

Panel Question (i)

Is the methodology and evidence base underpinning the scale and distribution of housing in policy L4 sound? Does the amount and distribution of housing reflect and reinforce proposals for the spatial distribution of economic growth and regeneration priorities (including HMRA's)? Does the distribution of housing reflect the Draft RSS's regional and subregional spatial framework?

1.1 Table 9.1 is a crucial spatial expression of the Draft RSS's overall strategy. The level of housing provision has been formulated in light of national guidance¹ and to complement the economic growth envisaged in the Regional Economic Strategy. The Assembly have followed a 3 strand methodology² (see Briefing Paper 22).

1.2 During the preparation of RSS, this broad approach has received widespread support.³ It represents a continuation of the approach, previously adopted by the Assembly in preparation of Draft RPG13, as endorsed by the Public Examination Panel Report.⁴

1.3 The Technical Appendix explains how the findings from the Nathaniel Lichfield and Partners research⁵, inform household growth estimates based on higher levels of economic growth in the region than envisaged in the DETR 1996-based household projections⁶. Subsequently ODPM published new household projections in early 2006. As a consequence the Assembly commissioned further work to take account of these latest household projections⁷. In light of this⁸ we urge the Panel to consider whether figures in Table 9.1 need revising. We note GONW concerns raised about this issue⁹ and invite GONW to provide clarity to the Panel¹⁰ on how it envisages that Draft RSS could be reworded to address their concerns.

1.4 The housing distribution in Table 9.1 and supporting text in paragraphs 9.19 (a) to (l), does reflect the spatial strategy of Draft RSS¹¹. In deriving these figures, extensive consultation took place with local authorities and HMRI Pathfinders, in the Summer of 2006, to ensure their views on distribution were addressed. This was followed up by the consultation on the Interim Draft RSS via the website during October / November 2005. During this process there was little or no significant objection to the proposed housing figures set out for each district.

¹ "Planning Policy Guidance Note 3 (PPG3) Housing" DETR, 2000; "Planning Policy Guidance Note 3: Housing Update – Planning for Sustainable Communities in Rural Areas", ODPM, 2005; "Planning Policy Guidance Note 3: Housing Update – Supporting the Delivery of New Housing", ODPM, 2005; Draft PPS3 – "Consultation Paper on a New Planning Policy Statement 3 (PPS3) Housing" ODPM December 2005; and paragraph 1.5 and Annex A of Planning Policy Statement 11 (PPS) 11 Regional Spatial Strategies" ODPM 2004.

² which has been set out in detail in the Technical Appendix ("The North West Plan – Submitted Draft Regional Spatial Strategy for the North West of England – Technical Appendix" North West Regional Assembly, January 2006) and covered in the Housing Seminar

³ From Local Authorities and a number of other regional stakeholders in their responses, for example responses from English Partnerships, Elevate, HOW Planning, LLP and Northern Way and also in the and the sustainability appraisal / strategic environment assessment of RSS.

⁴ Paragraph 7.38 of "Draft Regional Planning Guidance for the North West – Public Examination – Report of the Panel" July 2001.

⁵ "NW Household Growth Estimates Study", Nathaniel Lichfield & Partners, August 2005

⁶ Which were the latest official projections available during the preparation of and prior to submission of Draft RSS in January 2006.

⁷ "Impact of DCLG 2003 Household Projections on Household Growth Estimates Study", Nathaniel Lichfield & Partners, September 2006 and "Household Projections & Migration Patterns" Nathaniel Lichfield & Partners, August 2006

⁸ In line with paragraph 2.48 of PPS11, the Assembly is unable to make major changes to Draft RSS post submission.

