

West Midlands Regional Spatial Strategy Phase Two Revision

Report of the Panel: Volume 1 - Report
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Preface

This is the report of the Examination in Public (EiP) that we were appointed to hold into the Draft Phase 2 Revision to the Regional Spatial Strategy (the RSS) for the West Midlands. The Phase 1 revision is already incorporated into the existing RSS dated January 2008.

The West Midlands Regional Assembly submitted the Phase 2 Preferred Option to the Secretary of State in December 2007. The consultation period, which was extended to allow respondents to take account of the Government's study *Development of Options for the West Midlands RSS in Response to the NHPAU Report* (the "NLP study"), finally closed on 8 December 2008. There were a total of 692 respondents to the submission consultation making approximately 4,150 points of response.

Thereafter we set about arranging, conducting and reporting on the Examination in Public as expeditiously as possible. The key stages were:

Publication of draft Matters and Participants:	20 January 2009
First Preliminary Meeting	27 January 2009
Technical Seminar Session on Housing Issues	28 January 2009
Final list of Matters and Participants issued	13 March 2009
Second Preliminary Meeting	18 March 2009
Technical Seminar Session on Habitat Regulations and Water Issues	18 March 2009
Examination in Public – opening	28 April 2009
Examination in Public – close (day 23)	24 June 2009

Three additional days were spent on Panel tours to various localities in the region.

A total of over 180 organisations and individuals participated at the EiP (in addition to the Section 4(4) authorities and other local planning authorities). The Section 4(4) authorities had the opportunity to contribute to every session and every local planning authority in the region was given the opportunity to participate in the relevant sub-regional sessions. The Preliminary Meetings, seminar sessions and the Examination itself were held at the Molineux Stadium, Wolverhampton. Following the close of the EiP we completed and submitted this report via the Planning Inspectorate by mid-September 2009.

During this process new announcements and items of information continued to appear. Information that came out after submission of the Draft Phase 2 Revision but before the close of the EiP was able to be taken into account by the Panel and participants. The relevant documents were included in the EiP Library List, and we refer to them as necessary in this report. An important announcement was the publication by CLG in March 2009 of new 2006-based Household Projections. In order that these could

be properly considered we devoted the first session of Matter 3A on 6 May 2009 to a technical discussion of the new projections. After the close of the EiP certain other announcements emerged, including the final PPS on Eco-towns, updated NHPAU advice and new mid-year population estimates. We have not specifically taken any account of these or other material emerging after the close of the EiP. We do not believe, however, that there is anything in publications issued prior to submission of our report that would have caused us to reach materially different conclusions or recommendations.

This report is not intended to give a full account of the Matters discussed in the EiP, although it generally follows the same order, with the main Chapter numbers corresponding to the numbers of the EiP Matters. We draw upon points made in discussion and in various submitted documents in order to show how we arrive at our conclusions. The order of the report also for the most part follows the order in which the relevant policies occur in the RSS document. Where we depart from the structure of the RSS is in Chapter 8 which contains our conclusions and recommendations arising from the sub-regional matters, which relate to the spatial strategy, housing and other policies.

Where we recommend changes to RSS policies our recommendations give specific wording. In relation to the supporting text the recommendations set out points which we consider should be covered, but do not give detailed wording except where this is the best way to convey what is required. The recommendations themselves are brought together at the end of each Chapter, with each one referenced at the appropriate point in the text. We have not generally sought to give a summary of our reasoning and conclusions alongside the recommendations. Extensive though some of the Chapters are we consider they are the minimum necessary to give the supporting arguments for our recommendations. However, in the Overview below we have picked out key points and lessons, some of which go wider than the specific recommendations.

Acknowledgements

We would like to record our thanks to all who participated in the EiP for their contributions and for the co-operation of all involved in responding to the Panel's requirements and requests. We are particularly grateful to the West Midlands Regional Assembly's team, led by John Pattinson, for the helpful way in which they responded to the demands of the EiP and to the Panel's requests for information. We acknowledge also the helpful contribution of Ian Smith and colleagues at the Government Office for the West Midlands. We would like especially to thank all concerned at Wolverhampton Wanderers for providing a welcoming and efficient venue at the Molineux Stadium, and Venue Services Ltd for the sound system and recording. Our thanks are due to our Planning Officers Chris White and Mike Harris of the Planning Inspectorate for their support in preparing for and conducting the EiP and in the production of the report, and to our Panel Assistant David Teasdale. Finally we would like to express our deep gratitude to our Panel Secretary Pam Perceval-Maxwell, whose dedication and tireless effort ensured a successful Examination.

Overview

i. The Phase 2 revision is only a partial revision of the RSS, but the issues it raises are far reaching and varied. The Examination in Public (EiP) was correspondingly wide-ranging, and at times it was difficult to maintain a clear boundary between those matters which were subject to revision and those which were not. In Chapter 1 we consider some of the issues raised by the phased revision programme and draw conclusions for the future. Despite the appeal of spreading the effort of policy revision over time, and the likelihood that there will always be subjects for which a single issue review is appropriate, there are conceptual and practical difficulties about having a selective revision of an integrated strategy. In practice we have been unable to avoid making some further changes to matters settled in the Phase 1 revision, and revising some policies, notably those concerned with water, which were not due for revision until Phase 3.

ii. The four new over-arching "Sustainable Region" policies are intended to bring the RSS up to date with the latest policy developments on climate change and other aspects of sustainable development. We consider that they are largely successful in this, providing a framework within which a sharper approach should be pursued through the development provision and other policies of the RSS. In Chapter 2 we generally endorse policies SR1, SR2 and SR3 with some amendments. There are, however, linkages from the over-arching policies to other parts of the RSS which may need developing further. In relation to the RSS environmental policies, the Phase 3 revision will be the first opportunity to do this. For other policies, particularly parts of the Regional Transport Strategy, further updating will be a matter for the next full review under the proposed Single Integrated Regional Strategy (SIRS) approach. The West Midlands has prepared the way for this by developing the first "low-carbon Regional Economic Strategy".

iii. The fourth over-arching policy, which was originally proposed to address air quality issues affecting European sites, was drawn into the wider arena of protecting designated European sites generally against any significant adverse effects. Following the work on the Phase 2 revision Habitat Regulations Assessment (HRA), it became apparent that in a small number of cases it was not possible for the HRA to rule that there would be no adverse effects on the integrity of certain European sites. This related not just to air quality but also to water resources and other issues. We were impressed by the positive way in which environmental organisations, with the Regional Assembly and GOWM got together to find a way of adapting Policy SR4 to meet this situation. The resultant policy, which we have recommended with few changes, in our view enables the RSS to go forward with some certainty about how to deal with the issues, while remaining compliant with the HRA requirements. Although designed to deal with the particular circumstances in the West Midlands, the approach may be of wider application.

iv. Consideration of Policy SR4 raised further issues concerning water resources, water quality and flood risk not limited to European sites but affecting locations in the region generally. Again the Environment Agency and others came forward with solutions, which included updating existing

RSS Policy QE9. This is one occasion where, despite the fact that QE9 was among the policies due to be considered under Phase 3, we concluded that to maintain the soundness of the RSS it was right to make the necessary changes now, which we recommend in Chapter 2.

v. The spatial strategy and its underlying principles were, as WMRA emphasised, not being reviewed in the Phase 2 revision. The Assembly wished for them to be “revisited and restated” at an early stage of the EiP, before the discussion of housing growth. In fact the discussion in Matter 2 proved to be more than that, not least because the Phase 2 revision itself greatly elaborated the existing spatial strategy section of the RSS, enlarging the five “sub-regional foci” to ten proposed “Settlements of Significant Development”, and widening the criteria for Green Belt boundary changes in the Objectives. As well as the issues raised by those changes, there were calls by some development sector participants, and attributed to the NLP study, for the spatial strategy to be altered or loosened in its application in order to facilitate higher housing numbers.

