** The questions that will be used to ‘interrogate’ options and proposals under Phase 3, to ascertain whether and how specific sustainability issues are being addressed; and to understand the environmental, social and economic implications of options and proposals. These questions reflect an understanding of the RSS vision, challenges and objectives, and the objectives and tasks developed for the Phase Three Revision; objectives and targets identified through the review of plans and strategies; the baseline conditions within the Region; and key sustainability issues in the Region.

This structure is designed to ensure that the legal requirements of SA and SEA are clearly visible to stakeholders.

#### 1.1.4 **RSDF Objectives covered by this Topic Paper**

This *Topic Paper*, on Sustainable Consumption and Production, covers the following RSDF objectives:

- 1.1 Use natural resources such as water and minerals efficiently, including by incorporating efficiency measures into new land use and developments, redevelopment and refurbishment
- 1.2 Promote and support the development of new high value and low impact technologies, especially resource-efficient technologies and environmental technology initiatives
- 1.3 Promote and ensure high standards of sustainable resource-efficient design, construction and maintenance of buildings, both new build and existing stock, where possible exceeding the requirements of the Building Regulations
- 1.4 Increase use of public transport, cycling and walking as a proportion of total travel in order to reduce road traffic congestion, pollution and accidents, and improve health through increased physical activity
- 1.5 Ensure development is primarily focused in the major urban areas, and makes efficient use of existing physical infrastructure and reduces need to travel, especially by private car
- 1.6 Encourage and enable waste minimisation, reuse, recycling and recovery to divert resources away from the waste stream, including the use of recycled materials where possible
- 1.7 Encourage local sourcing of food, goods and materials
- 1.8 Reward efficient resource use and encourage development of alternative and renewable resources in order to reduce dependence on fossil fuels

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|--|
| <ul style="list-style-type: none"><li>1.9 Encourage corporate social and environmental responsibility, with regional organisations and agencies leading by example</li><li>1.10 Encourage and support a culture of enterprise and innovation, including social enterprise</li><li>1.11 Achieve a strong, stable and sustainable economy and prosperity for the benefit of all the Region's inhabitants</li></ul> |
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The following sections present information on each RSDF objective in turn.

## 1.2 **RSDF 1.1: NATURAL RESOURCE USE – WATER AND MINERALS**

### 1.2.1 **RSDF Objective**

‘Use natural resources such as water and minerals efficiently, including by incorporating efficiency measures into new land use and developments, redevelopment and refurbishment’.

#### **How can the Objective be impacted on, affected or delivered by Phase 3?**

None of the policies will impact on the use of resource efficiency measures. But clearly the revised policies on Minerals (M1 to M4) will have a direct impact on the use of minerals. In addition, policy QE9 on Water Resources will be part of this revision, as will QE1 (which covers issues around the protection of assets such as river environments and groundwater aquifers).

### 1.2.2 **Baseline**

#### *Minerals*

The most recent data on minerals in the Region comes from the West Midlands Regional Aggregates Working Party Annual Report 2005. The figures show that 9.4m tonnes of primary aggregates (in the form of sand and gravel), and 5.4m tonnes of secondary aggregate (in the form of crushed rock) were produced in the Region in 2004, with a slight decline in production of both materials since the late 1990s.

**Table 1.1 Production of Primary Aggregates (Sand and Gravel) 1999-2004 (million tonnes)**

	1999	2000	2001	2002	2003	2004
Herefordshire	0.297	0.289	0.261	0.236	0.254	0.25
Worcestershire	0.887	0.839	0.836	0.833	0.89	0.85
Shropshire	0.808	0.742	0.857	0.841	0.822	0.84
Staffordshire	6.589	6.442	6.411	6.196	6.264	6.08
Warwickshire	1.017	1.043	1.031	0.854	0.827	0.84
West Mids County	0.474	0.481	0.536	0.512	0.499	0.52
<b>Regional Total</b>	<b>10.072</b>	<b>9.836</b>	<b>9.932</b>	<b>9.472</b>	<b>9.556</b>	<b>9.38</b>

**Table 1.2 Production of Secondary Aggregates (Crushed Rock) 1999-2004 (million tonnes)**

	1999	2000	2001	2002	2003	2004
Hereford & Worcs	-	-	0.57	-	0.42	0.46
Shropshire	2.8	2.64	2.49	2.51	2.46	2.47
Staffordshire	1.48	1.33	1.33	1.19	1.05	*
Warwickshire	0.62	0.57	0.57	0.45	0.7	1.85
West Mids County	0.72	0.45	0.53	0.63	0.8	0.63
<b>Regional Total</b>	<b>6.23</b>	<b>5.56</b>	<b>5.49</b>	<b>5.28</b>	<b>5.43</b>	<b>5.41</b>

\* The Staffordshire figure is combined with Warwickshire for reasons of confidentiality (due to the small number of sites)

Figures for secondary and recycled materials sold as aggregates are only collected for the Region as a whole, and the latest estimate available is 4.29 million tonnes in 2003 (compared to 4.26m tonnes in 2001). This figure

remains below the 5.5 million tonnes per year of alternative materials assumed by the *National and Regional Guidelines for Aggregate Provision in England 2001-16*, and suggests a continued need to encourage the supply of alternative materials, especially in the MUAs where opportunities are likely to be greatest. No data for 2004 is available.<sup>1</sup>

In 2005, there were 133.85m tonnes of permitted reserves of sand and gravel in the Region, 100m tonnes of which are located in Staffordshire. Sand and gravel reserves in the Region had fallen by 18% since 1997.

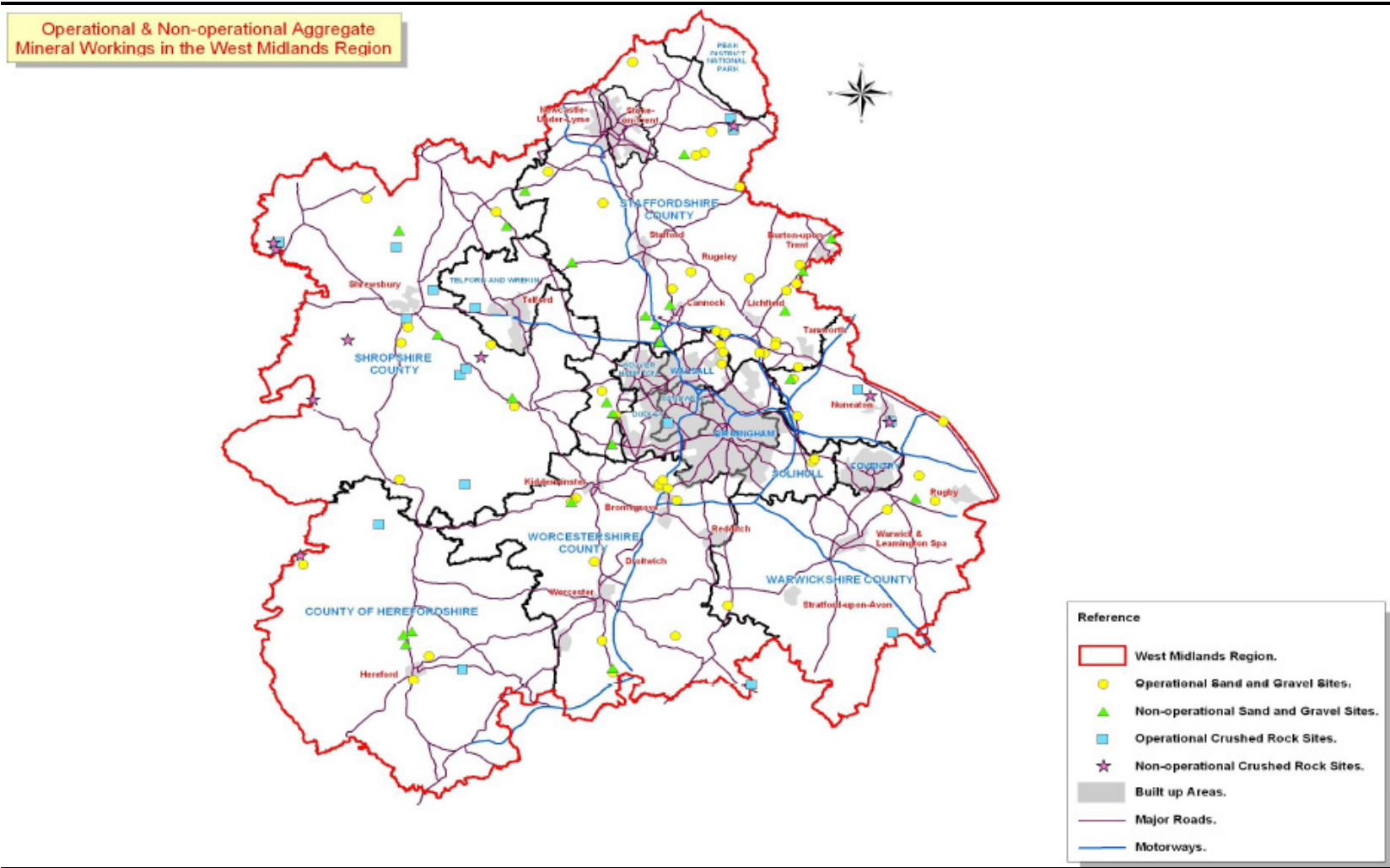
There were also 304.58m tonnes of crushed rock reserves in the Region in 2005, mostly located in Staffordshire (162.5m tonnes) and Shropshire (96.4m tonnes). Crushed rock reserves have risen since 1990.

