

Agenda Item No. 9

WEST MIDLANDS REGIONAL ASSEMBLY

Assembly Meeting – 17 January 2007

The Revision of the West Midlands Regional Spatial Strategy and the Review of the West Midlands Economic Strategy.

Report of the Director of Policy

1 Purpose of the Report

1.1 The purpose of this report is to

- a. provide an update on current progress in revising the West Midlands Regional Spatial Strategy (WMRSS) and in reviewing the West Midlands Economic Strategy (WMES);
- b. demonstrate that action is being taken to ensure effective linkages between the two processes;
- c. indicate the process which will be undertaken to develop the Regional Assembly's response to the two consultations; and
- d. give consideration to the consultation documents for the WMRSS options and the WMES Choices.

2. Recommendation

2.1 That the contents of the report be noted.

3. Background

- 3.1 Members will be aware that both the West Midlands Regional Spatial Strategy and the West Midlands Economic Strategy are currently under revision and review respectively. The WMRSS is undergoing a partial revision in three phases whilst the WMES is undergoing its three year review to ensure it remains fit for purpose.
- 3.2 This report outlines the key issues which are being addressed, identifies how the processes for the review and the revision are aligned, gives consideration to the current consultation documents for both strategies and identifies areas of consideration for both the strategies.

3.3 The WMES policy choices consultation was launched on the 10th November at AWM's annual conference and runs until the 28th February 2007. The RSS options consultation was launched on the 8th January 2007 and finishes on the 5th March 2007.

4. The West Midlands Regional Spatial Strategy Revision

4.1 WMRSS Background

4.1.1 The WMRSS incorporates the Regional Transport Strategy and guides the preparation of Local Development Frameworks and Local Transport Plans. It also provides the spatial framework for investment decisions of public bodies including AWM and the private sector. Urban and rural renaissance with sustainable communities is the key focus of the WMRSS.

4.1.2 The RSS was published in June 2004; it was recommended by the Secretary of State that an immediate revision of certain elements should begin. The Regional Planning Partnership took the decision that this should be undertaken in a phased way - Phase One being the Black Country Study.

4.1.2 The Phase Two Revision was launched with the consultation Project Plan in February 2006. It considers a wide range of issues, including housing, employment land, waste and transport.

4.1.3 Phase Three is timetabled to start in spring 2007. Issues included in Phase Three are critical rural services, recreational provision, regionally significant environmental issues and the development of a framework for provision of Gypsy and Traveller sites. A scoping study is now underway which will identify if there are other issues which must be included in Phase Three.

4.2 WMRSS Phase Two Spatial Options

4.2.1 The draft Phase Two Spatial Options which take into account the advice received from Strategic Authorities received earlier in the year, have undergone a Sustainability Appraisal/Strategic Environmental Assessment (SA/SEA), a rural proofing exercise is being undertaken by a sub group of the Regional Rural Affairs Forum and the Equality and Diversity Partnership are being asked to look at the strategy from an equality and diversity perspective.

4.2.2 Members of the Regional Planning Partnership signed off the final options document on the 16th November. On the 8th January 2007 the eight week public consultation period was launched.

4.2.3 The Spatial Options are designed to open up issues for debate and to invite comment. Key issues include:

Communities for the Future:

- Overall levels of households up to 2026 and distribution of new housing provision at Local Planning Authority level, understanding the implications of the Government household projections for the Region.
- Housing affordability and mix

Prosperity for All:

- Employment land provision, including identifying a minimum reservoir of land for each Local Planning Authority
- Potential options for further regionally significant employment sites: Regional Logistics Sites, Regional Investment Sites and need for additional Major Investment Sites
- Centres: identifying the investment priorities for the Strategic Centres including the balance between 'in centre' and 'out of centre' office development

Waste:

- The WMRSS will incorporate the Regional Waste Strategy when re-published. The Options will consider municipal, commercial and industrial waste exploring issues of diversion from landfill and appropriate levels of tonnages for Waste Planning Authorities.

Transport:

- Issues being considered include: strategic park and ride, car parking standards, road user charging and the role of the airports.

4.2.4 The Spatial Options put forward for consultation challenging issues for the Region. The comments received through the consultation period will be used to inform the Preferred Option, submission intended for December 2007.

4.2.5 The timetable for the WMRSS Partial Revision is set out below in Table One.

5. The West Midlands Economic Strategy Review

5.1 WMES Background

5.1.1 The review of the WMES was launched by Advantage West Midlands and the Regional Assembly at the end of March 2006. The West Midlands Economic Strategy sets out what the West Midlands needs to do to improve economic performance by both building on strengths and addressing the market failures that hold back the Region's economy.

5.1.2 The WMES is reviewed every three years (in line with DTI Guidance) to ensure that it remains relevant and continues to provide the right solutions. Economic realities such as the changing demographic profile of the workforce along with the current global challenges will need to be

considered - as well as changes in the way that the Region delivers economic improvements such as Local Area Agreements, Multiple Area Agreements and responds to potentially changing regional structures and institutions, such as City Regions.