⁹ Paragraph 3c) of Annex 1 of the GONW response

¹⁰ in its statements and during the EiP debate

¹¹ including economic growth and regeneration practices as set out in para 9.18

1.5 The grouping of districts does not comprise 'housing market areas' as envisaged in Draft PPS3 as there was insufficient time and resources to develop the robust evidence base to define such areas. However, they do reflect broad spatial policy approaches set out in Draft RSS, the housing typologies set out in the Regional Housing Strategy¹² and represent a significant shift in approach away from traditional administrative County-based approach for distribution used in the past.

1.6 We are aware of other sub regional areas being put forward, however, the groupings used in Table 9.1 correspond most closely to the spatial expression of housing provision in accordance with Policies elsewhere in Draft RSS; and they provide clear guidance for LDF's, without unduly compromising local decision making, unlike other sub regional areas suggested. The Assembly welcome the recently published research by Ecotec for GONW, on housing market areas and looks forward to GONW clarifying how they will use the findings in this RSS process.

1.7 The Assembly are aware that subsequent to submission of Draft RSS, a number of stakeholders have revised their positions on the scale and distribution of housing within sub-regional contexts. The Assembly believes that any significant major changes to the spatial distribution of housing provision figures, either at sub regional level, or at individual strategic planning area level, could potentially undermine the achievement of rural and urban renaissance and sustainable development; which Draft RSS seeks to achieve through core strategy and spatial development framework policies¹³.

1.8 Where the potential housing land supply in a district shows a shortfall (or surplus) on the housing provision figures set out in Table 9.1, then the criteria in Policy L4 provide a policy framework for LDF's to identify additional sites (or delete existing allocations) for housing. Some respondents made suggestions about flexible joint sub regional working to implement the housing provision figures e.g. AGMA. At present these are not far enough advanced to incorporate into RSS. However, the Assembly would welcome the opportunity to work with stakeholders on this and take forward in the future review of RSS¹⁴.

1.9 Very importantly the Draft RSS does not just focus on the numerical distribution of housing provision set out in Table 9.1. In paragraphs 9.19 (a) to (l), a strategic policy approach is presented to clearly indicate what type of housing may be required in a particular locality in order to support implementation of other policies in RSS and other strategies¹⁵.

¹² Map on page 12 and Appendix A of "The North West Regional Housing Strategy 2005", North West Regional Housing Board, 2005.

¹³ Whilst the Assembly does not believe that the overall regional housing figure should be altered, if Panel wishes to recommend alternative overall figures then the Assembly would want to see the spatial strategy taken forward through into any revised distribution. However the Panel would also need to be aware of underlying constraints, both overall and at a more localised level, such as:

- constraints on housing land supply and availability;
- levels of likely and realisable demand;
- existing levels of housing completions and commitments across the region; and
- the ability to meet brownfield targets set out nationally and within Policy L4.

¹⁴ Pending the outcome of the Comprehensive Spending Review (CSR07) no funding currently exists beyond 31st March 2008, to support the Assembly's RPB function (including the employment of staff). Therefore the Assembly is only able to commission new research that will be completed by 31st March 2008.

Until the medium - long term funding situation is resolved, the Assembly is also unable to give a firm timescale commitments on undertaking a future review of RSS, as it may not be possible to comply with all the procedural process requirements of PPS11 over next 18 months, to ensure submission of a Draft RSS to Government before 31st March 2008.

¹⁵ The wording of these paragraphs was developed in partnership with relevant Local Planning Authorities, in order to assist their preparation of LDF's.

Panel Question (ii)

Does the draft RSS need to be more flexible in terms of the housing provision to ensure it can respond to changes over the plan period?

2.1 The approach set out in Draft RSS does not require any changes to be made. RPG 13 represented a shift from “Predict and Provide” approach to housing provision to “Plan, Monitor and Manage” (PMM). Draft RSS continues this, as the long term totals no longer fulfil the same central role in the process of housing land release that they did in the past. This approach should ensure that if growth is lower, the land supply (subsequently identified in LDF’s) will last longer – provided well designed phasing policies are in place. Conversely if in a few years time household growth seems likely to be higher than Draft RSS, then a 15 year forward supply from present (2006) gives plenty of time for local planning authorities and the Assembly to bring forward further land in subsequent reviews of RSS / preparation of LDF’s¹⁶. The Assembly believes that phasing should be developed within LDF’s to reflect local circumstances taking account of policy context provided by Draft RSS especially in policies DP1, L2 to L5 and W4¹⁷.