A map of aggregate minerals workings in the Region is presented overleaf.

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<sup>1</sup> Annual Monitoring Report 2007, p93

Figure 1.2 Operational and Non-Operational Aggregate Mineral Workings in the West Midlands Region



Source: West Midlands Regional Aggregates Working Party Annual Report 2005

A significant proportion of of the UK's supplies of brick clays is located in the West Midlands, in particular 'Etruria Marl' in Staffordshire, and 'Keuper Marl' in the Midlands more generally.<sup>2</sup>

### *Water Resources*

Surface water throughout the majority of the West Midlands is already fully committed to existing abstractions and the environment in the summer, and, with a couple of exceptions, no significant further resource is reliably available. However, there is scope for winter abstraction from most of the rivers. The licensed groundwater abstractions exceed the sustainable limit in a number of areas, potentially affecting rivers and wetlands, although in other areas there is some groundwater resource available.<sup>3</sup>

In some areas, the region's water supplies are currently in 'headroom' deficit (ie there is not sufficient to meet demand under all conditions). The Water Companies produced Water Resources Plans in 2004 which aimed to ensure that all water resource zones would be in surplus for the duration of the plan period. However, these Plans were planning for housing growth rates proposed in the current RSS, significantly below what is now being proposed for the region.

A recent Environment Agency study<sup>4</sup> assessed the impact that the three housing growth scenarios proposed in the Spatial Options paper under Phase 2 of the RSS Revision would have for water supply-demand balance. On the basis of this study, **it is likely that the housing growth rates proposed under Policy CF3 from Phase 2 of the RSS Revision will result in headroom deficits in the Birmingham, Severn and South Staffordshire zones, with the Hereford Conjunctive Use zone and South Staffordshire also being affected during Critical Use periods.**

Even the introduction of proposed water efficiency measures under the new Climate Change policy and Sustainable Construction Policy will not be enough to prevent headroom deficits in some locations, ie within the Herefordshire Conjunctive Use zone during 'Critical Use periods' between 2020-2021, within the South Staffordshire zone during 'Critical Use periods' between 2011-2022, within the Severn zone between 2014-2016 and 2021-2024, and within the Birmingham zone between 2017-2019 and 2021-2023.

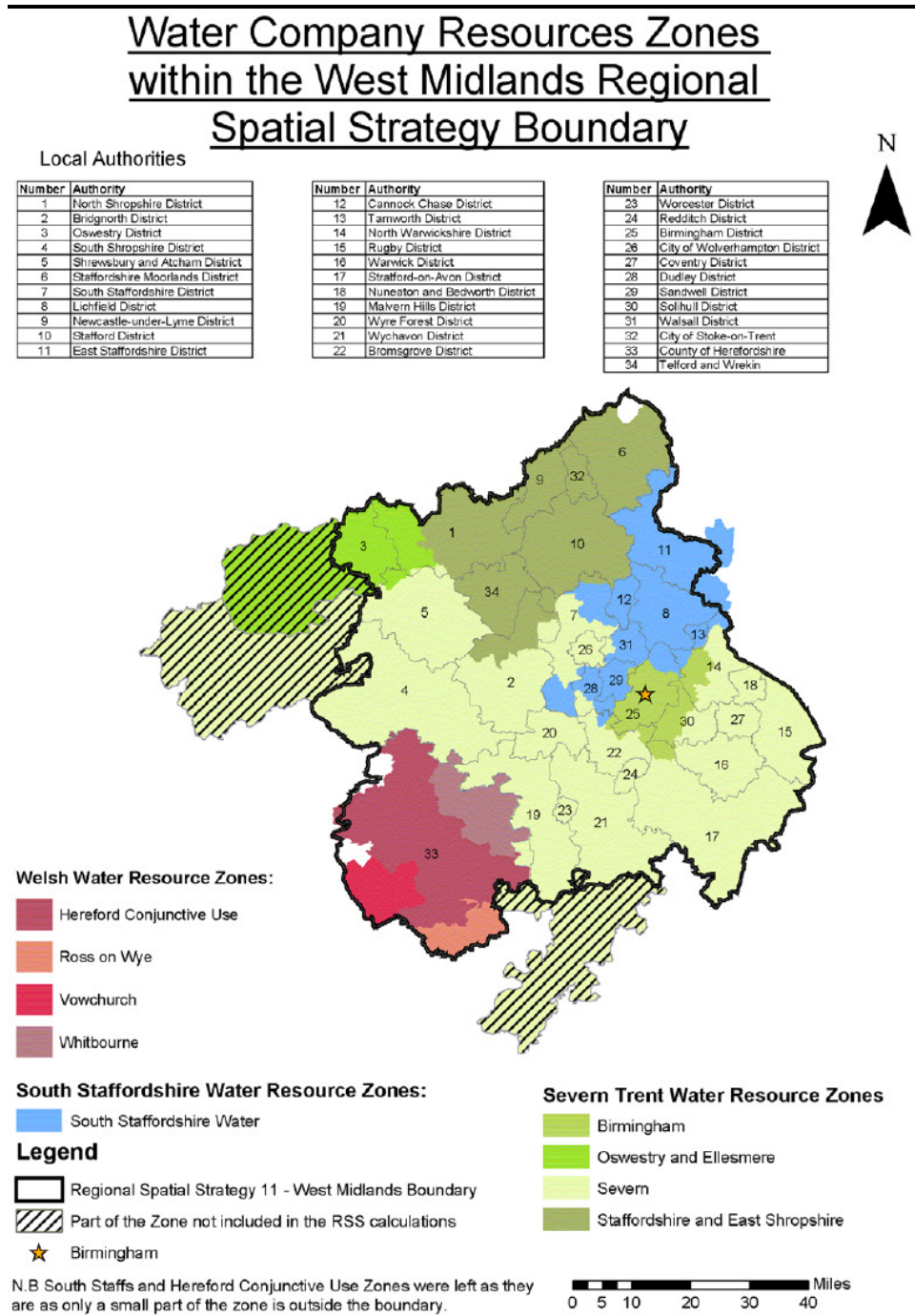
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<sup>2</sup> <http://www.mineralsuk.com/britmin/mpfbrickclay.pdf>

<sup>3</sup> *A Water Resources Strategy for the West Midlands*, Environment Agency, (no date)

<sup>4</sup> *West Midlands RSS – The Impact of Housing Growth on Public Water Supplies*, Environment Agency 2007

Figure 1.3 Water Resource Zones



The 2004 Water Resources Plans are currently being reviewed and the 2009 plans are now open to public consultation. The draft Water Resources Plans have taken into consideration the housing growth figures proposed in the current RSS, but the plans are based on population rather than properties. It is likely that the Water Resource Plans will propose a combination of water efficiency measures and the development of new resources to ensure all the water resource zones are in surplus for the plan period.

### 1.2.3

#### **Policy Context**

<b>Strategy</b>	<b>Key relevant policy objectives</b>
UK Sustainable Development Strategy	Reducing the inefficient use of resources Promoting the use of modern methods of construction
Water Act 2003	Promotes water conservation and the sustainable use of water. Places a duty on public authorities to take into account the desirability of conserving water supplies to premises.
Biodiversity Strategy for England	Aims for a whole catchment approach to the wise, sustainable use of water
PPS1	Ensuring high quality development through good and inclusive design, and the efficient use of resources Development plan policies should seek to minimise the need to consume new resources
MPG1	Encourages efficient use of materials, including appropriate use of high quality materials, and recycling of wastes
A Water Resources Strategy for the West Midlands	Promotes prudent and sustainable use of natural resources. Seeks the efficient use of water while bringing forward timely proposals for resource development
An Environmental Manifesto for the West Midlands	Promotes reduced consumption of natural resources and the introduction of water conservation measures. Promotes sustainable new and refurbished homes
West Midlands Regional Climate Change Action Plan	Help regional businesses improve resource efficiency
West Midlands Economic Strategy	Improving business competitiveness
PPS1 Supplement	Spatial strategies should secure the highest viable resource and energy efficiency. Regional planning bodies should consider and take account of the availability of water resources.
PPS3	Developments should facilitate the efficient use of resources, during construction and in use.

### 1.2.4

#### **Key Sustainability Issues and Problems**

The key issue facing minerals policies in the region is to safeguard minerals resources as far as possible, by ensuring that resources are not 'sterilised' by surface development. The extraction of minerals is also strongly related to waste management issues. It is vitally important that the production and use of recycled aggregate is maximised and also, depending on the restoration conditions and plans at individual sites, the extraction of minerals may create potential future landfill sites.

There is considerable pressure on water resources in the region, and the levels of development and growth proposed in the RSS under Phase 2 will exacerbate this. Development must be sustainable in terms of water demand, water abstraction, treatment, supply and disposal. Continued availability of reliable public water supply is essential. New Water Resource Plans should put actions in place to make sure water is available to meet the needs of the new development. Some of this will be achieved through efficiency savings; some through improvements to existing schemes and the way in which they are managed. Some new resource schemes will also be needed.<sup>5</sup>

<sup>5</sup> *ibid*

Where problems may occur is if there is a significant mismatch between the demand anticipated in Water Resource plans and the demand created by new development. A local understanding of water issues will be key to delivering the new development sustainably. It is therefore important that stakeholders such as Water Companies work with Local Authorities to develop a better understanding of the issues through Water Cycle Studies, and to develop new policies on water resources that ensure water use in the region is sustainable and that shortages are not exacerbated..