vi. In Chapter 2 we conclude that the spatial strategy principles are sound and do not need to be weakened in order to accommodate the growth proposed, or indeed the higher numbers which we go on to propose later. We find the elaboration of the spatial strategy chapter in the Phase 2, including the purpose of the SSDs, to be consistent with the RSS guiding principles and the approach of the corresponding chapter of the existing RSS, notably the paragraphs under the heading “A role for each place in the region”. In reaching these conclusions we find the spatial strategy to be more robust than is perhaps implied in the view of some of those who argued that it would be undermined, and particularly that the objective of urban renaissance would be jeopardised, by higher housing provision. What we do see to be essential is a sustained focus on investment and regeneration in the Major Urban Areas, and a continued emphasis on the use and re-use of previously developed land and buildings. Our recommendations reflect these priorities.

vii. While we endorse the strategy and the overall approach of the Phase 2 revision, our recommendations do make some changes. Principally these are to remove Redditch from the list of SSDs and to tighten the policy towards Green Belt by specifying more clearly those locations in which the RSS supports boundary changes. The presentation of the strategy also left scope for improvement and our recommendations seek to clarify and sharpen it by stating key parts of it in the form of RSS policies.

viii. The housing provision was inevitably a major area of debate. Equally inevitable was the traditional contest between those representing developers wanting more, particularly on greenfield land, and those arguing for less primarily to save greenfield land. In Chapter 3 we go through some of the arguments. Our job, from reviewing all the evidence and debate, is to reach an objective view on how much additional housing the region should seek to provide, how much it is possible to deliver, and how far and where within the region there is capacity to accommodate it. Discussion of the new 2006-based household projections highlighted the unremitting demographic pressures, but also the difficulty of reaching a firm and agreed view of likely future change, especially against the

background of current economic circumstances. We believe the view we have taken of the range of “theoretical” housing requirement takes a measured and balanced approach both to the demographic and migration factors and to other matters affecting need and demand, particularly unmet housing need and market affordability.

ix. Our assessment of what the region can deliver in Chapter 3 is admittedly hypothetical, but is based on reasoned analysis of the available data. The starting point is clear: from the current record low levels of housing delivery, the only way is up. The question is how far and how fast can housing output go up. Even our least optimistic theoretical trajectory is optimistic in that it assumes steadily rising output to record high levels in the last five years of the plan period. But only our most optimistic trajectory is sufficient to deliver even the low end of the range that we identify as the theoretical requirement. The inevitable conclusion is that achieving the kind of amount of additional housing that the West Midlands needs over the period to 2026 will be extremely challenging.

x. One message from the trajectory exercise that is worth noting is that given the current position, the steep recovery curve in output that needs to be achieved by 2016 is more or less the same for the Preferred Option level of housing provision as for our proposed higher level. The proposed phasing in Preferred Option Policy CF4 would have seen the region achieving some 185,000 additional dwellings over the 10 years to 2016, whereas our most optimistic trajectory in Chapter 3 now sees less than 150,000 dwellings delivered over the same period. Two things that flow from this are firstly that having been expecting higher building rates the region should be well equipped in planning terms to deliver the development that is likely to come forward over the first 10 years at least, and secondly that major challenges will lie ahead in terms of the requirement still needing to be delivered beyond 2016. A corollary to this is that there will be an opportunity to revisit these issues for the longer term – how much housing the region can and should provide, and how best to go about it, in the review leading to the first Single Integrated Regional Strategy under the proposed new arrangements. The high volume of additional housing assumed for the final 5 years to 2026, crucial though it is to the regional total, is the part that is least certain and most in need of further assessment and work to plan for its delivery.

xi. Our approach to the spatial distribution of additional housing was not simply a matter of finding how to distribute the total, but also an important factor in deciding what that total should be. In Chapter 8 we consider in some detail the matters discussed in each of the sub-regional sessions. While the focus of these sessions was not exclusively on housing, they did enable us to consider carefully the implications of the region’s housing needs at sub-regional or local level. One unintended benefit of the passage of time between submission of the Preferred Option and the start of the EiP was that considerable evidence was available from progress that has been made towards Core Strategies in most parts of the region. This provided a helpful underpinning to the EiP discussion and our deliberations. We emphasise, however, that while we believe the RSS is stronger as a result, we have striven to avoid pre-empting or presuming upon decisions which are for the local level. The result for the RSS, however, we consider to be robust and realistic regional housing

provision. Where we propose increases they are rooted in sub-regional and local assessments, and usually in capacity identified by the relevant local authorities themselves. There is also a close correlation to the priorities laid down in the spatial strategy.

xii. The bottom line on housing provision, our proposed regional total of 397,900 additional dwellings, results from the sum of what we see to be reasonable and feasible for each authority in the region. It is just within the range of our theoretical housing requirement and towards the limit of the amount which, starting from the present level, appears deliverable in the region as a whole. Finally its distribution accords very much with the principles and priorities of the spatial strategy. In fact, as noted in Chapter 3, our proposals move the balance of the housing provision very marginally towards the MUAs.

xiii. Current housing need and affordability issues throw a particular emphasis on affordable housing in the RSS. As we discuss in Chapter 4, although much valuable work has been done, and there is a wealth of evidence of need, there was a need for some refinement of both the approach and the proposed provision. We conclude that detailed affordable housing targets can only be set in LDDs for each authority in the light of up to date local assessments. Our recommendation for a 35% regional target, or an average of some 7,000 affordable units per annum with indicative figures for Housing Market Areas is as far as the RSS can reasonably be expected to go against the present background. In our view it represents a robust but measured approach, but it will be important that it is applied with due flexibility at local level. It is particularly important not to underestimate the contribution of intermediate housing, both within and potentially beyond the targeted levels. In the recovery from present market conditions intermediate housing could have an increased role to play, both in meeting the needs of those who cannot afford to buy in the market and in boosting housing delivery overall.

xiv. Before leaving housing we should remark on the generally constructive attitude we found among authorities across the region towards providing housing for their people and making the sometimes difficult planning decisions needed to secure housing delivery. We also note that, at the start of the Phase 2 revision process, WMRA set out to provide sufficient housing to meet the identified need of the region, although later assessments have since cast a different light on the adequacy of the Preferred Option proposal. We have sought to draw upon and reflect this positive approach. It is not going too far to say that we believe that our proposals are what the region itself might have come up with if it were starting now. This approach also means that in some places, in particular Bromsgrove and Stratford on Avon districts, we have left some issues for the future to be resolved in a further round of policy review and decision. This is not only because we do not have the evidence to make firm decisions now. It will enable wider spatial options, including new settlements and/or significant urban extensions if appropriate, to be considered in the light of the latest assessments of need and monitoring of performance.

xv. Compared with housing the Phase 2 proposals on employment related matters were relatively uncontroversial. The portfolio approach to employment land was widely supported and we endorse it, subject to increasing the indicative long term requirements to correspond more logically with the five year reservoir provision. Policy PA6B on the protection of employment land and premises is also supported. This policy is likely to be very much to the fore over the coming years as the region moves through the after-effects of recession. No doubt many businesses will need to change and adapt, and some may close while new ones will arise. A suitably dynamic approach will be needed for meeting their accommodation needs. The policy, with the small amendments that we recommend, has all the right ingredients not only to ensure that these needs can be met but also to enable unwanted land and buildings to be used positively as a key resource for regeneration, for transforming communities and helping to meet housing needs. One experience the major urban areas of the West Midlands do not need to repeat is to have large areas of land and buildings lying waste for years in the hope of eventually replacing lost industry. The policy approach will need to be applied positively and with flexibility. The region has fine examples of this including the Longbridge Area Action Plan.

