

**Respondent
Nos.506/568
Matters 1C-1D**

**Draft Regional Spatial Strategy
for the North West
Examination in Public**

**Matter 1: Vision, Objectives and
Overall Approach**

**Written Statement on Matters
1C-1D**

**On behalf of
The North West Development
Consortium and Paycause Ltd**

October 2006

Matter 1C: Assumptions underpinning draft RSS

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

1. The policy approach taken in the Plan is to support the delivery of improved economic growth and performance. In so doing, it seeks to respond to:
 - the Northern Way Growth Strategy that aims to improve the economic productivity of the North and close the gap between the north and the rest of England;
 - The 2006 Regional Economic Strategy that prioritises actions that the region should take to maximise its sustainable economic performance.

2. The economic transformational agenda sets major challenges. It is the role of RSS to provide the spatial framework to facilitate the delivery of this agenda. If it is to properly fulfil this role, then it is imperative that the underlying economic assumptions in RSS should be similarly ambitious, complementary and aspirational.

3. The RES recognises that the ability to deliver improvements to the region's economic performance is dependent upon three main drivers which are:
 - improving productivity and growing the market;
 - getting more people into work; and
 - creating the right conditions for sustainable growth and private sector investment.A series of actions are defined for achieving these objectives from which a number are singled out as transformational actions that are absolutely fundamental to success. Creating a high quality and diverse housing stock and ensuring that Planning supports sustainable growth feature prominently in the list of conditions for sustainable growth. Ensuring new housing to support regeneration or knowledge based economic growth is listed as a transformational action.

4. For this reason, we support the thrust of paragraph 5.5 in draft RSS which indicates that a fundamental premise of RSS is that meeting expectations for economic growth entails a significant increase in the amount of additional housing. The two must go together if economic aspirations and sustainable patterns of development are to be achieved.

(ii) Are the assumptions about population change appropriate?

5. Preparation of draft RSS has taken into account the findings of the North West Household Growth Estimates Study albeit that the scale and distribution of housing has been determined by 'a balance of information' as outlined in the Technical Appendix to submitted draft RSS. The Study had regard to the (then) latest data including the ODPM 2002-based interim household projections and the 2003-based ONS population projections which incorporate assumptions that stem back to the 1996 based household projections. The economic scenario driven approach to population and household projections produced higher figures, explained by the fact that the ODPM projections are trend based and do not take account of economic growth objectives.
6. The subsequent publication of the new 2003-based projections on 14 March 2006 highlights significant changes in trend, as outlined at the EiP Housing Seminar on 14 September. Whilst the earlier projections showed a declining population in the North West with a loss through migration to other parts of the country, the latest projections show an average annual population growth of 11,600 at 2003, arising from a much reduced rate of outward migration and a substantial increase in international migration into the region. Overall household numbers are projected to increase by 416,000 over the 18 -year period 2003-2021, thereby exceeding the draft RSS regional total of 411,160 (net). However, the 2003-based projections, as before, are an indication of the likely increase in households given the continuation of recent demographic trends. They are only one part of the evidence base that should be considered in the assessment of future housing requirements. They do not take account of the impact of the regional economic transformation agenda on population levels and subsequent household growth.
7. The figures in draft RSS seek to take account of improved economic performance in determining the future scale of housing provision but were unable to reflect the most up to date base information that the 2003 household projections now provide. In consequence, NWDC and Paycause Ltd are concerned that the overall scale of provision in the region, as proposed in draft RSS, falls short of the provision needed to support forecast household growth and policy aspirations for increased economic success. It considers that if economic growth objectives are to be achieved then the RSS housing figures must be reworked to allow all these factors to be assessed.

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

8. NWDC and Paycause Ltd believe there are inconsistencies between economic aspirations and population/household growth assumptions at sub regional level.
9. In Warrington, for example, the polarised approach of severe housing restraint notwithstanding the recognition and promotion of the town's obvious economic importance to the North West conflicts with other clear messages in the Plan about ensuring sustainable living patterns and the need for sufficient housing to support economic growth. The 2003-based household projections point to an average annual household growth of 722 pa between 2003 and 2021 whereas the proposed annual average housing target of 380 is only just over half of this.
10. Similarly, the proposed restrictions on housing provision (especially general market) in the southern part of the Manchester City Region is contrary to intentions to optimise the contribution that this area can make towards improved regional economic performance envisaged by the Northern Way Strategy and RES.

(iv) Are the national and regional constraints on development clearly articulated? Are the development constraints consistent with Green belt, flood risk policies and other constraints?

11. With respect to green belt, Policy RDF5 starts from the premise that the general extent of green belt will be maintained with no need for any strategic studies to investigate the need for substantial change until after 2011. We have fundamental concerns about this timetable which we address in further detail in response to question ii) of Matter 2C.

Matter 1D: Overall Approach

(i) Does the draft RSS align with the Regional Economic Strategy, the Regional Housing Strategy and Regional Funding Allocation advice?

1. As outlined above, the RSS is intended to set out the spatial framework to facilitate the delivery of the RES and RHS. The principle and importance of regional strategy alignment is well articulated in draft RSS and is also acknowledged in RES and RHS. We have pointed to specific examples of inconsistency with RES in paragraphs 8 and 9 (Matter 1C) and raise concern about the ability to achieve regional economic transformation if housing provision is insufficient to support its delivery.
2. RHS meanwhile points to problems of affordability and to areas where the housing stock is unpopular, socially or physically obsolete and unable to meet the modern day needs of communities. It comments that housing is holding back the economy and contributing to social exclusion. Whilst it is recognized that RSS policies give strong support to the Housing Market Pathfinder Areas, NWDC and Paycause Ltd consider that RSS should provide a firmer steer to ensure that plans and strategies have close regard to the need to make adequate provision for clearance replacement. Our main point is that clearance replacement assumptions are a fundamental component in determining the gross rate of build and overall supply of land required in each district. It is therefore imperative that the assumptions should not be constrained as otherwise there is a risk of undermining the delivery of common objectives shared by all three strategies. (We return to this point in more detail in relation to Matter 4).

(ii) Does the draft RSS properly reflect the Northern Way and other relevant strategies?

3. Draft RSS would appear to reflect the sentiments of the Northern Way Strategy. Whilst it is noted that the City Region Development Programmes have informed RSS (paragraph 3.9 of draft RSS refers), we consider that RSS should also make clear that it has a fundamental role in establishing the spatial context for the delivery of these programmes.