### **1.2.5 Sustainability Appraisal Framework**

Will the option/proposal:

- **Use natural resources such as water and minerals efficiently, including by incorporating efficiency measures into new land use and developments, redevelopment and refurbishment?**
- Ensure the sustainable use of water resources?
- Ensure prudent, efficient and sustainable use of minerals and recycling of materials, thereby minimising the requirement for new primary extraction?
- Safeguard mineral resources as far as possible?

**1.3 RSDF 1.2: HIGH VALUE AND LOW IMPACT TECHNOLOGIES**

**1.3.1 RSDF Objective**

‘Promote and support the development of new high value and low impact technologies, especially resource-efficient technologies and environmental technology initiatives’.

**How can the Objective be impacted on, affected or delivered by Phase 3?**

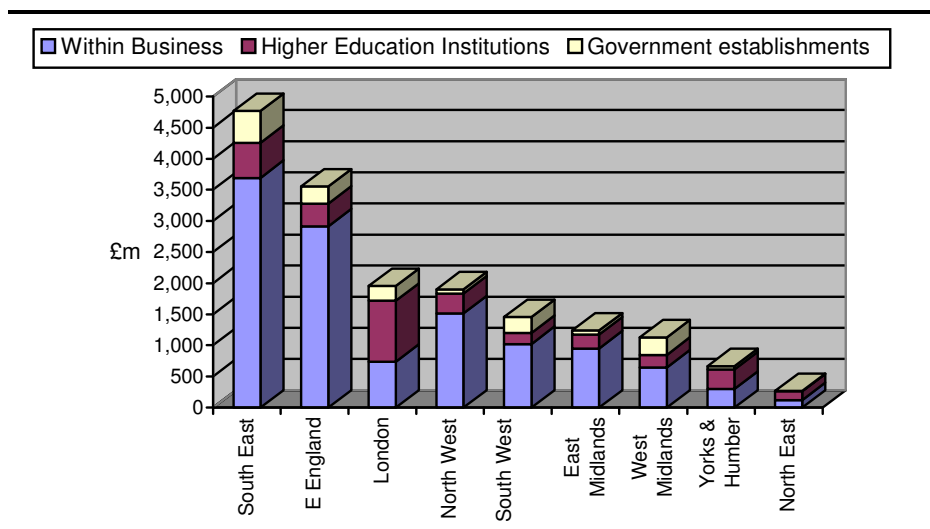
The policy on Energy (EN1), which will cover issues around renewable energy, will promote the development of high value and low impact technologies. In addition, policies on the High Quality Built Environment (QE3), Forestry and Woodlands (QE8) and on flood risk issues may also support the development of these technologies.

**1.3.2 Baseline**

Data on renewable energy in the West Midlands is presented under RSDF Objective 1.8

The West Midlands is 7<sup>th</sup> of the nine English regions in terms of investment in Research and Development (R&D). Government establishments are a particularly important part of the Region’s spending. The Region’s R&D spending per capita (£213.58) is also only ranked 7<sup>th</sup>, well below the average for England as a whole (£343.44).

**Figure 1.4 Research and Development Investment, 2001**



Source: Office for National Statistics

**1.3.3 Policy Context**

Strategy	Key relevant policy objectives
UK Sustainable Development Strategy	Stimulating the market to innovate and to produce more cost effective and sustainable options UK must improve its ability to turn new ideas and emerging technologies into more innovative, high value products, processes and services

<b>Strategy</b>	<b>Key relevant policy objectives</b>
Towards a Sustainable Transport System	Seeks to encourage innovation in low carbon technologies
PPS1	Planning authorities should seek to support efficient, competitive and innovative business, commercial and industrial sectors.
PPS6	Supporting efficient, competitive and innovative retail, leisure, tourism and other sectors, with improving productivity
An Environmental Manifesto for the West Midlands	Promotes creative management of waste material and exploration of new economic sectors
West Midlands ICT Cluster Strategy	Aims to promote research, collaboration and spin-out activities to exploit innovation
Regional Energy Strategy	Maximising uptake of business opportunities
Regional Forestry Framework and Delivery Plan	To improve awareness, understanding and support for wood energy
West Midlands Regional Concordat	Seeks to encourage and facilitate the use of innovation and technology, and encourage and aid the development of high value added industry
West Midlands Regional Climate Change Action Plan	supporting the development of environmental technology and low-carbon business sectors, encouraging decentralised and sustainable production, lower energy demand through greater energy efficiency, waste minimisation and reprocessing opportunities
West Midlands Economic Strategy	Capitalising on sustainability and low-carbon opportunities, stimulating innovation, creativity and knowledge generation
West Midlands Health and Well-Being Strategy	Encourage the provision of business support for regional SMEs in the medical devices and technology sectors
Climate Change the UK Programme 2006	Recognises the need to safeguard, and where possible enhance, the UK's competitiveness and encourage technological innovation, providing more support for low carbon technologies through public/private sector collaboration and increased international collaboration. Sees opportunities in renewables, distributed energy, transport technology innovation. Notes target in European Energy Action Plan for 10% biofuel use in transport.
The Rural Development Programme for England 2007-2013	Aims to build profitable, innovative and competitive farming, food and forestry sectors, particularly in relation to renewable energy and added-value products, and by supporting innovative rurally based business development and enterprise
PPS1 Supplement	Planning authorities should encourage competitiveness and technological innovation in mitigating and adapting to climate change. Planning policies should support innovation and investment in sustainable buildings.
Our Energy Challenge: Power from the People	The objective is to create conditions under which microgeneration becomes a realistic alternative for the householder, for the community and for small businesses. Local authorities have a key role to play particularly in relation to planning permissions.

### **1.3.4 Key Sustainability Issues and Problems**

In general terms, it appears that the West Midlands could do more to promote the development of high value/low impact technologies, based on the low level of research and development investment in the Region. This is also reflected in the relatively low level of employment in the knowledge-based sectors of the economy, outside the Birmingham-Coventry-Warwick triangle, as discussed under RSDF Objective 1.11.

### **1.3.5 Sustainability Appraisal Framework**

Will the option/proposal:

- **Promote and support the development of new high value and low impact technologies, especially resource-efficient technologies and environmental technology initiatives?**

**1.4 RSDF 1.3: SUSTAINABLE CONSTRUCTION AND DESIGN**

**1.4.1 RSDF Objective**

‘Promote and ensure high standards of sustainable resource-efficient design, construction and maintenance of buildings, both new build and existing stock, where possible exceeding the requirements of the Building Regulations’.

**How can the Objective be impacted on, affected or delivered by Phase 3?**

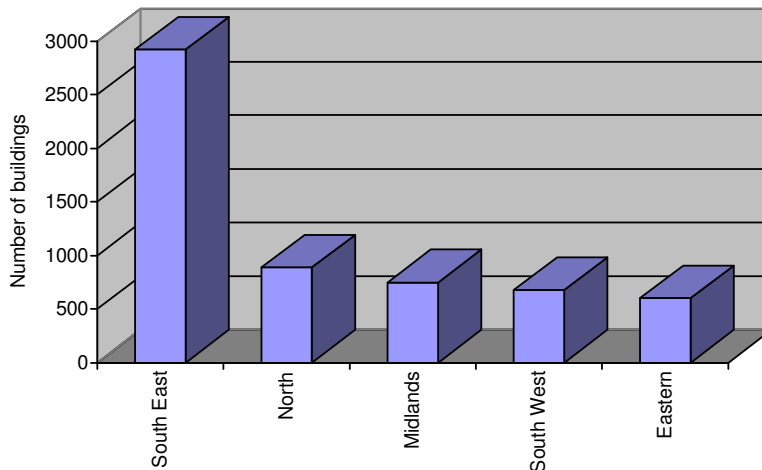
Existing policies on Conserving and Enhancing the Environment (QE1) and on Creating a High Quality Built Environment (QE3) contain provisions relating to sustainable construction and design.

**1.4.2 Baseline**

The Buildings Research Establishment’s Environmental Assessment Method (BREEAM) is the most widely used environmental ratings scheme for buildings in the UK, with a range of ratings schemes for different buildings types, including housing, schools, offices and industrial buildings.

No figures are available for the West Midlands, as the Buildings Research Establishment (which runs the scheme) only collects data for the Midlands as a whole. Their data states that, as of April 2008, 748 buildings had received a BREEAM/EcoHomes<sup>6</sup> rating (‘excellent’, ‘very good’, ‘good’ or ‘pass’) in the Midlands, accounting for 12.9% of the UK total (5,821 buildings). This compares to 283 with a rating in February 2006.

**Figure 1.5 BREEAM Rated Buildings by Region, 2008**



Source: Buildings Research Establishment

Of the 748 buildings with a rating in the Midlands, 90% are EcoHomes, 6.4% are offices, 1.8% are industrial, and 1.8% are schools. 1.8% of these

<sup>6</sup> It should be noted that the EcoHomes scheme was replaced by the Code for Sustainable Homes in April 2007

buildings received an 'excellent' rating, 35.5% a 'very good' rating, 47.3% a 'good' rating, and 15.5% a 'pass' rating.