xvi. The discussion of Regional and Major Investment Sites and Regional Logistics Sites brought out once again the close co-operation between the Assembly and the Regional Development Agency (AWM) and the alignment between the RSS and the RES. Again we support the overall approach. Our recommendations do no more than update and sharpen certain aspects in response to issues emerging, particularly in relation to Regional Logistics Sites. With their extensive land needs and exacting locational requirements, particularly in relation to transport, logistics sites present a major planning challenge, especially given the higher requirements forecast in the latest study for WMRA.

xvii. The Phase 2 revision approach towards town centres and the retail hierarchy was in large measure a response to Government guidance calling for RSS to set out the hierarchy of centres. As such the four tiers of centre identified in Policy PA11, which was derived from the existing RSS concept of a network of centres, did not convey any particular policy differentiation between the different tiers but was merely descriptive of present size in terms of turnover of each centre. This did not necessarily reflect the future roles of these centres. We have not sought to elaborate the policy, but our recommendations rationalise it into three tiers, with centres listed in a way which corresponds more clearly with the scale of floorspace increase envisaged within them. Beyond this our conclusions address a number of more specific issues in relation to retail and office provision for particular centres, including Solihull, Telford and Cannock. The retail and office floorspace provision figures themselves were not subject to much debate. Although the economic downturn may be seen as leading to lower growth, higher projected population and household numbers would tend to counterbalance this. Uncertainty is more likely to affect the timing of delivery, rather than whether it will take place at all. On the basis of the supporting work that has been done, and in the absence of any systematic basis for revising the figures at this point, we endorse the provision proposed as a reasonably sound basis for planning.

xviii. The regional Waste Strategy is another area where there has evidently been effective co-operation between the planning authorities and other organisations involved, through the Regional Technical Advisory Body (RTAB) and in other ways. The result is an approach that is well founded and generally in line with the national waste strategy. Whilst GOWM suggested there could be more specific guidance for the provision of facilities, we are very conscious of the difficulties of doing this through the RSS without pre-judging and pre-empting decisions that need to be based on careful and thorough appraisal, including SEA and the consideration of alternatives. The strategy will need to be taken forward through further work, particularly in waste LDDs. Overall we have endorsed the approach, subject to minor changes including bringing out the waste strategy principles more fully in Policy W1.

xix. In keeping with the selective nature of the Phase 2 revision, only limited changes were proposed to policies in the Regional Transport Strategy. However, strategic transport planning continues to evolve, for example in the new DfT approach for Delivering a Sustainable Transport System (DaSTS). The revised strategic transport priorities for the region tabulated in Policy T12 have been updated to reflect progress since the current version was approved. Although we find they relate well to the development and other priorities of the RSS, some participants saw an undue emphasis on highway schemes. In part this is due to the way the table is presented, with a number of regionally strategic public transport proposals bundled together while road schemes are listed separately. Our recommendations improve the presentation, and also incorporate the principles of DaSTS more directly into the RSS.

xx. In relation to parking policy and park and ride the issues tend to be rather specific. Our recommendation clarifies and consolidates the list of park and ride schemes to reflect the latest position. Airport planning is one area where the role for RSS is limited between the national policy context provided by the Air Transport White Paper (ATWP) and decision making on specific proposals which must be a matter for local case by case consideration. Generally revised Policy T11 picks an appropriate path through this, but we recommend certain adjustments to make it more accurate.

xxi. We have referred above to the sub-regional sessions which are the subject of Chapter 8. Whilst one of the main outcomes from that Chapter is the view we have taken about the appropriate housing provision for each area, the significance of the Matter 8 discussions is much wider than that. They showed how each part of the region is bound into the spatial strategy and fed into the conclusions we have reached on all the thematic issues, including employment, town centres and retail, and transport as well as housing. Although as noted above we have been anxious to avoid trespassing on local responsibilities, there were several sub-regional issues of a cross-boundary nature where a clear lead from the RSS was wanted. The prime example is at Redditch, where despite collaboration across boundaries there was no agreement on the way forward. In other cases even though there may be a level of agreement, confirmation of the approach was felt helpful to guide further work, whether through joint or individual Core Strategies. In our recommendations we have sought to resolve all the relevant issues

through the RSS in a way which is both consistent and tailored to the local situation.

xxii. In Chapter 9 we refer to the Monitoring Framework and the Implementation Plan, both of which are subject to continuing development. Beyond the fact that the Monitoring Framework has now grown to the point where it should perhaps become a freestanding document, the only change we recommend is to sharpen up some of the targets to relate more closely to our recommendations on housing delivery. We also comment on the fact that the region's monitoring and implementation arrangements are as well developed as any. This is in turn a reflection of the fact that the West Midlands has long had a clear regional identity and a track record of successful regional planning. Although the Regional Assembly is now due to disappear, it is to be hoped that its achievements, and the tradition of constructive co-operation will be continued under future arrangements.

xxiii. Implementing the RSS will certainly pose a challenge for all those responsible, not only because of the scale of development involved, but also the very uncertain times that lie ahead. We have commented above, and in later chapters, on the steep climb out of recession and sustained high levels of development that will be needed to realise the requirements identified, particularly later in the period towards 2026. We have no better information than everyone else about future economic circumstances upon which to judge the deliverability of development looking that far ahead. There will be those who say this is not achievable and that planning for it will be damaging and wasteful and should be abandoned. Others will say it can be achieved but only by slackening the focus on urban regeneration and permitting more development outside towns in attractive locations. We return to the principles and objectives of the RSS, including urban renaissance and realising the potential of all parts of the region, as well as meeting housing and other needs. These are too important for there to be any loss of nerve over the uncertainties about the future.

xxiv. We believe the RSS, with the changes we recommend, and with the support of the local authorities, the private sector and others involved provides a soundly based way forward, at least until the next opportunity for a searching review of strategic policies for the region under future arrangements, by which time the view ahead towards 2026 and beyond should have become clearer. We also believe that our recommendations will enable the remaining stages of the revision process to be completed expeditiously. The Sustainability Appraisal and HRA, which should be continuous processes, will need to be applied to the final form in which the RSS is to be adopted, and we welcome GOWM's confirmation that it will consider what is required to do this. For our part, our recommendations build on work already carried out in support of the Preferred Option, and in emerging Core Strategies and respond to issues raised. We are confident that they should not raise any fundamental issues for further appraisal such as to cause undue delay to the adoption of the revised RSS. We certainly hope this will be the case as we believe putting the updated RSS framework in place as soon as possible is of key importance to meeting its objectives.

Chapter 1: The Context for the Phase Two Revision

Introduction

1.1. In this Chapter we consider the overall approach to the Phase 2 revision and issues to do with the strategic and procedural context. It closely follows the structure and content of Matter 1 of the Examination in Public (EiP), but also enables us to explain our approach to the testing process carried out, not only during Matter 1 but through the whole EiP process. While this Chapter does not lead to many recommendations for changes to specific RSS (Regional Spatial Strategy) policies, it sets out our conclusions on a number of more general issues. These help to provide a context for some of the points considered in later chapters. There are also messages which we hope will be helpful to those involved in the further development of regional planning in the West Midlands, and at national government level in developing and implementing the arrangements for new Single Integrated Regional Strategies (SIRS).

