

# WEST MIDLANDS REGIONAL SPATIAL STRATEGY PHASE TWO REVISION

## PROGRAMME AREA RESPONSIBILITY: ENVIRONMENT AND STRATEGIC HOUSING

CABINET

20 NOVEMBER 2008

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### Wards Affected

County wide.

### Purpose

To determine a response to the updated Phase Two Revision of the Regional Spatial Strategy in the light of the proposed revised housing allocations published on 7 October 2008.

### Key Decision

This is a key decision because it is significant in terms of its effect on communities living or working in Herefordshire in an area comprising one or more wards.

### Recommendation

**THAT the Council:**

- 1. re-affirms its previous representations made in May 2008 to the Panel Secretary to confirm its general support for the Phase Two Revision with the reservations already set out and,**
- 2. does not object to the allocation of 1,200 additional dwellings in the rural areas during the plan period to 2026 as proposed in the Nathaniel Lichfield Study, and,**
- 3. expresses concern that the increase in housing allocations suggested in the Nathaniel Lichfield Partnership study for the Region may have adverse consequences for the overall regional strategy.**

### Reasons

To ensure that the Council's views on the Phase Two Revision are considered.

# Considerations

## Introduction

1. The current version of the Regional Spatial Strategy (RSS) was issued by Government in 2004. An immediate phased review was commenced. The first phase – dealing with the Black Country – is complete. The second phase, the subject of this report, has now reached an advanced stage. It deals with housing, employment, the role of centres, waste and some aspects of transport. The third and final phase began in November 2007 and covers rural services, gypsy and traveller sites, culture, minerals and environment policies.
2. In preparing the phase two revision, the Assembly has worked closely with regional stakeholders. Strategic planning authorities in the region, including Herefordshire Council, prepared and submitted advice to the Assembly in 2006. Consultation was then undertaken on spatial options. These were considered by Cabinet in February 2007. A preferred option was approved by the Assembly's Regional Planning Partnership in October, and submitted to the Secretary of State in December. It was reported to Planning Committee on 23<sup>rd</sup> May 2008 and considered by Cabinet on 29<sup>th</sup> May 2008. Cabinet resolved to offer general support to the Revisions subject to:
  1. **The Spatial Strategy should include further recognition of: the infrastructure requirements at Hereford if growth is to be achieved; the peripheral expansion of market towns, and their service centre role for their rural hinterlands; and the need to plan for the renaissance of the region's remoter rural areas in a way which sustains their social, economic and environmental character;**
  2. **Policy CF2 should be amended to recognise that growth may only be capable of being accommodated in some Settlements of Significant Development if infrastructure constraints are removed. The recognition in paragraph 6.21 in respect of meeting housing needs in smaller settlements is welcomed;**
3. In respect of policy CF3:
  - a) **the total provision of 16,600 dwellings for Herefordshire be supported;**
  - b) **the identification of Hereford as a Settlement of Significant Development be supported as reflecting the Council's Growth Point partnership with Government for the delivery of housing growth;**
  - c) **the provision for Hereford (8,300 dwellings) be expressed as a maxima, recognising that at present the extent to which Hereford can accommodate new development is limited and that the practical achievement of these levels of growth will be dependent on suitable transport and other infrastructure provision, as well as other factors;**
  - d) **following consideration of the distribution of growth within the County in the Local Development Framework Core Strategy and the Hereford Area Action Plan, dwellings which cannot be accommodated within or adjacent to Hereford be directed to the rest of the County in accordance with the principles in policy CF2;**
4. **The affordable housing targets in policy CF7 be re-assessed in the light of the emerging Housing Market Assessment for the West Housing Market Area;**