### 1.4.3

#### **Policy Context**

<b>Strategy</b>	<b>Key relevant policy objectives</b>
UK Sustainable Development Strategy	Promoting the use of modern methods of construction
Water Act 2003	Places a duty on public authorities to take into account the desirability of conserving water supplies to premises.
Heritage Protection White Paper	The reuse of historic buildings can help to promote the sustainable use of resources through reuse of buildings.
PPS1	Ensuring high quality development through good and inclusive design, and the efficient use of resources
PPS22	Development proposals should demonstrate how impacts have been minimised including through careful consideration of design and other measures.
MPG1	Encourages efficient use of materials, including appropriate use of high quality materials, and recycling of wastes
An Environmental Manifesto for the West Midlands	Promotes sustainable new and refurbished homes
West Midlands Regional Climate Change Action Plan	Partners will plan for low-carbon new development and improved existing stock, working with local authorities to promote exemplars of sustainable development and construction, setting the highest standards of design, which are low-carbon or carbon neutral in operation and adapted to likely climate impacts.
Meeting the Energy Challenge: A White Paper on Energy	New homes should be zero carbon as soon as practically possible, and existing homes should have improved energy efficiency. Every home should be adequately and affordably heated. Planning authorities should make planning permission for microgeneration easier.
PPS1 Supplement	In providing for the homes needed by communities, and in renewing and shaping the places where they live and work, planning authorities should secure the highest viable resource and energy efficiency. The design of new development should be planned to limit carbon dioxide emissions. Planning policies should support innovation and investment in sustainable buildings and help to achieve the national timetable for reducing carbon emissions from domestic and non-domestic buildings.
PPS3	Housing should be well-designed and built to a high standard. Developments should facilitate the efficient use of resources, during construction and in use.
Our Energy Challenge: Power from the People	Local authorities have a key role to play in relation to microgeneration, particularly with respect to planning permission for new developments and for the installation of some microgeneration technologies on existing buildings.

### 1.4.4

#### **Key Sustainability Issues and Problems**

The environmental performance of buildings in the West Midlands is slowly improving, with a growing number of buildings being rated under BREEAM and Code for Sustainable Homes schemes. It is essential that developers in the West Midlands continue to improve the environmental performance of their buildings, particularly in terms of their carbon footprint. New national buildings standards will progressively improve the performance of housing, so that all new houses must be carbon neutral by 2016. In addition, the Sustainable Construction policy (SR3) introduced under Phase 2 will also impose high standards on all buildings relating to a wide range of environmental issues. It is therefore important that amendments to policies on Conserving and

Enhancing the Environment (QE1) and on Creating a High Quality Built Environment (QE3) support, and do not undermine, these provisions.

**1.4.5 Sustainability Appraisal Framework**

Will the option/proposal:

- **Promote and ensure high standards of sustainable resource-efficient design, construction and maintenance of buildings, both new build and existing stock, where possible exceeding the requirements of the Building Regulations?**

**1.5 RSDF 1.4 AND 1.5: TRANSPORT**

**1.5.1 RSDF Objectives**

‘Increase use of public transport, cycling and walking as a proportion of total travel in order to reduce road traffic congestion, pollution and accidents, and improve health through increased physical activity’.

‘Ensure development is primarily focused in the major urban areas, and makes efficient use of existing physical infrastructure and reduces need to travel, especially by private car’.

**How can the Objective be impacted on, affected or delivered by Phase 3?**

Policies on Critical Rural Services are likely to directly affect these objectives. In addition, policies on Culture and Sport may impact on the objectives. Furthermore policies on Managing and Creating High Quality Environments (QE2) and Urban Green Space (QE4) cover different issues relating to transport.

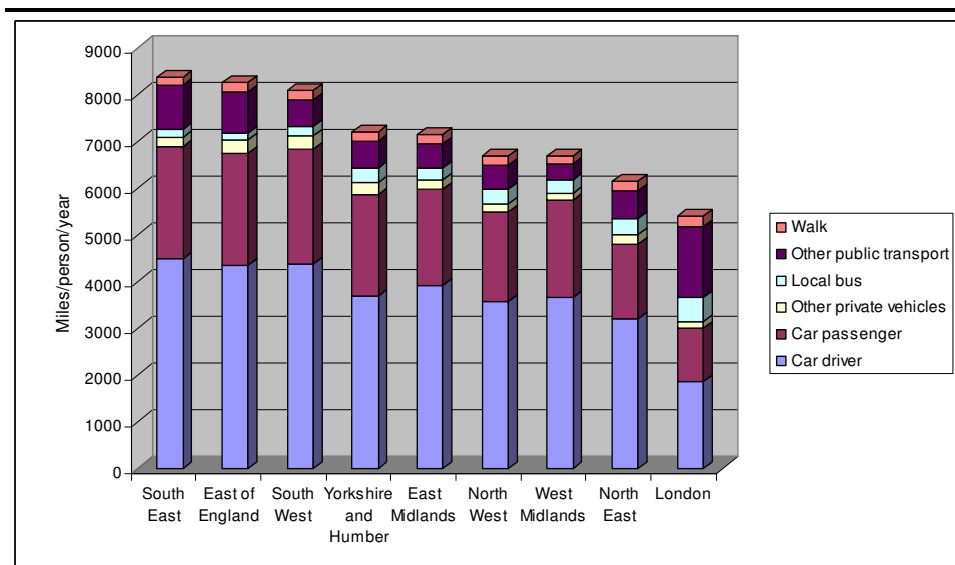
**1.5.2 Baseline**

*Travel by Mode*

The West Midlands has the third lowest average distance travelled per person among the nine English regions – 6,681 miles in 2005-06. The figures have remained broadly consistent since the mid 1990s, with 6,706 miles travelled in 1995-97 and 6,872 in 2004-05.

Of the total mileage in 2005-06, 88.1% was completed as a driver or passenger in a private car or other private vehicle (5,887 miles), 9.4% on public transport, and 2.5% on foot.

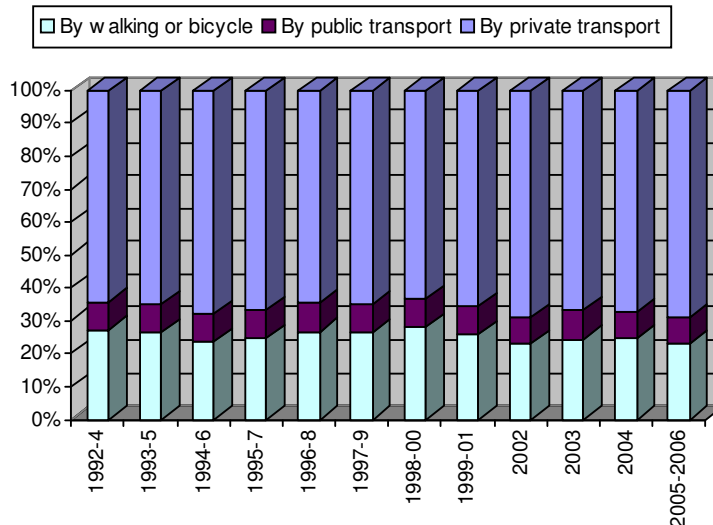
**Figure 1.6 Distance Travelled by Mode, Regional Comparison, 2005-06**



Source: Regional Transport Survey 2007

The number of trips made by people in the West Midlands has remained stable over the last 10 years (at just over 1,000 trips per person per year), but the proportion made by public transport, on foot or by bicycle has declined from 35.8% of trips in 1992-1994 to 31% in 2005-06.

**Figure 1.7 Proportion of Trips by Mode, 1992-2004**



Source: Department for Transport

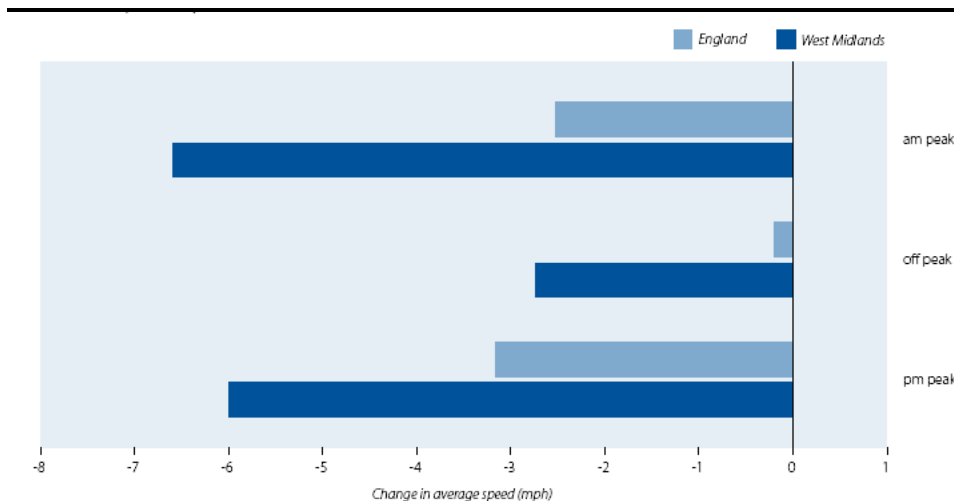
### Congestion

According to the State of the Region Update Report 2006, the Region is seeing 'rising congestion which threatens to undermine regional competitiveness and quality of life through degradation of the environment, making commerce more difficult, and constraining people's ability to access places of work and education, as well as social and recreational activities' (p9).

This is reflected in the fall in average speeds on trunk roads between 1993 and 2003 in the Region, regardless of time of day. At peak times, the average speed has dropped by approximately 6mph across the Region's network.<sup>7</sup>

<sup>7</sup> According to the most recent Regional Monitoring Report (2007), appropriate measures of congestion are still being developed by the Department for Transport (p94).