1.2. The formal role of the EiP and of the Panel is set out in legislation and in guidance in PPS11, and we will not recount it in detail. While the guidance lays emphasis on “testing the soundness” of a draft RSS revision, we did not structure the EiP around the list of criteria of soundness set out in paragraph 2.49. One or two respondents at an early stage raised the question about whether representations had to be addressed to the tests of soundness in order to be considered. We declined to impose any such limitation on written submissions (or contributions to the oral discussion). Respondents’ right to make representations (under section 7 of the Planning and Compulsory Purchase Act 2004) is not so circumscribed. Moreover, the predominant influence in agenda setting for EiPs has always been issues arising from representations (including those from Government) and that was also the case with this EiP. Most of the issues raised are challenges to the draft revision (or support for it) on matters of policy and substance. Although a “soundness” subtext may be read into these, most participants wanted to debate the substantive issues, and that is the debate we saw it as our role to conduct.

1.3. In taking this approach, we are in no doubt that the Secretary of State, the West Midlands Regional Assembly (WMRA) and others expect the substantive issues to be addressed, both in the EiP and in this report. In a number of cases soundness could be claimed for either side of the argument. What is expected from us in those cases is in effect a form of dispute resolution. In our conclusions and recommendations we have sought to find soundly based solutions in the light of the balance of evidence and argument that came before us. While it has often been possible to pull together a reasonably consensual view, in others it has been necessary to exercise our own judgement on the arguments before us.

1.4. Despite the fact that our task has not been specifically oriented to the PPS11 “tests of soundness”, issues relevant to them arose at many different points throughout the EiP, and we believe that all have been

addressed in one way or another. We do not propose to go through them all in detail here, but would merely comment that, leaving aside the need to resolve issues raised by representations, the Phase 2 Revision Preferred Option satisfied, in some degree, most if not all the criteria listed in PPS11 2.49 (i) to (xii) when it was submitted. WMRA's opening statement in Matter 1 gave its view on the way in which the RSS meets the tests. To the degree that its soundness could be improved, we take the view that all our recommendations tend to move in the direction of greater soundness. If the changes we recommend are all carried out the resulting RSS will be substantially sound in relation to all the criteria. The broader conclusion that we draw is that the list of criteria in paragraph 2.49 of PPS11 do not cover everything that needs to be addressed by an EiP. They lack any equivalent to the PPG12 test of soundness for a LDD that it should represent "*the most appropriate strategy when considered against the reasonable alternatives*". This is something to bear in mind as the SIRS process evolves.

The Role of Government

1.5. From the outset we have maintained the Panel's independent and impartial role. Whilst we are appointed by the Secretary of State and report to him, we do not act on his behalf but provide independent advice. The Secretary of State, as the final deciding authority on the RSS, also needs to remain aloof from the positions taken by parties in an EiP. This came under scrutiny in one or two places. At the first Preliminary Meeting, CPRE drew attention to their concern about the representation put forward by the Government Office for the West Midlands (GOWM), which seemed to have reached fixed views on policy proposals, including the level of housing provision sought. They feared this would make it more difficult for the Panel to take a truly independent approach and for the Secretary of State to reach a fair and impartial decision. In raising this CPRE were expressing a view which we saw to be shared by many others. It is fair to say that parts of the original GOWM representation did appear to convey a certain tendentiousness. The Government Office responded that it was attempting to be helpful to both the Panel and other parties; it tried to outline the position in terms of Government policy and what Ministers might be expecting as outcomes of the Examination. We confirmed that the Panel would reach its conclusions and recommendations on an independent basis and would not favour one participant over another. In this context the Government Office was a participant like any other. This does, however, raise questions about the status of contributions by Government officials to an EiP.

1.6. It is incumbent on the Panel, as on the Regional Planning Body (RPB), local planning authorities and others, to take account of Government policy as reflected in White Papers, policy statements and the like. We did not interpret GOWM's submissions, written or oral, about issues such as the housing numbers or policy wordings as Government policy in that sense. In putting such things before us the Government Office was, as we understand it, seeking to ensure that the issues were covered in the Examination, and not pre-judging the outcome or trying to pre-dispose the Panel to particular conclusions. We consider this is important for public confidence in the EiP process and, equally importantly, in the Secretary of State's final decision. We hope and

expect that the Secretary of State and those advising him will take a step back and read our report with the same impartiality with which it was written and not give undue weight to material that the Government put forward previously. We should emphasise that throughout the EiP and the preparatory process we have found no difficulty whatever with the input of GOWM and Communities and Local Government (CLG) officials, which has been helpful in terms of providing information and constructive contributions wherever possible and entirely consistent with the impartiality expected of the process.

1.7. A somewhat similar but more specific issue was raised over the Middle Quinton Eco-town proposal when, shortly before the start of the Examination, CLG let it be known that the Secretary of State would not be taking a decision about final short-listing of the proposal until after our report had been considered. We deal more fully with that issue in Chapter 8 where we discuss Matter 8E(iv) of the EiP. Here we would merely note that, although the Department's decision to proceed in this way may have cast an additional perspective upon our consideration of this matter, it did not alter the remit of the EiP or create any particular difficulty for the Panel.

1.8. At the root of the difficulties mentioned above is the issue of housing provision which, more than any other, loomed over all the EiP discussions. We welcomed the participation of the National Housing and Planning Advisory Unit (NHPAU), which appeared keen to get involved in the debate at RSS level. As we note in Chapter 3, NHPAU did not participate fully in the sub-regional discussions, where many of the arguments about affordability and additional housing actually needed to be confronted. If NHPAU wishes to have more influence on the outcome of future RSS it may need to do more than feed in high level statements to the EiP, by getting involved more locally in arguments about why, how and even where additional housing can address affordability and housing need in a particular area. The EiP is a rather late stage to do this, and what it needs is for NHPAU to get involved with RPBs and, perhaps more importantly local authorities, at the formative stages. We appreciate that NHPAU was too late on the scene for this to happen in the case of the Phase 2 revision, but it is a pointer for the future. But as a slightly detached advisory body, NHPAU could take a more active part in the process than the Government Office, which has to maintain a position of neutrality.

The Phased Revision Programme

1.9. Both during the preparatory process and in the first session of the EiP issues and concerns were raised about the phased revision process. They were mentioned at various subsequent sessions as well. We understand the way in which the revisions to update the RSS were split into a three phase programme. This directly follows the guidance of Ministers in approving the RSS in 2004 about priorities for further work. Phase 1, already completed, was entirely devoted to a strategy for the Black Country, following the Black Country Study and enabling early progress to be made on the Joint Core Strategy for Black Country.

1.10. Phase 2 contains revisions to selected parts of the RSS, most notably four new cross-cutting "Sustainable Region" policies and a

completely revised “Communities for the Future” chapter including new housing targets up to 2026. Other changes include revisions to the policies on employment land, office and retail floorspace and town centres, a full suite of new waste policies and selective revisions to the transport policies. WMRA were at pains to point out that the essential principles and objectives of the spatial strategy were not being reviewed and were therefore not up for examination. Nevertheless the Phase 2 revision contains considerable revisions to the Spatial Strategy chapter, including extensive new sub-regional text, and these obviously were open to representations and examination. Phase 3 is intended to cover other issues needing revision, specifically policies dealing with rural services, provision for gypsies and travellers, culture, sport and tourism, environmental policies and minerals. Thus by the time the three phase process is complete most of the policies in the RSS which started life as RPG11 in 2004 will have been revised but not all, for example key policies in the Regional Transport Strategy will not have been through a full revision process.

1.11. Issues arose about the relationship between the three phases of revision. Whilst Phase 1 and Phase 2 might appear quite separate, they do have implications for each other. The Phase 2 Preferred Option document (December 2007) is not in fact a revision of the current RSS which was published in January 2008 with the Black Country revisions from Phase 1 incorporated, but of the previous (2004) version. Comparison of the two showed that the Phase 2 revision document entails consequential revisions to the Phase 1 RSS revisions but, perhaps surprisingly, WMRA had not carried out a reconciliation exercise. This was provided at our request in the form of document CD222. We do not rehearse the detail of the consequential changes here, but they entail such things as deleting the Black Country climate change policy CC1 in favour of the new region-wide one SR1. All the relevant participants, including the Black Country authorities, agreed with the reconciliation explained in CD222 but the precise changes also depend on the further changes to the Phase 2 policies which we recommend. In our recommendations we have sought where relevant to address the changes that need to be made to the Phase 1 policies in the current RSS, as a consequence of changing the Phase 2 policies.

