

**Respondent Nos.
506/568
Matters 4A – 4B**

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

Matter 4: Living in the North West

Written Statement on Matters 4A – 4B

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

October 2006

Matter 4A: Overall Housing Strategy

(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 sub-regional spatial framework?

1. Preparation of draft RSS has had regard to 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 the submitted draft RSS), including, ultimately, a series of face to face meetings with each local authority which were held behind closed doors and therefore lack transparency.
2. The Household Growth Estimates 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. It also took account of economic scenarios prepared on behalf of NWDA. The economic scenario driven approach to population and household projections produced higher figures than the interim 2002-based projections, explained by the fact that the ODPM projections are trend based and do not take account of economic growth objectives.
3. The subsequent publication of the new 2003-based projections on 14 March 2006 (CD: HOU22) highlights significant changes in trend, as outlined at the EiP Housing Seminar on 14 September. Whilst the earlier 1996-based 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 a fundamental 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.

4. The figures in draft RSS seek to take account of improved economic performance in determining the future scale of housing provision but they do not 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.

5. Whilst alert to the broad relationship between distribution of housing and proposals for the spatial distribution of economic growth and regeneration priorities, we consider that there are also anomalies. For example:
 - The intended restriction upon housing development in the southern part of the Manchester City Region, particularly in terms of general market housing, does not align with RES priorities to secure quality housing that will enhance the ability to support growth in knowledge based and high value industrial sectors that are the key economic drivers in this area. It is also not conducive to the attainment of a sustainable pattern of development.

 - There is a clear mis-match between proposed restraint on housing provision in Warrington and recognition of the important economic role that the town fulfils, including the intended focus of regionally significant major investment in the north-west of the town. Warrington is the only authority in the North West where the proposed level of provision is pegged at existing RSS levels, notwithstanding a near 80% increase in the proposed housing provision for the region as a whole and the fact that the 2003-based household projections show household increase nearly twice the amount of the draft RSS figure. This approach is entirely unjustifiable, contradicts sustainable development principles and could undermine economic objectives

- Continued restraint across South West Lancashire gives concern. In Skelmersdale, English Partnerships and West Lancashire District Council are working in partnership to secure wide-ranging transformational aspirations for the town and it is essential that RSS policy should provide the appropriate development framework to support regeneration strategies. The reference at paragraph 9.19(e) to the intention that only a 'limited amount' of general market housing should be provided is entirely inappropriate. It is imperative that a better range of housing types and tenures is provided, and in sufficient quantity, in order to support regeneration initiatives and to make Skelmersdale more attractive to the market. RSS should be seeking to harness private sector investment rather than impose restriction upon it.
 - In Sefton, growth should not be restricted only to those areas in the south of the Borough to support inner areas and HMRA activity, important though it is to secure regeneration here. The whole of Sefton lies within the Liverpool City Region where the policy emphasis in Policy RDF1 is upon maximising growth opportunities to support enhanced economic growth. Policy LCR1 similarly recognises the need to promote development, urban renaissance and social inclusion in the northern part of the Liverpool City Region beyond the City Centre and the immediate surrounding inner areas. The central and northern parts of the Borough have a sizeable population that also generate a need for housing, jobs and services and it is imperative that growth opportunities are harnessed in these locations as well.
6. Elsewhere, NWDC and Paycause Ltd would draw particular attention to Chester where we would support the intention that sufficient new residential development should be provided to support the economic growth of the City. The ability to make the most of Chester's economic strengths as a dynamic financial and business centre and as a location for prestigious employment sites is unlikely to succeed without adequate housing provision in sustainable locations. The West Cheshire –North East Wales Sub-Regional Spatial Strategy acknowledges Chester's unique market role and its 'gilt-edged profile' not just within the sub-region itself but also in terms of its contribution to wider regional and UK market competitiveness. However, it also highlights difficulties associated with an area where housing demand outstrips supply and the resulting affordability issues and associated outward migration presents problems. Policy

measures to facilitate economic investment in RSS must be matched by appropriate provision for housing in sustainable locations to correct current imbalances.

7. In South and East Cumbria, provision is linked to meeting the local and affordable housing needs of local population and workforce. The RSS housing target for South Lakeland (400 average per annum) is broadly in line with the 2003-based household projections taking the RSS period 2003-2021 as a whole. However, the South Lakeland Housing Needs and Market Assessment of June 2006 estimates that the scale of requirements for affordable housing over the 2006-2011 period is 685 per annum, much higher than the RSS policy provision. In Eden, draft RSS provision falls short of the latest projected household growth by nearly 30%. It is clearly imperative that provision is at a level that can assist in addressing need and is capable also of supporting economic investment opportunities that will sustain local needs and help reduce the number of economically active people leaving the area.
- (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?**
- (iii) **Is the use of maximum targets (net of clearance replacement) 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 requirements against targets?**
- (iv) **Should the draft RSS include indicative phasing of the housing figures set out in Table 9.1?**
8. The issues posed by the questions above are inter-linked. From our perspective, the ability to be able to respond to change does require greater flexibility in planning for, monitoring and managing housing provision. The reference to the housing figures in Table 9.1 as a maximum does not assist. We consider it inappropriate for the indicative scale of provision at the local level to be regarded as a rigid ceiling to development, especially where proposals are able to demonstrate compliance with all other key policy requirements and able to contribute to the wider objectives of supporting economic growth, regeneration and the creation of thriving communities, in a sustainable manner.