**Figure 1.8** *Change in Average Speed between 1995 and 2003*



Source: West Midlands Annual Monitoring Report Update, 2006

According to the Highways Agency Regional Network Report for 2008, there are sections in the Strategic Road Network where 'stress levels' are over 100% (ie daily capacity is exceeded by daily flow), in particular:

- M6 – between Junctions 3a and 4
- M6 – point between Junctions 8 and 9 up to and including Junction 10
- M6 – between Junctions 4a and 5
- M6 – between Junctions 7 and 8
- M42 – between Junctions 4 and 7

**Figure 1.9 Stress Levels on the Strategic Road Network 2006**



Source: Highways Agency Regional Network Report 2008, <http://www.highways.gov.uk/business/14462.aspx>

### *Location of New Development*

Data suggests that an increasing proportion of new housing completions are located in Major Urban Areas, in line with the RSS's overall objective of 'Urban Renaissance' (ie reversing the outward migration of people and jobs from the Region's urban areas). Residential completions in MUAs have risen from 42.2% of the total in 2002-03 to 46.5% in 2006-07.

**Table 1.3 Location of Residential Completions**

	02-03	03-04	04-05	05-06	06-07
Major Urban Areas	42.2%	44.4%	46.0%	48.5%	46.5%
Sub-Regional Foci			6.9%	6.3%	13.1%
Other large settlements			21.8%	20.4%	16.2%
Other Urban/Market Towns			12.4%	10.6%	11.5%
Rural			12.9%	14.1%	12.8%

Source: West Midlands Annual Monitoring Report, 2007

**1.5.3 Policy Context**

Strategy	Key relevant policy objectives
Transport White Paper: The Future of Transport – A Network for 2030	Keeping the environmental impacts of new and existing transport infrastructure to a minimum Reducing the impact of all forms of transport Balancing the need to travel with the need to improve quality of life
National Air Quality Strategy	Contains a range of air quality standards including for nitrogen dioxide and particulates
Transport Ten Year Plan	Seeks a transport system that makes less impact on the environment, with safer and more secure transport accessible to all. Calls for modern, high quality public transport, both locally and nationally. The aim is to give people more choice about how they travel, and more people to use public transport. Also promotes easier access to jobs and services through improved transport links to regeneration areas and better land use planning
Towards a Sustainable Transport System	Identifies goals to: <ul style="list-style-type: none"> <li>improve the performance of the existing network, focusing on the most unreliable, congested and crowded sections in order to improve predictable journey time, by making best use of existing networks, securing new infrastructure investment and delivering better bus services</li> <li>cut emissions of greenhouse gases, including by encouraging innovation in low carbon technologies, promoting greener alternatives, provision of good public transport and better urban design.</li> <li>protect people's safety, security and health, including by promoting safe travel, addressing the negative impacts of transport on people's health and promoting the health benefits of cycling and walking.</li> <li>improve quality of life, including through a healthy natural environment, by minimising negative impacts of noise and vibration and on biodiversity and landscape, and by promoting positive benefits of transport and travel.</li> </ul> Seeks to encourage modal-shift and reduce people's need to travel.
PPS1	Planning authorities should bring forward sufficient land of a suitable quality in appropriate locations to meet the expected needs for industrial development, taking into account issues such as accessibility and sustainable transport needs, the provision of essential infrastructure, and reducing the need to travel.
PPG4	Encourage new industrial and commercial development in locations that can be served by more energy efficient modes of transport, and on sites which will not add to traffic congestion.
PPS6	Seeks to deliver more sustainable patterns of town centre development, ensuring that locations improve accessibility and promote sustainable transport choices, including reducing the need to travel and providing alternatives to car use.
PPS7	Focus most new rural development in or near to local service centres
PPS10	Enable waste to be disposed of in one of the nearest appropriate installations
PPG13	More sustainable choices for both people and moving freight Accessibility to services by public transport, walking and cycling

<b>Strategy</b>	<b>Key relevant policy objectives</b>
	Reduce the need to travel, especially by car
Enriching Our Region: An Environmental Manifesto for the West Midlands	Priorities include: concentrating housing and economic development in urban areas; designing car-free communities; better public transport; no overall increase in road capacity.
West Midlands Regional Housing Strategy	Seeks to enable people to live near their work, and to deliver urban renaissance
RPG11	Objectives: to make the major urban areas increasingly attractive places where people want to live, work and invest; to improve significantly the Region's transport systems; to secure more sustainable patterns of development, encouraging a better balance between jobs, houses and services; to ensure that the Region's economic and social potential is not undermined by congestion and inaccessibility, but is supported through the provision of a better balanced and improved transport system.
West Midlands Regional Concordat	Development of better transport within, to and from the region. Strengthening transport links in rural areas including public transport.
West Midlands Regional Climate Change Action Plan	Plan for low carbon communities with sustainable transport. Interventions directed towards achieving an absolute reduction in emissions from transport, including reduced car use and a significant shift to more sustainable modes, including improved public transport services encourage new and creative working practices and lifestyle changes which shift the region towards more sustainable patterns of transport
Connecting to Success: West Midlands Economic Strategy	Improving transport & communications to increase accessibility, efficiency & competitiveness
	<ul style="list-style-type: none"> <li>• Encourage regional and local stakeholders involved in job creation, transport, access to services and education to proactively consider the health impact of their policies and how they can contribute to reducing health inequalities</li> <li>• Improving safe access to services by providing quality transport networks</li> <li>• Encourage employers to have active travel plans, which promote walking, cycling and the use of public transport</li> <li>• Encourage 'designing for health' where new developments promote the benefits of active travel</li> <li>• To reduce the number of adults in the Region doing less than 30 minutes of physical activity, sport and active recreation per week and contribute to exceeding the target for a 1% year on year increase in physical activity levels in the population</li> <li>•</li> </ul>
Meeting the Energy Challenge: A White Paper on Energy	One of the main opportunities in the near-term lies in transport modal choice and in the longer term in spatial and transport planning.
PPS1 Supplement	Spatial strategies should deliver patterns of urban growth and sustainable rural developments that help secure the fullest possible use of sustainable transport for moving freight, public transport, cycling and walking; and, which overall, reduce the need to travel, especially by car. Spatial distribution of development should be planned to limit carbon dioxide emissions. New development should create opportunities for sustainable transport.
PPS3	Housing developments should be easily accessible and well-connected to public transport

#### **1.5.4 Key Sustainability Issues and Problems**

The Region is facing increasing problems with congestion, as a result of increases in traffic volume. The State of the Region Update Report 2006 (p53) concluded that:

- Car ownership is increasing leading to increased congestion and slower average speeds on the Region's roads.
- Despite improved accessibility bus use is declining in the Region - against the national trend. Increasing frequency and affordability of services may help slow this trend.
- Rail use is increasing for both passengers and freight, though remains subordinate to travel by car and road haulage.
- Access to transport and services particularly in rural parts of the Region influences people's choice of travel mode.
- Transport related emissions are increasing, but walking and cycling offer potential to reduce this, at least for shorter journeys. Alternative fuels and increasing car fuel efficiency may also help.
- Changes to attitudes and behaviour are likely to be important in achieving a modal shift and reducing both congestion and emissions.
- **Many of the trends identified are away from rather than towards the goals of transport sustainability**

It has been asserted that the annual cost of congestion to the Region is around £2.5 billion — a consequence of delays and longer travel times within the Region<sup>8</sup>. CO<sub>2</sub> emissions from transport are also rising, with the emissions from the transport sector growing by 10% between 1990 and 2005 (or by 21.7% including air travel)<sup>9</sup>, and air quality problems are also arising evidenced by the declaration of Air Quality Management Areas across the Region.

Transport and congestion problems are predicted to worsen over the next decade, with traffic levels are forecast to grow by 11% and congestion by perhaps 20-25% in peak periods.<sup>10</sup>

Regional partners will need to consider a range of 'soft' (or lifestyle) measures (eg facilitating the use of walking, cycling and public transport) as well as 'hard' measures, eg road user charging.

### 1.5.5 **Sustainability Appraisal Framework**

Will the option/proposal:

- **Increase use of public transport, cycling and walking as a proportion of total travel in order to reduce road traffic congestion, pollution and accidents, and improve health through increased physical activity?**
- **Ensure development is primarily focused in the major urban areas, and makes efficient use of existing physical infrastructure and reduces need to travel, especially by private car?**
- ensure that, for development outside the major urban areas, measures are in place to reduce the need to travel by private car and increase the use of public transport, cycling and walking?
- reduce the number and length of journeys made by car?
- reduce the need to travel, eg through local provision of services?

<sup>8</sup> State of the Region Update Report 2006, p10

<sup>9</sup> State of the Region Update Report 2006, p51

<sup>10</sup> State of the Region Update Report, p10

- promote alternative, more sustainable, modes of transport to the car (including walking and cycling) through location of housing, employment sites, services and facilities, and appropriate infrastructure for sustainable modes of transport?
- promote a shift of freight from road to rail?

## 1.6 **RSDF 1.6: WASTE MANAGEMENT**

### 1.6.1 **RSDF Objective**

‘Encourage and enable waste minimisation, reuse, recycling and recovery to divert resources away from the waste stream, including the use of recycled materials where possible.’

#### **How can the Objective be impacted on, affected or delivered by Phase 3?**

Policies on Minerals will impact on quantities of minerals waste and the recycling of materials for aggregate. Other policy areas will not affect this objective.