5.1.3 The current review of the WMES will consider the agreed actions which will be required to ensure existing targets for 2010 are met, but will also look beyond that milestone to 2020 to establish what the Region will need to do to continue to improve economic performance.

5.1.4 The guidance on Regional Economic Strategy Reviews does not require a formal 'policy options' phase, but this time the WMES is being reviewed through a two stage consultation process: with full consultation at an early stage of policy development, (WMES Choices Consultation), as well as on the full draft of the Strategy document itself (May to July 2007).

5.1.5 As with the WMRSS Review, a Sustainability Appraisal and Strategic Environmental Assessment are being undertaken for the WMES Review. Likewise, rural proofing will be undertaken, as agreed with the Regional Rural Affairs Forum, and the Equality and Diversity Partnership are being asked to look at the strategy from an equality and diversity perspective.

5.1.6 Phase One of the review, Building the Evidence Base, is now completed. Five strands of research were undertaken, as follows:

- Examination of the Regional Economic Context
- The Relative Performance of the West Midlands Economy
- The Functioning Economic Geography
- Evaluation of the Current West Midlands Economic Strategy
- Evaluation of the Three Delivery Mechanisms

A report has been prepared for each of the five strands of research undertaken; these are available on the WMES review website at <http://www.advantagewm.co.uk/wmesreview.html>.

5.1.7 Phase Two of the review has also been completed. The consultancy firm Regeneris was appointed to scope the Policy Choices phase, the outcome from which is the WMES Policy Choices consultation document. An early draft of the document was presented to and endorsed by the WMES Review Regional Reference Group on the 1st September.

5.3.3 This phase of the review will consider how the region can best address established challenges using key policy levers, with discussion focused on a specified range of key issues: Enterprise; Innovation; Skills; Economic Activity; Quality of Life; and Infrastructure.

5.3.4 Phase Three of the Review is now underway with the launch of the choices consultation document on the 10th November. The deadline for

receipt of responses is 28th February 2007.
<http://www.advantagewm.co.uk/phase-3.html>

Table One. The Timetables for the WMRSS Revision and WMES Review.

Stage of the Revision / Review	WMES	WMRSS
Building the evidence base	March to August 2006	Ongoing
Develop Policy Options	Sept to Oct 2006	May – Nov 2006
Options Consultation Launch	10 th November 2006	8 th January 2007
Options Consultation Close	28 th February 2007	5 th March
Draft Economic Strategy	March to April 2007	N/A
Development of Preferred Option	N/A	March 2007 onwards
Consultation on Draft Strategy / Preferred Option	May to July 2007	June 2006
Publication of completed Strategy and Action Plan	Autumn 2007	N/A
Submission to Government	N/A	December 2007
Examination in Public	N/A	Mid 2008
Secretary of State Proposed Changes	N/A	Late 2008
Final RSS Phase Two changes published	N/A	Early 2009

6. Aligning the WMES and the WMRSS

- 6.1 The WMRSS Partial Revision and the Review of the WMES are running concurrently and it is therefore vital to ensure that as the policy options develop they are aligned so that the two strategies remain mutually supportive. To this end, officers from Advantage West Midlands and the Regional Assembly are involved in detailed liaison on a regular basis.
- 6.2 A WMRSS/WMES Working Group has been set up to take forward this work. In its early discussions, the Group has agreed that there is a need to ensure that the WMES and RSS evidence bases are linked to become a joint evidence base for strategy development and that there should be joint media management of the two processes. Work to develop these areas is underway.

- 6.3 The following areas have been identified as the key areas of linkage between the WMES and Phase 2 of the WMRSS revision;
- patterns of housing growth/employment needs
 - employment land provision
 - centres.

These provide a focus for technical discussions on the options/choices documents. This group along with other officer-led discussions will be important in ensuring that the technical elements of each strategy develop in such a way as to allow continuing mutual support within each strategy, based on the evidence base which has been developed in the region.

- 6.4 Assembly and Advantage West Midlands officers have also worked together to ensure that the policy options/choices documents are fit for purpose and in particular provide the foundations for robust debate within the region on the way forward.

7. How the Assembly will Respond to the Two Consultations.

- 7.1 Each Assembly Partnership will be asked to consider both consultation documents together on the same agenda before 5 March.
- For the WMRSS each Partnership will provide a response consisting of advice, to the Assembly's Planning Partnership using as far as possible the consultation form and additional narrative if required.
 - For the RES each Partnership will provide a response to the Assembly Secretariat. The Secretariat will co-ordinate and develop the responses and present one Assembly response to be discussed/endorsed at the Assembly Board meeting on the 8th March and then submitted to AWM.

8. Issues common both the review and the revision.

- 8.1 Annex A provides a first attempt at summarising the main issues which are common to the revision of the WMRSS and the review of the WMES. The issues are presented in the form of a matrix which shows the main themes of the WMRSS consultation along the horizontal axis and the main themes of the WMES consultation down the vertical axis.
- 8.2 In addition to the issues identified in the table, the following more specific points are worth noting:
- The WMES and the WMRSS must continue to express our shared regional commitment to sustainable development, delivering sustainable communities and tackling climate change.

