

Panel Question (i)

Are the economic assumptions (including growth and activity rates) in the draft RSS appropriate and achievable?

1.1 The growth assumptions used to inform the development of the Draft RSS are aligned with those used to inform the recent review of the Regional Economic Strategy (RES)¹. The RES identifies a target for GVA growth over the period 2006 – 2009, which is to achieve growth above the England average. The longer term target (2026 or earlier) is to close the GVA per capita cap with the England average. These targets are reiterated in the Draft Implementation Framework which accompanies the Draft RSS.

1.2 It is important to recognise that the development of economic scenarios has informed the various strategies, but have not been taken to imply that particular levels of growth would occur or that one scenario was more likely than another. They represent ‘what if’ situations and are clearly not forecasts of what will happen. It is accepted that other scenarios, based on other assumptions, could have been modelled.

1.3 The RES aims to transform the economy of the Northwest and focuses on actions that will improve productivity and employment/ activity rates to begin to close the gap in economic performance between the Northwest and the England average. These factors are implicit within the transformational scenario, although the extent to which activity rates and productivity can be improved (and the sectors in which productivity can be improved) are obviously a matter for judgement. In the transformational scenario GVA growth per annum (workplaced based prices, 2001 prices) is anticipated to be 2.57%. This compares to the current growth rate of 2.09% per annum. (see Briefing Paper 3)

1.4 The figures set out in table 8.1 of the Draft RSS are primarily based on the regional productivity transformation scenario (with the exception of Cumbria and Merseyside which are based on the regional employment success scenario for reasons set out in Matter 3B) This reflects a potential growth rate of between 2.41% and 2.57% per annum across the region.

1.5 The regional housing provision figures are based on a potential growth rate of between 2.09% and 2.41%. This represents a position between the long term trends and recent employment success scenario for reasons set out in the Technical Appendix².

1.6 In this context it is considered that the economic growth assumptions which have informed the development of the Draft RSS are appropriate and achievable.

¹ Briefing paper 3 – Economic Scenarios, NWRA, September 2006

² Submitted Draft Regional Spatial Strategy for the North West – Technical Appendix, NWRA, January 2006 (paragraphs 4.76 to 4.79)

Panel Question (ii)

Are the assumptions about population change in draft RSS appropriate?

2.1 Population change over the plan period has been assumed to be in line with ONS population projections³. It is acknowledged that these projections are based on long term trends and therefore may not fully reflect more recent short term changes. The assumption is that the population of the North West may increase by approximately 2% during the period 2005 - 2025. This assumption has been used to inform the development of both the housing provision figures and employment land figures.

2.2 In informing the development of the housing provision figures the North West Household Growth Estimates Study also considered migration (international and intra-national), using the Chelmer model, and the implications of an aging population⁴.

2.3 The assumptions regarding population change which underpin the retail floorspace requirements are based on MapInfo population projections as outlined in the Technical Appendix. Although these are also derived from ONS population projections the Assembly acknowledges that differences exist between the figures⁵. The Mapinfo figures assume a 1.4% increase in population over the period 2005 – 2021.

Panel Question (iii)

Are the economic, population and other assumptions consistent between the regional and sub-regional policies in the draft RSS?

3.1 Assumptions regarding possible levels and nature of economic growth in the region have been based on the economic scenarios prepared for the review of the Regional Economic Strategy as outlined in question (i) above.

3.2 The Assembly recognises that other modelling work has been undertaken at a sub-regional level which has subsequently informed the development of the sub-regional policies in the Draft RSS. However the Assembly believe that using the Experian scenarios was the most appropriate approach for two fundamental reasons:

1. The Experian scenarios represent the only work that has been undertaken on a consistent basis across the region, and therefore the only work that has considered the implications of the assumptions used across all parts of the region.
2. At the earliest point of the development of the Draft RSS the Assembly, with the NWDA and GONW, agreed to use a shared and common evidence base for the development of the Draft RSS, RES review and RHS to ensure consistency and alignment between the regional strategies⁶. For the Draft RSS to have used competing economic scenarios would have undermined this agreement.

³ Population forecasts regionally and sub-regionally were produced by Experian but were consistent with the latest ONS sub-regional population forecasts.

⁴ North West Household Growth Estimates Study, Nathaniel Litchfield and Partners, 2005 (paragraphs 2.32 to 2.33) and accompanying Appendix 4 (paragraph 4.13)

⁵ Submitted Draft Regional Spatial Strategy for the North west of England – Technical Appendix, NWRA, January 2006 (Table 3.19)

⁶ RSS Project Plan, NWRA, April 2005 (page 14)

3.3 Details of other scenarios developed by sub-regional partners are set out in Briefing Paper 3.

3.4 The population assumptions used as the basis for the economic scenarios are the ONS population projections, as outlined above. It is understood that while the modelling work undertaken in the sub-regions also use the ONS projections as the basis, a degree of adjustment has been made to reflect recent trends which aren't reflected in the long-term trends based projections.

Panel Question (iv)

Are the national and regional constraints on development clearly articulated? Are the development proposals consistent with Green Belt, flood risk policies and other constraints such as transport, water supply and sewerage infrastructure?

4.1 In terms of the wider policy context, in September 2004, Northern England's three RDAs and their partners published The Northern Way Growth Strategy⁷ to address the prospect of continuing economic inequality among the regions. The Northern Way raises the question about what the North should do differently in order to significantly accelerate its economic growth rate. The proposals within RSS provide a strategic spatial framework within which to take this vision forward in a sustainable manner.

4.2 The Assembly's policy on Green Belts (RDF5) has remained essentially unchanged since the development of the adopted RSS⁸. The adopted RSS did not foresee any need for exceptional substantial strategic change to Green Belt in the region within the specified timescales for different areas. No evidence has been put forward to justify any revision to this position. It is anticipated that future development in the North West, as set out in the Draft RSS, can generally be accommodated without the need for strategic reviews of Green Belt in the North West. The policy on Green Belt land stipulates that there is no need for any substantial change to Green Belt and its boundaries within the North West within Cheshire, Gtr Manchester, Lancashire or Merseyside before 2011, and within Warrington before 2021. The Assembly's housing policies are reflective of this, setting high targets for housing growth located on brownfield land.

4.3 Recent work undertaken by the Environment Agency⁹ helps to provide a regional steer on flood risk in relation to expected housing development in the North West over the plan period (see Matter 6A (iii)). Policy EM5 in the Draft RSS includes a framework for managing flood risk including guidance produced in collaboration with the Environment Agency¹⁰. Further development of the work on Regional Flood Risk Assessment will give a more accurate strategic consideration of flood risk in due course. Moreover, the Environment Agency and United Utilities have produced some research on the potential impact on water resources that may result from the proposed levels of dwellings featured in the Draft RSS¹¹ which points to the need for additional resource management requirements (see Matter 6A (iv)).

⁷ Moving Forward: the Northern Way, Northern Way Steering Group, September 2004 (**REG5**)

⁸ Regional Planning Guidance for the North West (RPG13), GONW, 2003 (**REG8**)

⁹ Flood Risk Ranking for the North West Region Report, Environment Agency, 2006 (Produced to support the development of a regional flood risk assessment)

¹⁰ Meeting the Sequential Flood Risk Test – Guidelines for the North West Region, NWRA and Environment Agency, July 2004 (**ENV11**)

¹¹ Water Resources Implications of RSS, Environment Agency and United Utilities, 2006

4.4 Transport constraints are considered in more detail in Matters 2A (iii), 3A (iii) and 5A (ii).