### 1.6.2 **Baseline**

*As Phase 3 will not impact on general waste management issues, only data on waste issues relating to minerals and recycled aggregate is presented in this section.*

Figures for secondary and recycled materials sold as aggregates are only collected for the Region as a whole, and the latest estimate available is 4.29 million tonnes in 2003 (compared to 4.21m tonnes in 2001). This figure remains below the 5.5 million tonnes per year of alternative materials assumed by the *National and Regional Guidelines for Aggregate Provision in England 2001-16*, and suggests a continued need to encourage the supply of alternative materials, especially in the MUAs where opportunities are likely to be greatest. No data for 2004 is available.<sup>11</sup>

### 1.6.3 **Policy Context**

<b>Strategy</b>	<b>Key relevant policy objectives</b>
EU Waste Framework Directive	Encourages the recovery of waste by recycling, re-use or reclamation, either by extracting secondary raw materials or by the use of waste as a source of energy. Member States must ensure no damage to human health or the environment, and in particular: <ul style="list-style-type: none"><li>• without risk to water, air or soil, or to plants or animals;</li><li>• without causing a nuisance through noise or odours;</li><li>• without adversely affecting the countryside or places of special interest.</li></ul> Member States must take measures to establish a network of disposal installations to enable them to move towards self-sufficiency, enabling waste to be disposed of in one of the nearest appropriate installations.
EU Hazardous Waste Directive	Member States must ensure that hazardous waste is dealt with so as not to constitute a threat to the population or the environment. Requires the prevention of the mixing of non-hazardous and hazardous waste and the separation of hazardous waste from other waste where technically and economically feasible
EU Landfill Directive	Requires a substantial reduction in the amount of biodegradable municipal waste being landfilled, with targets for 2010, 2013 and 2020.
Packaging and Packaging Waste Directive	Sets targets for recovery and recycling of packaging waste.

<sup>11</sup> Annual Monitoring Report 2007, p93

<b>Strategy</b>	<b>Key relevant policy objectives</b>
UK Sustainable Development Strategy	More sustainable waste management – reduction, re-use, recycling, composting and using waste as a source of energy
Waste and Emissions Trading Act 2003	Reduce the amount of biodegradable waste sent to landfill, including measures to achieve the targets by recycling, composting, biogas production, materials recovery or energy recovery.
PPS1	Development plan policies should promote the management of waste in ways that protect the environment and human health, including producing less waste and using it as a resource wherever possible, minimising the need to consume new resources.
PPS10	Planning strategies should: <ul style="list-style-type: none"> <li>• drive waste management up the waste hierarchy;</li> <li>• promote community responsibility for waste;</li> <li>• support national targets and are consistent with obligations and guidance;</li> <li>• protect human health and the environment, and enable waste to be disposed of in one of the nearest appropriate installations;</li> <li>• protect green belts but recognise the particular locational needs of some types of waste management facilities;</li> <li>• ensure the design and layout of new development supports sustainable waste management.</li> </ul>
PPS23	Protect and improve the natural environment, public health and safety, and amenity
MPG1	Minimise production of waste and to encourage efficient use of materials, including appropriate use of high quality materials, and recycling of wastes
Enriching Our Region: An Environmental Manifesto for the West Midlands	Priorities include: reduce consumption of natural resources; creative management of waste material; universal recognition of need for recycling
West Midlands Regional Forestry Framework and Delivery Plan	To develop opportunities to promote waste minimisation and recycling
West Midlands Regional Climate Change Action Plan	Waste planning to deliver substantially reduced emissions and resilience to likely climate change impacts. Greater waste minimisation and reprocessing opportunities.
Waste Strategy for England 2007	Key objectives are to: <ul style="list-style-type: none"> <li>• decouple waste growth from economic growth and put more emphasis on waste prevention and re-use;</li> <li>• meet and exceed the landfill directive diversion targets;</li> <li>• increase diversion from landfill of non-municipal waste;</li> <li>• invest in infrastructure for the management of hazardous waste;</li> <li>• increased recycling and recovery.</li> </ul> Targets included for increase in re-use, recycling and composting of municipal waste and reduction of commercial and industrial waste going to landfill.
PPS Supplement	Planning authorities should expect new development to provide for sustainable waste management

#### **1.6.4 Key Sustainability Issues and Problems**

It remains a key issue for the minerals and construction sectors to increase the amount of recycled aggregate being produced and consumed within the Region.

#### **1.6.5 Sustainability Appraisal Framework**

Will the option/proposal:

- **Encourage and enable waste minimisation, reuse, recycling and recovery to divert resources away from the waste stream, including the use of recycled materials where possible?**
- Prevent or minimise production of mineral waste?
- Promote the recycling of suitable materials for aggregate?

## 1.7 **RSDF 1.7: LOCAL SOURCING**

### 1.7.1 **RSDF Objective**

‘Encourage local sourcing of food, goods and materials’.

#### **How can the Objective be impacted on, affected or delivered by Phase 3?**

Policies on Critical Rural Services may affect access to local food, goods and materials, and policies on Energy (EN1) and Forestry and Woodlands (QE8) may affect the availability of local fuel sources, eg biomass. Policies on the historic environment may also affect the use of local building materials.

### 1.7.2 **Baseline**

There is no data to illustrate baseline conditions on this objective.

### 1.7.3 **Policy Context**

<b>Strategy</b>	<b>Key relevant policy objectives</b>
Transport White Paper: The Future of Transport – A Network for 2030	Reducing the impact of freight on congestion and the environment
Enriching Our Region: An Environmental Manifesto for the West Midlands	Priorities include: promoting consumption of local raw materials; amended food policy in favour of local producers
Revised West Midlands Visitor Economy Strategy	Support local businesses and cultural life by enhancing and promoting the quality and quantity of authentic local products. Priority given to action which sources local supplies and services to support economic self-sufficiency.
West Midlands Regional Climate Change Action Plan	encouraging local markets and local sourcing to support regional supply chains and minimise carbon footprint
West Midlands Health and Well-Being Strategy	Encourage the provision of business support, including local purchasing, for regional SMEs in the medical devices and technology sectors

### 1.7.4 **Key Sustainability Issues and Problems**

Promoting the local sourcing of food, goods and materials is a growing issue for the region as a whole, as addressing this issue can help to strengthen local economies and reduce the carbon footprint of consumption patterns within the region, although there is limited scope to make a significant difference on the issue through Phase 3 of the RSS.

### 1.7.5 **Sustainability Appraisal Framework**

Does the option/proposal:

- **Encourage local sourcing of food, goods and materials?**

**1.8 RSDF 1.8: DEVELOPING ALTERNATIVE AND RENEWABLE RESOURCES**

**1.8.1 RSDF Objective**

‘Reward efficient resource use and encourage development of alternative and renewable resources in order to reduce dependence on fossil fuels.’

**How can the Objective be impacted on, affected or delivered by Phase 3?**

Policies on Energy (EN1) directly relates to this issue. The policy on Energy Conservation (EN2) also covers issues on CHP, and the policy on Forestry and Woodlands (QE8) also promotes biomass.

**1.8.2 Baseline**

Please see RSDF Objective 2.2 for a full review of data on renewable energy in the West Midlands.

**1.8.3 Policy Context**

<b>Strategy</b>	<b>Key relevant policy objectives</b>
UK Sustainable Development Strategy	Reducing the inefficient use of resources Promoting the use of modern methods of construction Minimise climate change, including through energy efficiency and the use of renewables
Energy White Paper: Our Energy Future – Creating a Low Carbon Economy	Greater involvement from English regions and from local communities, complemented by a planning system that is more helpful to investment in infrastructure and new electricity generation, particularly renewables and CHP. Regional bodies are encouraged to examine strategically the resources and opportunities for renewable projects within their areas and what they can do to develop them in their region.
Transport White Paper: The Future of Transport – A Network for 2030	Deliver carbon savings and reduce the impact of other emissions which pollute the environment
PPS1	Ensuring high quality development through good and inclusive design, and the efficient use of resources Development plan policies should seek to minimise the need to consume new resources Reduce energy use and promote the development of renewable energy resources
PPS22	RSSs should contain policies designed to promote and encourage, rather than restrict, the development of renewable energy resources, and include targets for renewable energy capacity for 2010 and 2020.
MPG1	Encourages efficient use of materials, including appropriate use of high quality materials, and recycling of wastes
An Environmental Manifesto for the West Midlands	Priorities include: promoting reduced consumption of natural resources; promotes sustainable new and refurbished homes; West Midlands to become a leader in energy efficiency
West Midlands Regional Energy Strategy	<ul style="list-style-type: none"> <li>• Improving energy efficiency</li> <li>• Increasing the use of renewable energy resources</li> <li>• Maximising uptake of business opportunities</li> </ul>
West Midlands Regional Forestry Framework and Delivery Plan	To improve awareness, understanding and support for wood energy
West Midlands	Plan for low-carbon communities.