9. Whilst the concept of an annual average provision allows for a degree of fluctuation there is a danger, for example, that the imposition of a planning by numbers approach could work against the realisation of a major opportunity to secure a major regeneration scheme or prevent development coming forward that would make a substantial contribution to affordable housing provision. For this reason, we consider that there should be flexibility to enable permissions or completions to be used as a basis to measure annualised requirements against targets. The policy framework also needs to be responsive to the outcome of monitoring.
10. NWDC and Paycause Ltd consider that there are merits in showing indicative phasing of the housing figures, an approach used by RSS for Yorkshire and the Humber and for the North East. This approach may be better able to factor in growth over the plan period, particularly in those parts of the region where there is an implied step change involved in moving from existing build rates to the higher growth indicated by the 2003-based household projections and the regional economic transformational agenda.

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

11. Policy L4 is inconsistent with emergent national guidance in draft PPS3 in that:
- It does not use the most up to date household projections;
 - It continues to give prominence to the sequential approach whereas draft PPS3 gives greater emphasis to delivery, based upon criteria relating to availability, suitability and viability (our response to Matter 1A-1B provides further detail).
 - It seeks to impose influence over price of properties.
12. Policy L5 does not reflect draft PPS3 advice that:
- Local authorities should balance the need for affordable housing against the viability of sites in their area; the policy says nothing about this and should be amended to take account of site specific circumstances, anticipated public subsidies and realistic developer contributions in setting quotas and targets for affordable housing, as draft PPS 3 requires; and
 - It presents the option of allocating sites specifically for affordable housing right across the region rather than in the broadly rural context that draft PPS3 envisages; and

- It seeks to pre-empt decision –making at the local level on what the minimum site-size threshold should be by implying that, in rural areas, all sites down to single unit single units should have on –site affordable provision or contribute towards off-site provision, regardless of circumstances; this is contrary to emergent guidance. Unreasonable demands can impede delivery, thereby impairing the ability to provide for affordable or broader local housing needs.
13. Policy L5 gives cause for concern in other ways. The reference to the use of local occupancy criteria to support provision for local housing needs implies a broader application to other elements of the housing market and not just to affordable housing provision. This approach is already operational in South Lakeland, drawing from Policy ST11 of the Joint Cumbria and Lake District Structure Plan which requires that all new housing in South and East Cumbria should be restricted to people with a local connection with at least 50% serving need for affordable housing. The application of a ‘locals –only’ policy to both market and affordable housing was one of the most controversial aspects of the Joint Structure Plan and comprehensively debated at the EiP in 2004. The Panel were strongly against its imposition but the County chose to over-ride their recommendation.
14. Our concern is that the blanket imposition of local occupancy restrictions, together with high expectations of affordable housing provision, will impede housing development without due consideration being given to individual site-specific circumstances, including size and abnormal costs, and how the local housing market actually works. There is evidence in South Lakeland and Eden that this is already happening and that the requirements are compromising viability of both brownfield and greenfield development. Our Statement in relation to Matter 10 provides further amplification.
15. We are concerned that Policy L5 of draft RSS gives a green light to the retention of this policy framework in South and East Cumbria as well as the scope to introduce local occupancy provisions elsewhere without any clear analysis of the appropriateness of this policy tool or reference to the need for flexibility on a site- by- site basis.

Matter 4B: Sustainable Communities

(i) Will the draft RSS help to secure mixed, cohesive, sustainable communities?

1. In addition to comments in respect of Matter 4A above and in relation to Matters 1 and 2, NWDC and Paycause Ltd believe that the implications of an even greater emphasis upon brown field land development in this RSS than before needs to be considered in the wider context of the type and nature of housing development that may result. The policy focus on brownfield development in existing RSS has led to a marked increase in the development of flats and apartments in order to secure site viability on often tight urban sites with a range of development constraints. However, these types of property limit the scope to provide for family type housing. There is a risk that an even more exacting brownfield target could have the unintended consequence, in some areas, of limiting the choice of house types available to meet the needs of all members of the community and of creating an imbalance in terms of supply and demand, contrary to the terms of draft PPS3.