



Regional Housing Provision

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Overview

- NW context
- Some Basic Points From Which We Had to Start
- Key Issues RSS Needed to Address on Housing
- NW Approach to Determining Housing Provision Figures in RSS

RSS Has to Take Account of Diverse Regional Contrasts



- Region has a population of 6.7 million
- Regions economy is diverse and bigger than many European countries.
- Major urban conurbations centred on Liverpool & Manchester, yet almost 80% of the region is **rural**

- Population density is over three times that of EC average
- Extremes of social dimensions from pockets of high affluence to areas of severe deprivation and social exclusion



Some Basic Points From Which We Had to Start

- RSS is about setting a spatial vision for the region in 15 to 20 years
- Statutory under the Planning & Compulsory Purchase Act 2004
- Not just about traditional land-use planning
- Seek to avoid duplication with national and local policy
- Have built upon existing Regional Planning Guidance for NW England - RPG13
 - “not a blank sheet of paper” – already have a spatial development framework
- Widespread discontent with RPG13 housing figures.
- RSS would continue with “Plan Monitor & Manage” approach and not revert to outdated “Predict & Provide” approach.
- Sets out housing provision figures for all 43 districts plus Lake District National Park for the first time at a regional level

Key Issues RSS Needed to Address on Housing (1)

- Need to reflect expectations of economic growth and sub-regional variations
- Continuing need to focus on rebuilding communities to provide better environments, better quality housing, more choice
- Linking in with work associated with Northern Way, City Regions and Housing Market Renewal Pathfinders
- Large parts of the North West where homes need to be affordable – rapid rise in house prices not matched by rise in average incomes
- Draft RSS proposes a higher regional figure of 22,844 pa for period 2003 - 2021 (compared to current build rates of approx 17-20,000 pa)

Key Issues RSS Needed to Address on Housing (2)

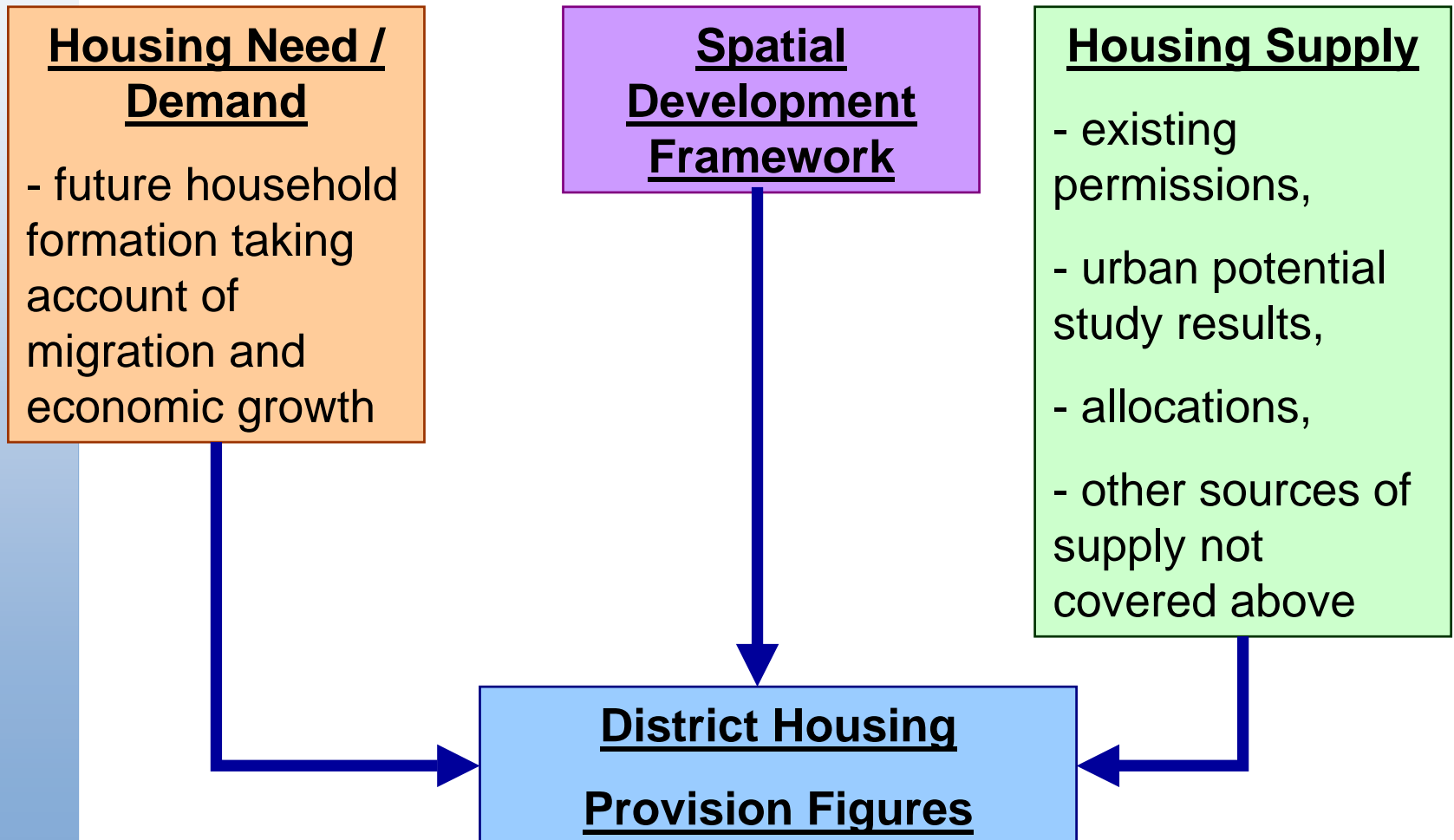
- Builds on existing strong policy framework in RPG13 with less focus on numbers game
 - Spatial development framework
 - Understanding sub regional housing markets (Policy L2)
 - Existing housing stock & renewal (Policy L3)
 - Housing provision, cumulative impact on markets & phasing mechanism (Policy L4)
 - Affordable housing (Policy L5)
- Strong links to development of Regional Housing Strategy, Regional Housing Board, NW Housing Forum and other key stakeholders
- Using shared evidence base eg NWDA economic scenarios