Regional Climate Change Action Plan	Identify strategic sites for decentralised energy production/district heating and include a policy applying to e.g. major investment sites in RSS review. Help regional businesses improve resource efficiency. Move the region towards greater energy efficiency and security, by supporting and encouraging decentralised and sustainable production and lower energy demand through greater energy efficiency. Promote sustainable and renewable energy as a strong economic driver.
West Midlands Economic Strategy	Improving business competitiveness Capitalising on sustainability and low-carbon opportunities Supporting a secure, low-carbon energy infrastructure for the region
West Midlands Health and Well-Being Strategy	Tackle climate change and its impacts, by reducing emissions of global warming gases
Meeting the Energy Challenge: A White Paper on Energy	Encourages more energy saving through better information, incentives and regulation removing barriers to the take up of cost-effective energy efficiency. More support should be provided for low carbon technologies through public/private sector collaboration and increased international collaboration. There is scope for increased use of heat and distributed energy, including by making planning permission for microgeneration easier and providing better planning guidance to ensure that the CHP option is considered. The target is for renewables to contribute 10% of electricity supplies 2010, with an aspiration for this level to double by 2020. Opportunities for transport lie in increasing fuel efficiency and promoting alternative fuels. Notes targets from European strategy on energy security and climate change: <ul style="list-style-type: none"> <li>• To generate 20% of the EU's energy from renewables by 2020, covering heat and transport as well as electricity.</li> <li>• A minimum of 10% for the share of biofuels in EU petrol and diesel consumption, to be achieved by all Member States.</li> </ul>
The Rural Development Programme for England 2007-2013	Developing a greater awareness of market opportunities, and a greater ability to exploit these opportunities, particularly in relation to renewable energy
PPS1 Supplement	Spatial strategies should secure the highest viable resource and energy efficiency. New development should be planned to make good use of opportunities for decentralised and renewable or low carbon energy. Regional planning bodies should have regard to the potential to build into new and existing development more efficient means of energy supply and increasing contributions from renewable and low-carbon energy sources, maximising the opportunities. Also should set regional targets for renewable energy generation.
PPS3	Developments should facilitate the efficient use of resources, during construction and in use and seek to adapt reduce the impact on climate change.
Our Energy Challenge: Power from the People	Local authorities have a key role to play in relation to microgeneration, particularly with respect to planning permission for new developments and for the installation of some microgeneration technologies on existing buildings. Recognises the need to increase the contribution from bioenergy and at the same time ensure that biomass production from energy crops or forestry is sustainable

#### **1.8.4 Key Sustainability Issues and Problems**

The West Midlands has a significant way to go before it delivers 5% of its electricity needs from renewable energy sources. Energy West Midlands has, since 2005, been responsible for supporting the development of this sector, and implementing the Regional Energy Strategy, and has an Action Plan to

implement the Strategy through specific initiatives, including action on biodiesel and small-scale renewables. It will be important that the energy policies being revised under Phase 3 support the objectives of the Regional Energy Strategy.

### **1.8.5 Sustainability Appraisal Framework**

Does the option/proposal:

- **Reward efficient resource use and encourage development of alternative and renewable resources in order to reduce dependence on fossil fuels?**

**1.9 RSDF 1.9: CORPORATE SOCIAL RESPONSIBILITY**

**1.9.1 RSDF Objective**

‘Encourage corporate social and environmental responsibility, with regional organisations and agencies leading by example’.

**How can the Objective be impacted on, affected or delivered by Phase 3?**

The policies being revised under Phase 3 are not relevant to this issue.

**1.9.2 Sustainability Appraisal Framework**

It is proposed that there are no questions on this RSDF objective in the SA Framework.

**1.10** ***RSDF 1.10: ENTERPRISE AND INNOVATION***

**1.10.1** ***RSDF Objective***

‘Encourage and support a culture of enterprise and innovation, including social enterprise’.

**How can the Objective be impacted on, affected or delivered by Phase 3?**

The policies being revised under Phase 3 are not relevant to this issue.

**1.10.2** ***Sustainability Appraisal Framework***

It is proposed that there are no questions on this RSDF objective in the SA Framework.

**1.11 RSDF 1.11: ECONOMY AND PROSPERITY**

**1.11.1 RSDF Objective**

‘Achieve a strong, stable and sustainable economy and prosperity for the benefit of all the Region’s inhabitants’.

**How can the Objective be impacted on, affected or delivered by Phase 3?**

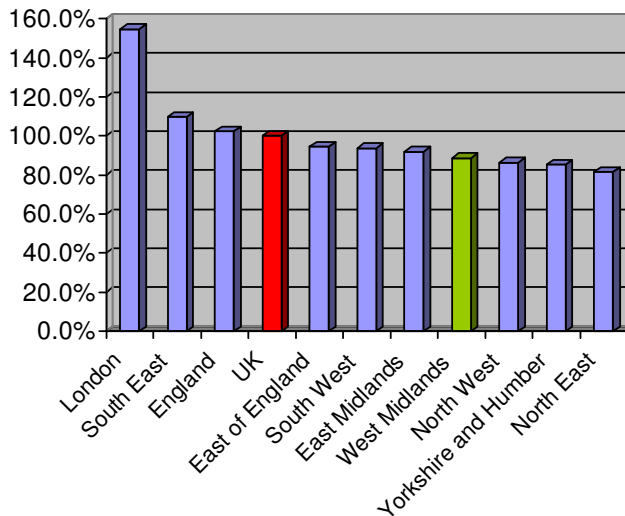
Many of the policies being revised under Phase 3 will affect economic development, including policies on Critical Rural Services, Minerals, Energy, Culture and Sport, Creating High Quality Environments (QE2), the Historic Environment (QE5), Forestry and Woodlands (QE8).

**1.11.2 Baseline**

*Regional Economic Productivity*

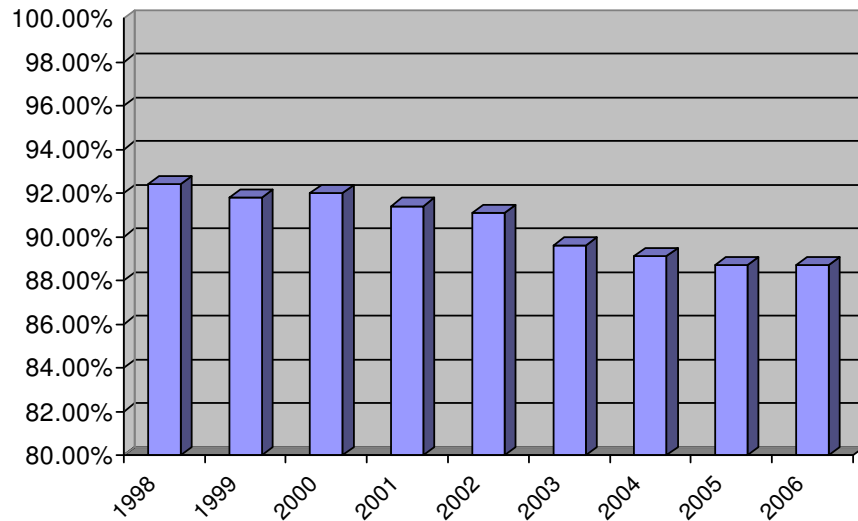
According to the State of the Region Update Report 2006, the economy of the West Midlands is ‘underperforming’, with average income levels remaining below the national average. The main reason why income levels are relatively low is because *productivity* (output per worker) is also low. Regional productivity in terms of GVA per head was only 88.7% of the UK average in 2006, and has declined since 1997.

**Figure 1.10 Index of Regional Productivity 2006, GVA per head**



Source: Office for National Statistics,  
[http://www.statistics.gov.uk/downloads/theme\\_economy/reg\\_productivity\\_08.pdf](http://www.statistics.gov.uk/downloads/theme_economy/reg_productivity_08.pdf)

**Figure 1.11 Index of Regional Productivity for the West Midlands 1997-2006, GVA per head (100% = UK average)**

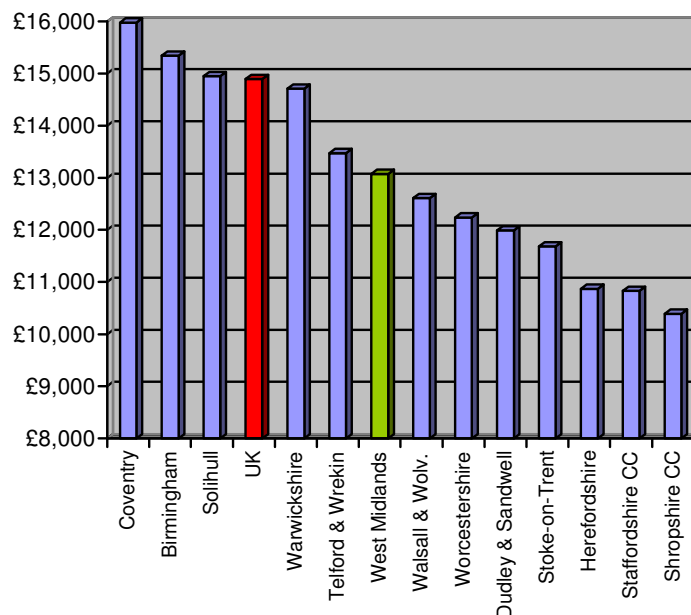


Source: Office for National Statistics,  
[http://www.statistics.gov.uk/downloads/theme\\_economy/reg\\_productivity\\_08.pdf](http://www.statistics.gov.uk/downloads/theme_economy/reg_productivity_08.pdf)

*Sub-Regional Productivity*

There are also large productivity differences within the region, with the gap between high and low productivity areas apparently increasing. Data from 2001 shows that there are significant sub-regional variations in GVA per head in 2001, from £15,979 in Coventry to £10,392 in Shropshire, illustrated in the chart below. Only three areas are above the UK average.