5. Policy CF10 be supported and further recognise that in rural areas there are also considerations such as the relatively high proportion of small sites in the overall housing supply;
  6. The comparison retail floorspace requirements set out in policy PA12A be supported, with the retail assessment work being undertaken as part of the Local Development Framework offering the opportunity to refine the Phase Two Revision figures at Examination if necessary to ensure suitable provision is made for Hereford City Centre;
  7. The office development requirement for Hereford in policy PA13A be supported;
  8. The revisions to the waste policies be supported, subject to clarification of the implications of the existing joint arrangements for the principle that each waste planning authority should plan to manage an equivalent tonnage of waste arising within their boundary; and
  9. The continuing recognition of the need to implement the package of measures identified in the Hereford Transport Review be supported, so as to allow Hereford to fulfil its role as a Settlement of Significant Development.
- 3 Throughout the process of drawing up the revision, Government has been concerned that more houses need to be built if problems of affordability are to be addressed. In particular The Government has taken advice from the National Housing and Planning and Advice Unit (NHPAU) , a body set up by the Government in May 2007 in response to the Barker Reviews. The NHPAU has studied population and household formation trends at national and regional levels and come to the firm conclusion that more housing is required. They have suggested new targets to the Government. The Government Office for the West Midlands responded by commissioning a study to look at options delivering higher housing numbers. The study has been undertaken by Nathaniel Lichfield Partners (NLP) to assess and identify the potential capacity for additional housing numbers.

#### **Nathaniel Lichfield Partners Study**

4. The NLP study will now be part of the evidence supplied to the Examination in Public process due to take place in Spring 2009. It is a source of evidence about scope, impact and implications of delivering additional housing. The study is not pre-empting either the questions or judgements that are for the Examination in Public.
6. The NLP report concludes that it is possible to deliver higher levels of housing without undermining the urban renaissance strategy for the region. In the report NLP have identified three potential spatial scenarios that could deliver additional housing:
  1. A focus on growth in the south east of the region
  2. Spreading the growth around the region, and,
  3. Maximising growth. .

These scenarios are not definitive proposals or alternative strategies for the region; merely an independent assessment of where additional housing could be accommodated. Scenarios are not site specific rather they assess the potential for additional growth to be accommodated in Local Authority areas.

7. In order to allow adequate time for consultees to respond to the study after it became available in October, the consultation period on the revision has been extended to 8<sup>th</sup> December. The Examination in Public into the Phase 2 Revision will not now commence until 28<sup>th</sup> April 2009.
8. All three scenarios propose an additional 1,200 dwellings for Herefordshire – to be allocated to the rural areas. The table below illustrates the “Maximising Growth Scenario”.

Location/County	Original RSS Phase 2 Allocation	NLP study proposed additional allocation	New total allocation (Maximising Growth Scenario)
Birmingham	50,600	10,000	60,600
Coventry	33,500	0	33,500
Black Country	61,200	0	61,200
Solihull	7,600	10,000	17,600
Shropshire	25,700	1,900	27,600
Telford and Wrekin	26,500	10,000	36,500
North Staffordshire	17,100	6,000	23,100
Rest of Staffordshire	49,200	8,000	57,200
Warwickshire	41,000	19,500	60,500
Worcestershire	36,600	13,400	50,000
Herefordshire	16,600	*1,200	17,800

\*the figure of 1,200 for Herefordshire is specified as being for the rural areas, not Hereford itself.

9. The study, and the above figures, will not alter the content of the submitted Phase 2 document. It is this which has been published for consultation, and which will be before the Panel at the independent examination. However, now that the above figures have been published, all consultees have been given until 8<sup>th</sup> December 2008 to finalise their comments on the Phase 2 revisions overall.
10. The Phase 2 revisions, including these new figures, effectively form the starting point for the Council’s Local Development Framework, and to establish a basis for the Core Strategy spatial options it is essential to define the Council’s position on the RSS document and the NLP study.
11. The remainder of this report focuses on the likely impact of the proposed additional allocation of 1,200 new houses in Herefordshire. The various other matters discussed by Cabinet in May (items 4 to 9 in the resolution quoted above) , are not directly affected.

12. The relevant paragraphs in the report to Cabinet in May can be summarised, thus:

### **Housing (Communities for the Future, chapter 6)**

This chapter sets out the Assembly's response to the Government's goal to increase levels of new housebuilding. The emphasis on urban renaissance – the concentration of housing growth within the conurbation, where much demand arises - remains. At the same time, growth is directed to the settlements of significant development as well as to other settlements, market towns and rural areas. There is an explicit acceptance that whilst sustainability considerations will lead to growth in the rural areas being focused in the market towns and larger rural settlements where services exist, small scale housing provision may also be considered in smaller settlements where this can be shown to contribute to the regeneration of the rural economy and the sustaining of local communities by meeting proven housing needs (policy CF2).