Key Issues RSS Needed to Address on Housing (3)

Aside from housing numbers how does the RSS tackle other housing related issues?

- Promotes **sustainable design** and **high quality** development (Policy DP1)
- All new homes must be built to “**Lifetime Homes**” and “**Code for Sustainable Homes**” standards (Policy L4)
- Promotes **mix of house types, sizes, tenures & prices** to meet housing requirements of all sections of the community (Policy L4)
- Energy conservation & efficiency (Policy EM16)
- On site renewable energy micro-generation to meet at least 10% of developments requirements – on schemes of 10 or more units (Policy EM17)

NW Approach to Determining Housing Provision Figures in RSS





Housing Need & Demand (1)

- At start of RSS process in 2004, latest household projections available were 1996 based ones (new projections had not been published – over 12 months overdue)
- Therefore Assembly commissioned Nathaniel Lichfield & Partners (NLP) to produce a set of household growth estimates which could act as a proxy for household projections – using Census and other data to update 1996 based household projections.
- In addition NLP were asked to produce a series of estimates which took account of different levels of potential economic growth using economic growth scenarios produced by NWDA.
- NLP work published in 2005
- ONS 2003 Household Projections published in March \ May 2006, after Draft RSS had been submitted.

Housing Need & Demand (2)

So what did NLP work show:

- 9 sets of figures at regional level and district level for different combinations economic growth scenarios and economic activity rates (see [Table 4.11 Draft RSS Technical Appendix](#)) plus an assessment on likelihood of estimates being achieved (see [Table 4.12 Draft RSS Technical Appendix](#))
- Gave a range of estimates of household growth from [5,543pa](#) to [39,960pa](#).
- Represent a series of “[what if](#)” rather than “what will happen” outputs
- Inform rather than determine RSS housing figures

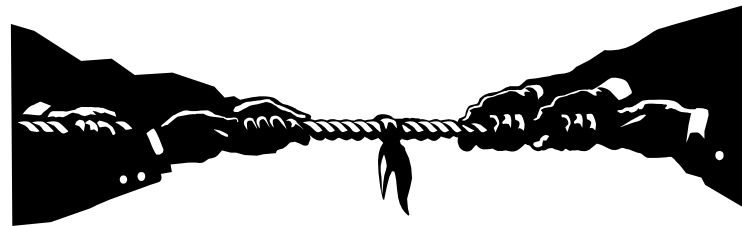
Housing Supply

Comprises a number of elements as set out in Draft RSS Technical Appendix

- Outstanding Planning Permissions as at 31st March 2004 (see Table 4.14)
- Urban Potential Study results (see Table 4.13)
- Gross Housing Completions 2003-04 (see Table 4.15)

In addition to this known supply, Local Planning Authorities will be able to bring forward land from other sources of supply not covered above including Local Development Framework allocations.

Its not just Demand versus Supply though!