1.12. There is one anomaly that arises from Phase 1. In the current RSS the Black Country is the only sub-regional area which has discrete policies applying to it. Because there is no sub-regional structure to the RSS, the Black Country policies remain scattered through various sections of the document – UR1A and UR1B (but UR1C and UR1D will be superseded in the Phase 2 revision by Policies PA12A and PA13A), PA11A and QE10. However, our recommendations in Chapter 8 of this report elevate to policy some sub-regional provisions in the text of the RSS Spatial Strategy Chapter 3. For consistency, these recommendations include renumbering and relocating the Phase 1 Black Country policies so that they are together with the other sub-regional policies in the Spatial Strategy.

1.13. The relationship between Phases 2 and 3 gives rise to more complications. As CPRE and others commented, the Phase 2 revisions made substantial proposals for development, but the policies for dealing

with their environmental consequences will not come under scrutiny until Phase 3. It was questioned whether this would allow a sufficiently holistic approach to considering the region's development proposals. As a general point, the "QE" policies continue to apply alongside all the Phase 2 proposals. Whilst they may require a certain amount of updating and detailed revision, it can be argued that the QE policies will remain adequate to cope with the scale of development now proposed. In three key areas, however, we identified concerns which cannot be simply left to Phase 3. These are climate change, flood risk and other water related issues and changes to the Green Belt.

1.14. WMRA pointed out that the four new Sustainable Region policies set a new and stronger context for sustainable development and that these together with the QE policies will provide a sound policy framework during the transitional period between Phase 2 and Phase 3. On climate change we accept that this is the purpose of Policy SR1. We consider it further in the next Chapter but in principle it meets the concern that the development proposed by Phase 2 needs to take account of the latest policy context on climate change. For flooding and water related issues, although there are certain mentions in proposed Policies SR2 and SR3, and existing Policy QE9 would continue to apply, the Environment Agency argued strongly that this is insufficient. These issues were addressed in considering amendments to proposed Policy SR4 to deal in particular with issues arising from the Habitat Regulations. There are also, however, more far reaching water related issues, which have led us to consider also amendments to Policy QE9 to be made now, rather than left for Phase 3. These matters are also discussed fully in the next Chapter. Finally, on the Green Belt, we have addressed the strategic Green Belt changes that the Phase 2 proposals will require. There is no specific Green Belt policy in the RSS, and WMRA emphasised that Phase 3 would in any case not be addressing changes to Green Belt boundaries. We have therefore dealt with that aspect fully in the context of Phase 2.

1.15. In summary therefore, although we were urged by WMRA not to trespass on matters that are to be dealt with in Phase 3, we have found this unavoidable to a certain extent, particularly in relation to the water environment. We do not, however, see this as lessening in any degree the importance of proceeding with the revisions that are proposed in Phase 3. Concern was expressed by some, however, that the Phase 3 revisions would be overtaken by the legislative and procedural changes in prospect and may never happen. We, in common with many participants, were heartened to hear from both GOWM and WMRA that there would be no "downing of tools" and that the Phase 3 revisions will be proceeded with even though their progress to final adoption will have to be pursued under the new governance arrangements pursuant to the Local Democracy, Economic Development and Construction Bill.

1.16. A further issue that was raised in the context of the phased revision process was the scope of the Phase 2 revision. In their anxiety to stress that the spatial strategy principles were not being changed, WMRA pointed out that Phase 2 was a revision of parts of the RSS and not a review of the whole strategy. This prompted some to question the extent of the Phase 2 revision, and to argue that the scale of development proposed did indeed constitute a "review" not a "revision". Janet

McKinnon attached importance to this distinction and said that Phase 2 should either be scaled back or abandoned in favour of a full “review” of the RSS. WMRA themselves argued that anything going beyond the level of development they proposed would necessitate a change to the strategy that was “defined” by the Ministerial decision of 2004, and hence be a review not a revision. We give our view in Chapter 2 of whether the fundamentals of the spatial strategy are altered by what Phase 2 proposes (or by what we propose). That is a question of policy.

1.17. On the question of procedure we merely observe that the distinction between a review and a revision is largely a matter of semantics. The legislation only contemplates “revisions” to RSS and does not specify their extent or degree. Thus a revision may be anything from changes to one or two policies to a complete replacement of the strategy and all the policies. In plain English, the process of reviewing policy, on the basis of monitoring information, must be integral to preparing any revision. Procedurally, there is no difference whether the Phase 2 revision is changing the fundamental strategy or just tweaking a few policies. On this basis we are quite content that the Phase 2 revision (and our recommendations for changing it) is procedurally sound.

1.18. The final issue that we need to address under the phased revision process is that of the timetable. We appreciate that one of WMRA’s reasons for not trying to carry out all the revisions to the RSS as one major exercise is that a series of smaller revisions is more economical of resources and enables a focused professional approach to each phase. It should also allow the most urgent issues to be addressed earlier. This appears to have been achieved with Phase 1, despite the complications discussed at paragraph 1.11 above. With Phase 2, however, the process has taken far longer than originally intended. This is in large part due to the extended consultation period consequent upon the Government decision to interpose the Nathaniel Lichfield and Partners (NLP) study. It is unfortunate that for practical reasons it was not possible for WMRA to take advantage of the delay and accelerate the Phase 3 revision so that Phases 2 and 3 could be taken forward together. This would have enabled overlapping issues like those referred to at paragraph 1.14 above to be addressed. Instead, however the delay to Phase 2 has had a knock-on effect on Phase 3. Given the interest in Phase 3 it would have been difficult to proceed with consultation stages on that whilst the EiP process for Phase 2 was still open. So although it is a matter of regret, we endorse WMRA’s decision to delay the options consultation on Phase 3 until after the close of the Phase 2 EiP.

1.19. It may not be unduly helpful to say “we would not have started from here” but our conclusion is that the phased revision process has thrown up a number of problems. The integrated nature of RSS makes it difficult to deal with topics in isolation, although there are some more discrete subject areas that would still lend themselves to specific or “partial” revisions. But overall we doubt that the phased process for Phases 2 and 3 has led to any significant resources savings, while there has been a considerable time penalty. We accept that the latter is not of WMRA’s making. For the future, however, the lesson we would draw for the new governance arrangements for SIRS is that it would be most helpful if Government and the RPB could agree a realistic programme for

plan preparation that holds together all matters needing review unless they are of an absolutely discrete nature.

Inter-regional Issues

1.20. WMRA explained the consultations that had taken place with neighbouring authorities, Regional Planning Bodies and across the Welsh border over trans-regional boundary issues. There are few inter-regional strategic issues that need addressing, and those that there are seem to be being addressed by the arrangements in hand. For example there is a Memorandum of Understanding between WMRA and the Welsh Assembly Government, and WMRA participates in the Inter-regional Board for the Milton Keynes and South Midlands Growth Area. These arrangements appear generally to be working satisfactorily and we make no suggestions for changing the RSS Phase 2 text in this regard. However, it is surprising that the diagram of inter-regional relationships on page 11 does not include the water transfer, river catchment, and other water related linkages between the West Midlands and the South West and Wales. These linkages featured particularly in the seminar session on water-related issues and in Matter 1 of the EiP. We recommend **(R1.1)** that the diagram is amended accordingly. Those particular linkages are considered further below in the context of Habitat Regulations Assessment and Policy SR4.