The level and distribution of housing development, set out in policy CF3, demonstrates the extent to which the overall strategy – based on urban renaissance – is to be achieved by enabling the conurbations to meet their own generated needs.

For Herefordshire, 16,600 dwellings are proposed 2006-2026 (830 per annum), with half of this growth directed to Hereford.

#### *Response*

As a starting point, policy CF2 should include explicit reference to the need to improve infrastructure if growth is to be accommodated. The recognition of the role of market towns, larger villages and smaller rural settlements is to be welcomed.

Concerns arise in the proposed distribution of this new development between Hereford and the rest of the County. The phase two revision introduces a new requirement that half of new housing be directed to Hereford. In effect this equates to a significant increase in rates of development at Hereford – up 54% on UDP rates and 50% on what has been achieved in the recent past. This will undoubtedly require both significant greenfield releases and the solution of infrastructure constraints. It is too early to say whether these levels of development will in practice be achievable, having regard to infrastructure; levels of market demand; availability of suitable sites; and capacity in the construction industry.

Outside Hereford, the position is reversed. Rates of development are proposed to fall. The issue that thus arises is whether sufficient provision is now being made outside Hereford, bearing in mind the need to provide for the growth of the market towns and in sustainable settlements in the wider rural areas.

A possible approach to resolve these dilemmas would be to introduce an element of flexibility in the distribution within Herefordshire. This would first recognise that as much growth as possible should be sought at Hereford. Necessary infrastructure provision would be made to achieve a maximum of 8,300 dwellings over the period. The balance would then fall to be found outside Hereford. This would be a minima of 8,300 dwellings, plus any residual which could not be located at Hereford. The RSS total for the County would remain unchanged.

This would allow a balanced pattern of development to be determined through the Council's own Local Development Framework

13. In the light of the above comments it can be seen that the proposed NLP addition of 1,200 dwellings over the plan period to 2026 is not, of itself, in conflict with the position already taken by Cabinet, especially as the NLP study specifically proposes that the additional dwellings be allocated to the rural areas and not Hereford City. However, a lack of objection to the additional 1,200 dwellings does not diminish in any way Cabinet's comments of last May on the need for adequate infrastructure if Hereford is to take its original allocation of 8,300 dwellings.
14. At the regional level there is a lot of concern amongst other local authorities that the increased housing numbers suggested by the NLP study are not acceptable on a number of levels. In particular the proposals would change the emphasis on the Major Urban Areas as the focus for growth and, instead, allow significant growth in currently rural areas close to the conurbation such as parts of Warwickshire and Staffordshire. It is anticipated that the West Midlands Regional Assembly will not be able to express support for the outcome of the NLP study, although a formal response was not available at the time of drafting this report. A verbal update on the latest position will be given at the meeting.

## **Conclusions**

15. The phase two revision has been developed in a spirit of partnership by the Regional Assembly, working with the local authorities at both officer and member level and with other stakeholders across the region. As a result, it has a wide ownership. The Phase 2 proposals as considered by Cabinet in May stand as a comprehensive and coherent response to the challenges facing the spatial development of the region to 2026. It is appropriate that overall the Council maintains its broad support for the Phase 2 revision as submitted. However, the new NLP proposals threaten the consensus which has been achieved so far and may cause significant problems in parts of the region. In this light the potential additional allocation of 1,200 houses to the rural area in Herefordshire is not, of itself, objected to – the main concern for Herefordshire remains the infrastructure necessary to accommodate the proposed level of housing growth as initially proposed in Hereford. However, elsewhere in the region the proposed increase in housing numbers suggested by NLP remain a matter of concern and it would not be appropriate to express support for these latest proposals as a whole.

## **Financial implications**

No direct financial implications.

## **Risk Management**

The principal risk is with the levels of housing and other allied growth proposed which is to be managed through continuing engagement with the RSS process, including the independent Examination, taking into account the emerging evidence base being assembled as part of the Local Development Framework.

## **Alternative Options**

Not to respond to the consultation.

## **Consultees**

No additional consultations in response to the NLP study

## **Background Papers**

West Midlands Regional Assembly, West Midlands Regional Spatial Strategy, Phase Two Revision – Draft, Preferred Option December 2007.

Nathaniel Lichfield Study – Development of Options for the West Midlands RSS - October 2008