2.2 However, housing numbers are not the sole focus of Policy L4. The majority of the policy and supporting text in paragraphs 9.18 – 9.22 is a continuation of RPG 13 approach (aside from numbers) seeking to establish a criteria based policy framework for LDF’s to incorporate the requirements taking account of both national policy and local circumstances.

2.3 As outlined in paragraph 1.8 above, the Assembly are aware of some respondents suggestions about flexible joint sub regional working to implement the housing provision figures and would welcome the opportunity to work with stakeholders on this and take forward in the future review of RSS¹⁶.

2.4 We note GONW concerns raised about this issue,¹⁸ and would invite GONW to provide clarity to the Panel¹⁹ on how it envisages that Draft RSS could be reworded to address their concerns.

¹⁶ Pending the outcome of the Comprehensive Spending Review (CSR07) no funding currently exists beyond 31st March 2008, to support the Assembly’s RPB function (including the employment of staff). Therefore the Assembly is only able to commission new research that will be completed by 31st March 2008.

Until the medium - long term funding situation is resolved, the Assembly is also unable to give a firm timescale commitments on undertaking a future review of RSS, as it may not be possible to comply with all the procedural process requirements of PPS11 over next 18 months, to ensure submission of a Draft RSS to Government before 31st March 2008.

¹⁷ Draft RSS does not set out phasing of the housing provision figures as the detailed robust evidence base did not exist to underpin the complex development of a robust phasing policy and distribution. It was with some difficulty that the Assembly was able to obtain the required information from Local Authorities on other sources to underpin the overall figures. Also as part of the development of the policy from Issues through to Interim consultation and final submitted draft, there was very little feedback requesting that numbers should be phased for all 44 districts including Lake District National Park identified

¹⁸ Paragraph 3c) of Annex 1 of the GONW response

¹⁹ in its statements and during the EiP debate

Panel Question (iii)

Is the use of maximum targets for housing completions appropriate in all areas or is there a need for flexibility to enable planning permissions or completions to be used as a basis to measure the annualised housing requirement against targets?

3.1 The housing figures set out in Draft RSS are net of clearance replacement. Therefore some flexibility already exists for Local Planning Authorities (LPA's) to take account of local circumstances when considering planning applications and preparing LDF's.

3.2 As part of the PMM approach there is a need for clear policy stance on what LPA's should be planning for, hence the approach in Policy L4. The "annualised figures" are a guide for monitoring and implementation. The use of the maximum target applies only to the figures for the whole RSS period 2003-2021, not the "annualised figures". Individual circumstances in each area will mean that LPA's will wish to plan and phase the profile \ trajectory for delivery of the overall numbers and the annual figure is not meant as a fixed constraint. It is inappropriate for this level of detailed annualised provision to be applied 'top down' from RSS into LDF process. We note GONW concerns raised about this issue¹⁸, and would invite GONW to provide clarity to the Panel¹⁹ on how it envisages that Draft RSS could be reworded to address their concerns.

3.3 Provided that it can be justified (and supported by clear evidence) an individual LPA could decide to develop a policy approach in an LDF based on planning permissions. This would need to clearly link to RSS policy approach to ensure it was in conformity with RSS²⁰. However not all authorities have robust monitoring in place to identify the proportional allowance for non-implementation of planning consents that would be needed to adopt such an approach, therefore the RSS approach will ensure consistency across the region.

3.4 However if no clarity is provided in the RSS on whether the figures are maximum or not, an inconsistent approach will take place between different authorities (who in some cases may be adjoining each other in the same housing market)²¹.