1.21. Other cross-boundary issues are mainly sub-regional or local and entail co-operation between the relevant strategic and local planning authorities. Examples are between Wychavon and Tewksbury in relation to the area around Tewksbury and between East Staffordshire and South Derbyshire in relation to Burton and Swadlincote. These are discussed in Chapter 8 where we recommend appropriate references in supporting text **(R8.20 and R8.21)**. Powys County Council also submitted written representations seeking higher housing provision in the rural west of the West Midlands region to avoid additional housing needs in eastern Powys, for the waste policies to recognise that Powys exports waste, including hazardous waste, to the West Midlands, and for parking policies to recognise the needs of Powys residents travelling to towns in the West Midlands as well as higher priority for improvements to transport links between the West Midlands and Wales. These issues are touched on as necessary in the relevant Chapters of our report.

Sustainability Appraisal and Habitat Regulations Assessment

1.22. The Sustainability Appraisal (SA) carried out by Ursus Consulting (CD7) is part of the evidence base put forward in support of the Phase 2 revision, and identified issues which we have drawn upon in setting out the Matters for the EiP. This was particularly the case at the sub-regional level, and we listed key points from the SA findings in our Panel Notes for each of the sessions in Matter 8. Some participants also drew on conclusions and recommendations from the SA in making their case on various issues. In general the methodology and findings are clearly set out and the "audit trail" in Annex E shows the way the SA has contributed to the process of arriving at the Preferred Option. The main report, in Table A2.3, also sets out the way in which the SA is considered to meet the requirements of the Strategic Environmental Assessment (SEA) Directive.

1.23. There were criticisms of the SA process that had been carried out, and some participants suggested that it was not compliant with the requirements of the SEA Directive. In particular it was suggested that the evaluation of alternative spatial options was not clear. Ursus Consulting explained the process followed. The Preferred Option resulted from a narrowing down of alternatives set out in three options at the previous stage. Those options, although they contained various "alternatives", were not approached as discrete alternative spatial strategies between which a choice was made. As is common practice in "optioneering" exercises, the options may be seen more as a menu, from which different elements were selected to make up the Preferred Option. The SA is an iterative process, and the consultants asserted that it had fed into decision making by WMRA over a three to four year period. On the basis of the explanations given by Ursus in the SA report and at the EIP we find the process clear, and have no reason to doubt that it would be found compliant with the requirements of the SEA Directive.

1.24. The NLP study included a Sustainability Appraisal which used a similar framework and structure to the Phase 2 SA and drew upon the same source information where appropriate. This was stated to allow ease of comparison between the two documents. As the NLP study is not a plan to which the SEA requirements apply, the question of whether the SA carried out is compliant with those requirements does not apply. We appreciate the view of WMRA and others that since NLP's SA has not been integrated with the RSS policy process in the same way, any changes to the RSS based on the NLP scenarios could not claim the same compliance with the SEA requirements as the Preferred Option. As we explain in paragraph 8.10, our proposed changes, even where they coincide with proposals made by NLP, do not rely on the NLP SA.

1.25. Habitat Regulations Assessment (HRA) raises rather more specific issues for the Phase 2 revision. The HRA that was done for the Preferred Option in 2007 by Treweek Environmental Consultants (CD8) was updated in respect of water issues and the results were presented at the pre EIP technical Seminar Session on 18 March 2009. The update had been necessary due to the HRA predating a number of pieces of work, including several draft Water Resource Management Plans (WRMPs), completion of Review of Consents (RoCs) of several European designated rivers by the Environment Agency and the NLP Housing Study. Further consideration was also needed of the implications for the Rivers Wye and Usk. It was stressed that the update work undertaken does not constitute a full formal HRA and that a formal HRA has not been undertaken in respect of the NLP work, rather it focused on water resource and quality issues.

1.26. With regard to water resources, while for most of the designated sites potentially affected by the proposals in the RSS the HRA work concluded there is no Adverse Effect on Integrity (AEIOI), it was not possible to say this for the River Wye SAC or Severn Estuary sites. Pending further assessment in the light of reviews of abstraction licences, while there was some confidence that the issues may be resolved, a precautionary approach was needed in RSS as a statement of no AEIOI could not be given at present. In discussion, the previous concerns of the Countryside Council for Wales (CCW) in relation water resources affecting

the Rivers Wye and Usk, appeared to be narrowed down to the Pilleth water resource zone, affecting a small part of rural Herefordshire.

1.27. In relation to non water issues, a similar situation applied to the Cannock Chase SAC, where the HRA had identified potential air quality and recreational pressure impacts. It was therefore apparent, as the EIP approached, that the draft Phase 2 revision was likely to need amending in order to address the unresolved issues emerging from the HRA findings. This perception was shared by WMRA, GOWM, Natural England (NE), the Environment Agency (EA) and the other key participants involved in the issue. As a result WMRA, after further input from other partners, worked to suggest a way forward by revising proposed Policy SR4. The first fruits of this work, document EXAM16, was received in April 2009 ahead of the discussion of Matter 1. The document includes a background explanation of the need to protect the integrity of European sites and the issues emerging from the HRA, in terms of the potential impacts of land use change, air quality, water supply and water quality and disturbance from recreation and tourism. Policy SR4, which in the submitted draft relates only to improving air quality, is revised and expanded to cover all aspects under the heading "Safeguarding the Integrity of European sites".

1.28. Document EXAM16 was discussed in Matter 1. Home Builders Federation (HBF) expressed particular concern about part B of the proposed policy which provided for an authority's housing allocation to be reduced by an Inspector at a Local Development Document (LDD) Examination should it be shown that this was the only means of avoiding adverse impact on the integrity of a European site. It was suggested this could undermine the deliverability of the RSS, and hence its soundness. There was some reassurance, however, in the view that this element of the policy was very much a last resort and was likely to apply in only one or two cases. Without it, however, it was suggested the RSS would not be compliant with the Habitat Regulations. EA confirmed that work on the review of consents was proceeding and that it was hoped to clear outstanding water resources issues relating to the Wye and Mease "shortly" and the Severn by October 2009.

1.29. CCW supported the approach but had put forward suggested alternative wording to part of the proposed policy (in EXAM16A). This to some extent repeated requirements under the Habitat Directive. Alternative wordings were submitted by Stafford BC (EXAM16B) Walsall MBC (EXAM16C) and Herefordshire Council (EXAM16Ci). Walsall argued that the issues were not limited to protecting European sites and related to changes needing to be made to some of the environmental policies, particularly QE1 and QE7 as part of the Phase 2 revision, rather than by recasting Policy SR4. Other parts of the proposed policy could, it was argued be left to be incorporated into QE policies in Phase 3. Herefordshire's concern about the impact of constraints relating to the River Wye may in part be resolved by the further work referred to by EA. The Council also suggested, during the discussion in Matter 8H, that the policy could lead to an authority having to transfer part of its housing allocation to another, something which there was no power to do.

1.30. Following the discussion in Matter 1 WMRA undertook to conduct further consultation with partners and produce a revised version of the

proposed policy which, it was hoped, would satisfy the concerns while meeting the needs identified by EA and NE. The result was document EXAM16D which was submitted shortly before the close of the EIP. Apart from the brief discussion in Matter 8H referred to above, there was no further discussion of the document. It is to this final version of the proposal that we address our conclusions below.

1.31. There is a general acknowledgement that something on the lines of the new proposed Policy SR4 needs to be added to the RSS to ensure compliance with the Habitats Directive. We understand that legal views have been sought on what is required. We have not seen such a view, and nor can we give one, but we reach the conclusion that a policy broadly on the lines now proposed will address the issues as they have been put to us. We understand the concerns of Walsall MBC (and the EA) about a need for more far reaching changes to the RSS environmental policies. However, for all except the water related issues we consider that the "QE" policies, within the framework provided by the four new "SR" policies, can be left to be attended to in the Phase 3 revision. For water issues, as we discuss in the next Chapter, we have accepted the EA's case that changes need to be made now, not just in relation to the protection of European sites. This means that the scope of the new Policy SR4 can be confined to the aspects required by the Habitats Directive.