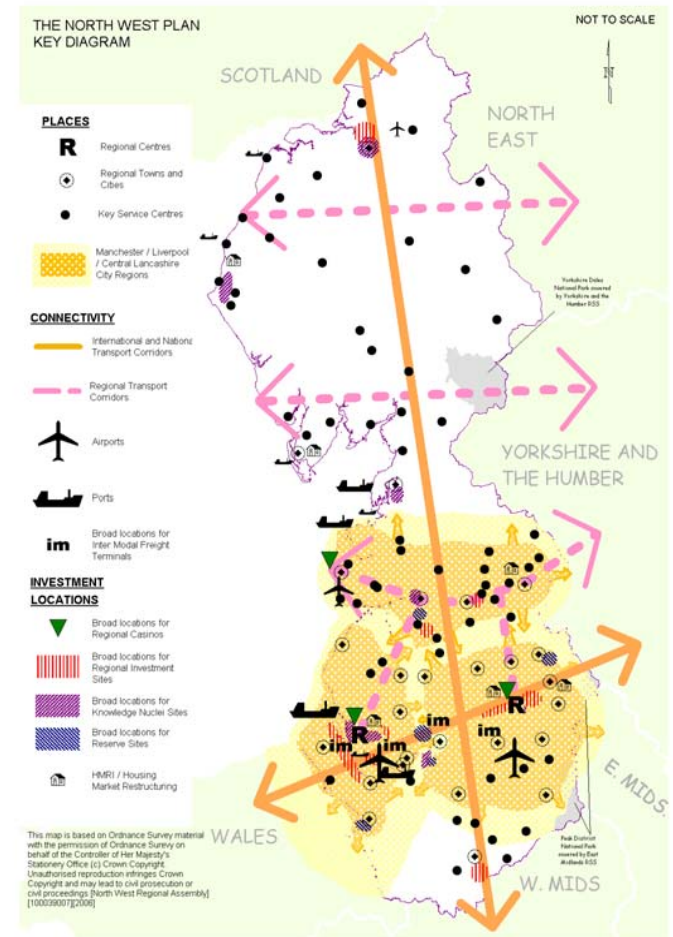


- You cannot just try to balance demand against supply as this will not reflect the spatial vision and objectives of RSS.
- Therefore you need to bring in the Policy Dimension

Impact of RSS Spatial Policy

Key elements in summary

- Growth opportunities of the three city regions – Central Lancashire; Liverpool; and Manchester (Regional Centres – Manchester and Liverpool).
- Regeneration / economic growth in key regional towns & cities complementary to Regional Centres.
- Key service centres providing range of services to surrounding area.
- Wider rural areas provide better access to services.



Housing Provision & Distribution – How the Final Figures Were Derived (1)



Explained in Detail in Draft RSS Technical Appendix (Paragraphs 4.76 - 4.85).

- Determination of overall level of and distribution of housing provision not followed by any mechanistic formula or complex formula, instead it has been determined by a balance of information.
- Using NLP study, Assembly officers took as a starting point the recent trend of economic growth \ medium economic activity rate scenario of 25,016 pa
- Then compared it with long term trend of economic growth \ medium economic activity rate scenario – 17,723 pa)
- Concluded that both scenarios would support economic growth and objectives of RSS.

Housing Provision & Distribution – How the Final Figures Were Derived (2)

However sub regional distribution in NLP work for the both the scenarios threw up tensions

- **Recent economic growth trend**
 - To meet economic growth in Manchester City Region - would result in severe house building pressures in excess of supply in S Manchester \ NE Cheshire\ Pennine Manchester\ Northern Manchester and Mid Mersey.
 - Potential negative impacts on 2 HMRI Pathfinders
- **Long term economic growth trend**
 - Negative or very small levels of household growth in parts of Merseyside conflicting with emerging policy approach for Liverpool City Region
 - very small levels of household growth in Cumbria conflicting with emerging policy approach for Cumbria & North Lancashire and would severely hamper delivery of affordable housing

Housing Provision & Distribution – How the Final Figures Were Derived (3)

- In light of this Assembly decided that most realistic & achievable housing provision figures represent a compromise between these 2 scenarios.
- Housing numbers derived from household growth estimates by factoring allowance of 2% for vacancy rate in new build ie
 - Household growth = 100
 - Vacancy Assumption = 2%
 - Housing provision = household growth plus 2% vacancy = $100 + (100 \times 2\%) = 102$
- No allowance made for concealed households and shared households as original 1996 based household projections take account of this.
- No allowance for second residences and holiday homes as this varies due to local circumstances and changing markets
- Figures are net of clearance replacement

Housing Provision & Distribution – How the Final Figures Were Derived (4)



- Draft RSS figures derived following a series of face to face meetings in September with housing & planning officers from all Counties, Districts and Lake District National Park under “Chatham House Rules”
- Figures were then subject to further consultation with all local authorities and other key stakeholders as part of on line web based pre submission consultation on Draft RSS in October \ November 2005.
- Figures are set out for Districts grouped in clusters which fit within Regional Housing Strategy typologies and also sub regional geography of RSS – they do not represent housing market areas as envisaged in Draft PPS3.

2003 Household Projections – How have they been taken into Account?

- In accordance with Regulations, after submission of Draft RSS Assembly are not able to put forward major changes to RSS in the run up to the EiP.
- Therefore we are not proposing any changes to housing figures in RSS
- However we have commissioned and published 2 factual pieces of work from Nathaniel Lichfield & Partners which are available on Assembly website:-
 - Revised Housing Distribution runs
 - Impact of Migration on 2003 based ONS Sub National Household Projections