Panel Question (iv)

Should the draft RSS include indicative phasing of the housing figures set out in Table 9.1?

4.1 See Paragraphs 2.1 to 2.4 above.

Panel Question (v)

Do the housing policies reflect emerging national guidance? Will they help to provide affordable housing and achieve balanced housing markets?

5.1 The Assembly has taken into account the various consultation documents published in recent years plus the Barker Review outcomes. The vast majority of Draft PPS 3 has already been reflected in the Draft RSS, apart from definition of housing market areas and setting of regional (and sub regional) affordable housing targets²². At the time of writing the statements, the final version of PPS 3 is still awaited. However, the policy approach is not

²⁰ Such an approach was used by Cumbria and Lake District Joint Structure Plan in relation to housing provision figures set out in RPG13.

²¹ As part of the implementation of RPG 13 a number of authorities have used the figures as maximum, whilst others have continued to grant planning consents over and above RPG 13 figure, without taking account of impact on existing stock or adjacent housing market, this stance is contrary to policies L3 and L4 of Draft RSS [UR6 and UR7 of RPG 13]

²² Draft PPS 3 was only issued in December 2005, when work was nearing completion on the preparation of Draft RSS prior to approval by the Assembly in January 2006. Given the RSS timetable and financial resources constraints, it was not possible to commission any research in time to inform policy development in time.

driven solely by Draft PPS 3. The Assembly has sought to take on board and align the Draft RSS policy approach with key regional strategies such as Regional Economic Strategy and Regional Housing Strategy (RHS). We will look to address these outstanding issues as we take forward the RSS²³.

5.2 The increased housing provision set out in Draft RSS²⁴, will assist in the delivery of more affordable units under a variety of mechanisms including Section 106 agreements. The Assembly has been aware for a number of years of the difficulties that severely limited overall housing figures have caused for both Local Authorities and RSL's to deliver affordable housing, at a time when need has been increasing across the region²⁵.

5.3 The approach in policies L3-15 have built upon the existing wording of Policies UR6-9 in RPG13 which have been successfully implemented by local planning authorities in recent years.

5.4 A number of respondents have asked that detailed affordable housing targets be set both regionally and at district level. However in preparing the Draft RSS the Assembly did not have the robust evidence base on which to set such targets²⁶, but recognise that it is an area for future policy development²³.

5.5 A minor wording inconsistency has become apparent during the Draft RSS consultation in on the definition of affordable housing²⁷. Therefore the Assembly officers would like to put forward a minor wording change to the glossary and substitute the definition used in Annex A of Draft PPS3 (see Briefing Paper 20).

²³ Pending the outcome of the Comprehensive Spending Review (CSR07) no funding currently exists beyond 31st March 2008, to support the Assembly's RPB function (including the employment of staff). Therefore the Assembly is only able to commission new research that will be completed by 31st March 2008.

Until the medium - long term funding situation is resolved, the Assembly is also unable to give a firm timescale commitments on undertaking a future review of RSS, as it may not be possible to comply with all the procedural process requirements of PPS11 over next 18 months, to ensure submission of a Draft RSS to Government before 31st March 2008.

²⁴ compared to RPG13 figure

²⁵ See Table 4.18 of "The North West Plan – Submitted Draft Regional Spatial Strategy for the North West of England – Technical Appendix" North West Regional Assembly, January 2006.

²⁶ see paragraph 5.10 of "NW Household Growth Estimates Study", Nathaniel Lichfield & Partners, August 2005.

Also the Government through DCLG is in the process of establishing a National Housing and Planning Advice Unit (NHPAU) which will provide expert independent advice to Government and the regions on addressing long term market affordability and housing supply; and on the implications for the level and broad distribution of future house building. (for more details see <http://www.workfornhpau.co.uk>).

²⁷ In the Glossary of Draft RSS a different definition is used to that in Policy L5 and Draft PPS3