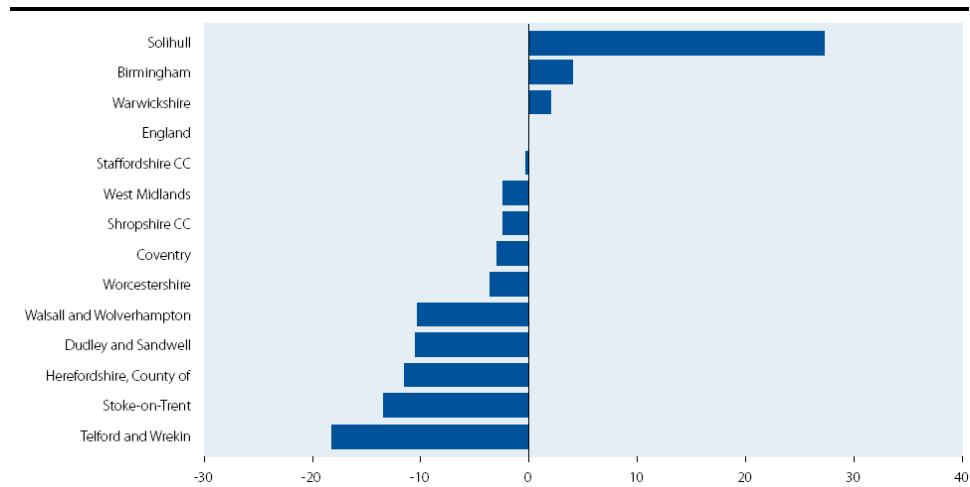
**Figure 1.12 Sub-Regional GVA per head 2001**



Source: Office for National Statistics

Since 1995, only three parts of the region (Birmingham, Solihull and Warwickshire) have seen productivity increases relative to the UK average. There have also been significant declines in productivity in many of the established larger industrial centres in the Region, including Telford and Wrekin (-17% against the UK average between 1995 and 2003), Stoke-on-Trent, Sandwell and Dudley and Walsall and Wolverhampton.

**Figure 1.13 Sub-Regional Change in Productivity compared with UK average, 1995-2003**



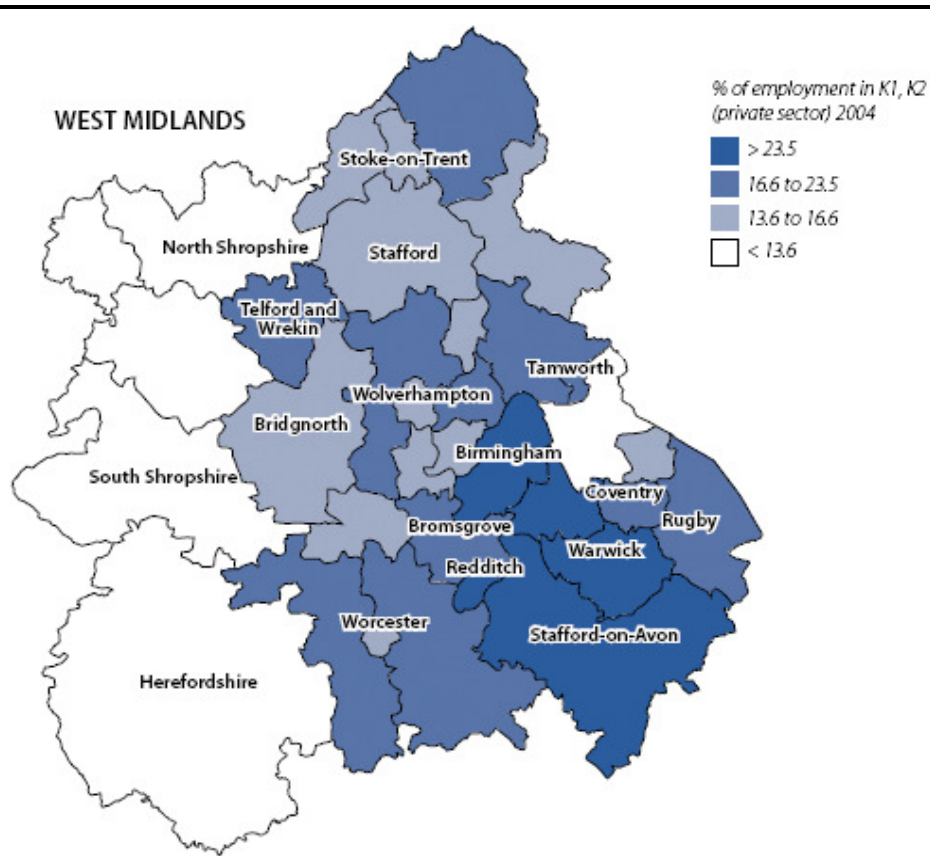
Source: West Midlands State of the Region Update Report 2006

### *The Knowledge Economy*

The West Midlands is comparatively weak in terms of knowledge-based industries. According to the State of the Region Update Report 2006, manufacturing is set to decline (by as much as 50,000 jobs by 2015), and remains skewed towards low productivity sectors. The service sector is also underperforming, although some areas are expanding significantly (eg legal services, market research, property, and consulting).

Within the region, the knowledge economy is focused around Birmingham-Coventry-Warwick triangle. These 'hot-spots' contrast with the remote rural districts and older industrial areas such as the Black Country and the North Staffordshire Conurbation.

**Figure 1.14 The West Midlands Knowledge Economy**



Source: West Midlands State of the Region Update Report 2006

**1.11.3 Policy Context**

Strategy	Key relevant policy objectives
Rural Strategy 2004	Providing thriving economies in rural areas
The Historic Environment: A Force for Our Future	Aims to promote the historic environment's importance as an economic asset
The Future of Air Transport	Calls for an approach which recognises the importance of air travel to our national and regional economic prosperity
PPS1	Planning should contribute to sustainable economic development, bringing forward sufficient land of a suitable quality in appropriate locations to meet the expected needs for industrial development
PPS4	Objective to encourage industrial and commercial development
PPS6	Seeks to promote economic growth of regional, sub-regional and local economies by planning for the growth and development of existing centres
PPS7	Improve the economic performance of English regions
PPS9	Ensuring that developments take account of the role and value of biodiversity in supporting economic diversification
PPS10	Planning authorities should prepare strategies which encourage competitiveness.
PPG21	Maximising the economic and employment benefits that tourism can bring while balancing with other considerations.
West Midlands Regional Energy Strategy	Maximising uptake of business opportunities
Revised West Midlands Visitor	Aims to add value to the West Midlands visitor economy by attracting more visitors and investment. Prioritises action that grows

Economy Strategy	the value of the visitor economy and increases competitiveness in UK and international markets
RPG11	Aims to support the diversification and modernisation of the Region's economy, encouraging economic growth and increased prosperity while meeting sustainable development needs.
Rural Renaissance: Advantage West Midlands' Rural Framework	Aims to foster the sustainable development and diversification of the rural economy of the West Midlands. Supports economic restructuring through development of social and economic infrastructure and the environmental conditions appropriate to the growth needs of rural areas.
West Midlands Regional Concordat	<ul style="list-style-type: none"> <li>• sustainable economic development across all areas of the region;</li> <li>• securing region-wide economic prosperity by creating wealth through enterprise;</li> <li>• regenerating rural areas by strengthening and diversifying rural economies</li> </ul>
West Midlands Regional Climate Change Action Plan	Help regional businesses improve resource efficiency (energy, transport, waste and water)
Connecting to Success: West Midlands Economic Strategy	<p>Creating economically sustainable new businesses</p> <p>Developing markets and sectors with the most wealth and employment potential</p> <p>Competing in the global economy</p> <p>Improving competitiveness</p> <p>Increasing Birmingham's competitiveness as a global city</p> <p>Improving infrastructure to increase efficiency and competitiveness</p>
Sign Up for Sport: A Regional Plan for Sport in the West Midlands	Benefiting the economy through sport, achieving a growth in the contribution sport makes to the economy of the West Midlands between 2004 and 2008.
West Midlands Rural Delivery Framework First Iteration	Seeks to develop a diverse and dynamic business base, creating the conditions for growth
West Midlands Health and Well-Being Strategy	Aims to use investment in the health and social care sector as a driver for economic growth, and to promote health and safety at work as a way of increasing productivity
The Rural Development Programme for England 2007-2013	Aims to build profitable, innovative and competitive farming, food and forestry sectors, supporting business development and enterprise and supporting areas of economic underperformance
PPS1 Supplement	Encourage competitiveness in mitigating and adapting to climate change

#### 1.11.4 **Key Sustainability Issues and Problems**

There is a growing 'productivity gap' in the economy of the West Midlands compared to other parts of the UK (in particular regions to the South and East), and a gap growing within the region between Birmingham/Solihull/Warwickshire and the rest of the region, in particular the larger industrial centres. The rural parts of the region are also far less economically productive areas, and in recent times have fallen further behind, in particular Herefordshire.

A recent analysis of productivity and the drivers of productivity undertaken by Aston Business School<sup>12</sup> points to a Region which remains conspicuously weak in respect of innovation and, especially, skills. Both are of central importance within the knowledge economy.

<sup>12</sup> *Drivers of Productivity in the West Midlands*, Aston Business School. The study assessed the region against the five Treasury-defined drivers of productivity: skills, enterprise, investment, innovation and competition.

### **1.11.5 Sustainability Appraisal Framework**

Does the option/proposal:

- **Achieve a strong, stable and sustainable economy and prosperity for the benefit of all the Region's inhabitants?**
- Support the development of the rural economy?
- Support the development of forestry?
- Support the development of the energy sector?
- Support the development of the cultural, sport and tourism sectors?
- Support the development of the environmental economy?