1.32. In principle all that is required is a policy to ensure that the development provided for in the RSS is implemented in such a way as to not to incur adverse effects on the integrity of European sites, and that where potential for any such effects is identified HRA is carried out and appropriate avoiding or mitigating action is taken. In an extreme case such action may mean not implementing a RSS allocation in full, but this would not in itself render a LDD out of conformity with the RSS, as long as it resulted from the proper application of Policy SR4. With regard to the Herefordshire point, we agree that a Local Planning Authority (LPA) cannot normally consider making housing allocations in a neighbouring authority's territory. That solution, if considered acceptable, would have to be dealt with separately in the context of a LDD in the neighbouring authority. Otherwise the response to such a situation would be for monitoring, management and review of the RSS. As another general point, the provisions of the RSS, or an "all clear" HRA result for the RSS, cannot obviate the need for HRA to be carried out at the LDD level, or in relation to specific development proposals, if there is a potential adverse effect on a designated European site.

1.33. Turning to EXAM16D and proposed Policy SR4, we find it lengthy and elaborate for an RSS policy. The introductory paragraphs have been tightened somewhat compared with the previous version. For the policy itself, it still goes into a lot of detail about things that LPAs ought to be doing anyway as part of their LDD preparation. Something much shorter, together with supporting references to the requirements and guidance relating to HRA, ought to suffice. The only source of guidance we have been able to identify is a CLG consultation draft document dating from 2006 entitled *Planning for the Protection of European sites: Appropriate Assessment, Guidance for RSS and LDDs* (document CD155 in the EIP list). However, the guidance it contains does not throw a great deal of additional light on the issues raised in the West Midlands context.

Moreover, given the consternation that the issue appears to have caused among some authorities and other organisations in the region, we can see the case for a RSS policy which spells out the approach required with some precision.

1.34. With some reluctance, therefore, we conclude that the content of EXAM16D should be part of the RSS, and we recommend accordingly at **R1.2**. The only changes we have made are to tidy up some of the references to LDD preparation, including the requirement to consider distributing housing to adjacent areas and to reflect the fact that we are recommending elsewhere EA's proposal requiring universal water cycle studies. We would observe that as work on these matters has continued in the region since the EIP it may have become possible to narrow down the scope or extent of proposed Policy SR4. If that should be the case, we would hope it can be reflected in the Secretary of State's proposed changes. However, our recommendation below reflects our conclusion in the light of the information available to us at the close of the EIP.

1.35. Finally we would note that we have taken account of the issues in relation to European sites and HRA in addressing the sub-regional matters housing distribution. We do not consider that our recommendations in relation to housing provision or other matters would add to any potential adverse effects. In relation to Cannock Chase SAC for example, the only housing increase proposed for that district is specifically in relation to provision for Rugeley in Lichfield District, while our proposed increase for Stafford Borough need not involve any additional development that might have an effect on the SAC. It will of course be for Government to consider what further SA/SEA or HRA is required in relation to the Secretary of State's changes. At this stage, however, we conclude overall the RSS is sound in relation to SA and HRA requirements.

Recommendations

Rec Number	Recommendation
R1.1	In the Inter-regional relationships diagram on page 11, add "river catchments and water quality" to the linkages with the South West and Wales, and also "water transfer" with Wales.
R1.2	<p>Include new supporting paragraphs on the lines of the introductory paragraphs of document EXAM16D, and a new Policy SR4 as follows:</p> <p>Policy SR4 Safeguarding the Integrity of European Sites</p> <p>A. LDDs and other plans and programmes prepared by local authorities, and other relevant agencies, should give the highest level of protection to sites of international nature conservation importance (European sites¹). Local authorities and other plan makers should therefore ensure that they:</p> <p>(i) test alternatives as part of the process of preparing</p>

Rec Number	Recommendation
	<p>LDDs. In particular, where there are potential adverse effects on a European site, a local authority should consider alternative distributions of development within its area;</p> <p>(ii) demonstrate at examination that they have avoided adverse effects through testing distribution and phasing options. If adverse effects cannot be prevented, the local authority will need to show it has mitigated any impacts so that no adverse effect on the integrity of any European site will occur (alone or in combination with other plans and projects). In exceptional circumstances, if it is concluded that the only means of avoiding an adverse impact on the integrity of a European site is to reduce the housing allocation to a lower level than that set out in Policy CF3 Table 1, then the figure agreed by an Inspector at a DPD examination should be treated as the housing allocation.</p> <p>B. In relation to Land Use Change issues identified by the HRA, local authorities and other plan makers should:</p> <p>(i) require that any proposal which is likely to cause land use change to potential supporting habitat within 10 Kilometres of the Wye Valley Woodland SAC and Wye Valley and Forest of Dean Bat Sites SAC and other relevant European sites should be subject to a HRA in order to protect the integrity of these sites.</p> <p>C. In relation to Air Quality issues identified by the HRA, local authorities and other plan makers should:</p> <p>(i) secure the fullest possible use of sustainable transport choices (T1), reduce the need to travel (T2) and encourage the development of sustainable communities (SR2);</p> <p>(ii) include policies to improve air quality and reduce the levels of emissions as set out in air quality strategies so as to take account of the risks to European sites;</p> <p>(iii) ensure that both the diffuse and local air pollution effects of proposed development on European sites are considered;</p> <p>(iv) ensure that development is only permitted where it is clearly demonstrated by the HRA that it will not significantly contribute to adverse effects caused by diffuse air pollution at European sites, alone or in combination with other plans and projects. Where</p>

Rec Number	Recommendation
	<p>development would result in such increases it should include measures to secure an equivalent improvement in air quality or reduction in emissions from other sources;</p> <p>(v) avoid the siting of new sources of emissions or development that would increase traffic levels on roads near to sensitive European sites;</p> <p>(vi) consider the local air pollution impacts of increased road traffic within 200 metres of a sensitive European site, including impacts from dust;</p> <p>(vii) require a pollution-neutral strategy for major development based on the results of local air quality assessments, especially for potentially polluting development near to European sites.</p> <p>D. In relation to Water Supply issues identified by the HRA, local authorities and other plan makers should:</p> <p>(i) engage in early consultation with water companies, the Environment Agency and the HRA statutory consultation bodies on site allocations to ensure development is located and appropriately phased in Water Resource Zones where a sustainable water supply is available and where water supply can be secured without adverse effects upon a European site;</p> <p>(ii) avoid development within the Pilleth Water Resource Zone (affecting a small part of rural Herefordshire) unless it can be demonstrated that water supply can be secured without adverse effects on a European site;</p> <p>(iii) where significant effects on a European site are possible, ensure that Water Cycle studies inform the evidence base for LDDs.</p> <p>E. In relation to Water Quality issues identified by the HRA, local authorities and other plan makers should:</p> <p>(i) engage in early consultation with water companies, the Environment Agency and the HRA statutory consultation bodies in relation to site allocations to ensure that development is located and appropriately phased and that there is capacity available in the waste water treatment works and sewerage network in order to ensure there will be no adverse effects on a European site;</p>