- The linkages between the existing WMES and the WMRSS are relatively good. For example, the WMRSS makes explicit reference to the three key delivery mechanisms whilst Pillar 3 of the WMES is an important route for delivery of the WMRSS.
- Two of the three key delivery mechanisms in the existing WMES have an explicit spatial focus: the six Regeneration Zones and the three High Technology Corridors. Any changes to the delivery mechanisms in the revised WMES – for example, modification of the existing mechanisms or the addition of new mechanisms – could have implications for the WMRSS.
- Predictions of employment growth and demand for employment and office space within the WMRSS will need to take account of the economic growth envisaged by the WMES. If the West Midlands is to achieve its objective of being “world class” this will require a significant increase in productivity and employment to levels that are at least on par with the national average.
- Should any particular sectoral focus develop through the development of the revised WMES, consideration should be paid to the likely geographic impact of this, building on evidence produced by the University of Birmingham in Phase 1 of the WMES Review on the functioning economic geography of the West Midlands. This research identified and spatially expressed location quotients of key sectors, highlighting those areas that have a higher than average concentration of particular types of business. While location quotients clearly do not predict where future growth of sectors will occur, they are a useful guide to prevailing market forces and could be used to help inform debates on suitable levels of employment land reservoirs within each Local Planning Authority.
- Given the significant increase in housing levels implied by the Government’s household projections for the region, it will be important to ensure that a balanced approach to employment and housing land is taken. In particular, the protection, or consideration of, smaller employment land sites – which are of significant importance for new business start-ups and smaller enterprises – should be maintained and potentially strengthened through the Phase 2 revision.
- Whilst recognising and supporting the key principles of Urban and Rural Renaissance within the WMRSS, it will be important for the regional economy that we do not artificially restrict the market by preventing investment in locations desired by the private sector, unless there are overriding concerns for the sustainable development of the region. It is therefore incumbent on both the WMES and WMRSS to take a balanced approach which maximises economic prosperity and sustainable development. This highlights the need for strong alignment and integration between the two strategies.

- Research¹ has shown that housing policy has a strong role to play in tackling economic and social exclusion by breaking up and reinvigorating areas of concentrated worklessness and deprivation. The location of disadvantaged groups within particular localities, coupled with “area effects” (essentially where employment prospects are reduced simply as a result of where someone lives), are strong drivers of social and economic exclusion. If the WMES is to effectively address this challenge to the improvement of the region’s economic performance, it is essential that both strategies take a co-ordinated approach to tackling this problem.

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¹ Jobs & Enterprise in Deprived Areas (Social Exclusion Unit, 2004); “Housing, Economic Development and Productivity: Literature Review (DTZ 2006)

Issues common to the revision of the WMRSS and the review of the WMES

WMES/ WMRSS consultation themes	Housing	Employment, Strategic Centres and Offices	Regional Casinos	Waste	Transport and Accessibility
Enterprise	Seeking alignment at local level between the availability of jobs and houses including affordable houses.	Ensuring an adequate supply of employment land at local level, including strategic locations attractive to inward investors		Pursue initiatives to promote more efficient use of resources. Promote opportunities for enterprise in environmental technologies.	Ensuring improved accessibility for the region's businesses. Issue around the role of Birmingham Airport in helping to attract inward investors
Innovation	Use of resource efficient/ low carbon design and construction techniques	Ensuring adequate development opportunities linked to Higher Education and other research and R&D centres		Promote opportunities for innovation in environmental technologies	Promote opportunities for innovation in transport and information and communication technologies.
Skills	Availability of a suitably skilled construction workforce. Seeking alignment at local level between the availability of	Tackling low educational attainment in certain population groups and geographies		Availability of opportunities for skills development related to environmental technologies.	

	housing and training and education opportunities.				
Economic Activity	Addressing location specific barriers to employment and issues of affordability	Issues around access to employment opportunities for certain groups			Issues around access to employment opportunities for certain groups
Quality of life	Ensuring housing development is matched by adequate provision of related social infrastructure	Seeking 'balanced' mix communities with access to housing, employment and leisure opportunities			Issues around access to rural services.
Infrastructure	Seeking to minimise the need to travel through the alignment of jobs, housing and services and through the use of ICT	Seeking to minimise the need to travel through the alignment of jobs and housing and through the use of ICT			Promoting the use of ICT as one way of reducing the need to travel
Role of Places	The challenge of focussing on urban areas whilst ensuring appropriate growth in rural areas.	The challenge of focussing on urban areas whilst ensuring appropriate growth in rural areas.	Casinos could play a role in supporting urban renaissance objectives		Differing accessibility issues for urban and rural areas
Role of Sectors	Role of Building and Environmental Technologies clusters in improving construction techniques	Some sectors are more heavily geographically concentrated than others, with possible implications for the	Role of the Tourism and Leisure cluster in maximising the opportunities from casino development	Promote opportunities for the Environmental Technologies cluster	Promote opportunities for the Transport technologies cluster

		spatial pattern of activity			
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