Rec Number	Recommendation
	<p>(ii) where significant effects on a European site are possible, to ensure that Water Cycle studies inform the evidence for LDDs.</p> <p>F. In relation to Disturbance from Recreation and Tourism issues identified by the HRA, local authorities and other plan makers should:</p> <p>(i) ensure that additional development does not result in an increase in recreational pressure that would cause an adverse effect on the integrity of European sites. The relevant local authorities must, in undertaking HRAs of their LDDs, ensure that increases in visitor numbers can be accommodated before giving effect to any such plan, with the provision of appropriate counteracting measures where necessary.</p> <p>¹ 'European sites' is a term used to encompass sites that have the highest level of protection in the UK either through legislation or policy. These include Special Areas of Conservation (SAC), candidate (cSAC), Special Protection Areas (SPA), proposed (pSPA), European Offshore Marine Sites and Ramsar sites.</p>
<p>R1.3</p>	<p>Add a new Annex F to the RSS as follows:</p> <p>Annex F List of the European sites assessed within the HRA for the West Midlands RSS.</p> <p>Those in bold are those which have been identified in this current HRA as being at risk from diffuse air pollution. This list is not definitive and when undertaking screening for likely significant effects in relation to plans/projects subordinate to or derived from the WMRSS, additional European sites may need to be considered.</p> <p>Berwyn and South Clwyd Mountains SAC Bredon Hill SAC Brown Moss SAC Cannock Chase SAC Cannock Extension Canal SAC Dixton Woods SAC Downton Gorge SAC Elan Valley Woodlands SAC Elenydd Mallaen SPA Elenydd SAC Ensor's Pool SAC Fen's Pools SAC Fenn's, Whixall, Bettisfield, Wem & Cadney Mosses SAC Humber Estuary SAC/SPA/Ramsar Humber Flats, Marshes and Coast (Phase II) SPA</p>

Rec Number	Recommendation
	<p>Lyppard Grange Ponds SAC Midlands Meres and Mosses Phase I Ramsar Midlands Meres and Mosses Phase II Ramsar Motte Meadows SAC Pasturefields Salt Marsh SAC Peak District Dales SAC Peak District Moors (South Pennine Moors Phase I) SPA Rhos Goch SAC River Clun SAC River Dee and Bala Lake SAC River Mease SAC River Usk SAC River Wye SAC Severn Estuary SAC/SPA/Ramsar South Pennine Moors Phase II SPA South Pennine Moors SAC The Stiperstones and the Hollies SAC Walmore Common SPA/Ramsar West Midlands Mosses SAC Wye Valley and Forest of Dean Bat Sites SAC Wye Valley Woodland</p>

Chapter 2: Principles, Objectives and Spatial Strategy

Introduction

2.1. In this Chapter we give our conclusions and recommendations on the over-arching policies, principles and spatial strategy issues that were discussed in EIP Matters 2A and 2B. Inevitably these issues are not self-contained, and our consideration of them draws upon the other EIP sessions. The conclusions in this Chapter therefore have links with those elsewhere in this Report, especially in Chapters 1, 3 and 8.

2.2. The four proposed "Sustainable Region" policies form part of a largely re-written and much extended Chapter 2 to the RSS. As we understand it, WMRA's aim was to provide an updated over-arching policy framework for the RSS policies, including many which are not proposed for revision in Phase 2. The intention of this was to reflect the latest national policy guidance on climate change and other aspects of sustainable development. We consider proposed Policies SR1 (Climate Change), SR2 (Creating Sustainable Communities) and SR3 (Sustainable Design and Construction) in turn below. In relation to Policy SR2, we also give our conclusions on the proposal put forward by the Environment Agency (EA) for a new policy on water-related issues, which would replace existing RSS Policy QE9. We have dealt with Policy SR4 (Air Quality) in considering the Habitat Regulations Assessment in Chapter 1 and it is not discussed again here.

2.3. The remaining six sections of this Chapter are devoted to the spatial strategy set out in Chapter 3 of the RSS. Although WMRA stressed that the principles of the strategy were not being reviewed in Phase 2, the Preferred Option document nevertheless proposes selective changes to the spatial strategy objectives and extensive new written material in effect replacing the existing RSS Chapter 3. These matters are discussed in this Chapter, although much of the sub-regional content is the subject of our conclusions and recommendations in Chapter 8.

Climate Change – Policy SR1

2.4. There was considerable support for the four new "SR" policies. Many submissions propose amplifying or strengthening the policies and there are numerous suggestions as to things which should be added to them. Some see a need to carry the principles forward in more detail into other policies of the RSS, in the Environment chapter and elsewhere, and there is some regret that the phased revision programme means that those policies will not be revised until Phase 3.

2.5. Nevertheless, points of view differ. While many see the RSS focus on urban renaissance as the most sustainable pattern of development, development interests argue that allowing more development where there is demand for it, including on greenfield land away from the conurbations and particularly in the south of the region, is more sustainable. Some development sector representations see the "SR" policies as unnecessary repetition of national policy or as imposing additional burdens on the region's ability to deliver development in a difficult period. However,

although GOWM have some specific concerns, they do not oppose inclusion in principle of any of these policies. We accept the principle of these over-arching policies, notwithstanding that there may be elements of overlap with more detailed policies elsewhere in the RSS, including those relating to the Quality of the Environment. GOWM suggested that greater regional specificity would be desirable but accepted as we do that the Phase 3 revision will be the occasion at which this can be properly addressed.

2.6. Specifically in relation to Policy SR1, there is widespread agreement that the RSS needs to address climate change issues. The RSS Phase 2 Preferred Option was produced in parallel with consultation on the Government's Climate Change PPS and both documents were published in December 2007. The PPS Climate Change Supplement indicates that its policies will be an overriding material consideration in advance of the updating of RSS and DPDs to fully take account of its content, so that broadly comparable policies would apply whether or not the RSS is updated to address climate change. Policy SR1 is an adaptation of the Black Country Policy CC1, which was inserted into the Published WMRSS by the Secretary of State in January 2008, so that it applies to the whole region. It is widely welcomed, notwithstanding the views of Pegasus, Barton Willmore, HBF and other development sector representations which argue that the policy is superfluous or unsound and should be deleted.

2.7. AWM supports the approach of SR1, and makes the link with the RES as the first low-carbon economic strategy. Suggestions are put forward for a number of textual enhancements and to introduce particular reference to "Connecting to Success", the low-carbon RES, which is summarized in "Evidence of Success" (451/9). EA, Natural England (NE), English Heritage (EH) and others suggest additions to the policy, particularly to emphasise protection of heritage assets and green infrastructure, but there are calls for it to be clearer in distinguishing between climate change adaptation and mitigation measures. There is also stress in representations such as those from Sustainability West Midlands on giving attention to existing communities and buildings as energy and water conservation measures within the existing building stock could do much to reduce the region's carbon footprint.

2.8. WMRA accept that the suggestions from AWM, Sustainability West Midlands, statutory consultees and Birmingham City Council and others such as TCPA would improve the policy and its supporting text. We put forward recommendations at **R2.1** and **R2.2** to embody the essence of these suggestions. However, we have not embodied the whole of the EA suggestions as they would not sit easily alongside the existing text without duplication and overlap and we have also recommended elsewhere inclusion of revised and expanded policies relating specifically to the water environment. We have also refrained from specifically recommending inclusion of all the large-scale insertions of additional supporting text suggested as this would give rise to some duplication and significantly extend what is already lengthy supporting text. We have not recommended any change to paragraph 2.5 as the additions suggested by AWM do not make clear what is directly quoted from a document referred to and what is further comment.

2.9. The WMRA suggested solution to requests for greater distinction between adaptation and mitigation is to merge parts A and B of the policy under a combined introduction rather than seeking to draw out more explicitly which term would apply to specific measures as that would be likely to give rise to duplication. We accept this as a pragmatic solution that would avoid substantial rewriting of a policy that is already operative in the Black Country and this change is also embodied in **R2.2**.

2.10. Some development interests requested that the first part of the policy be amended to apply throughout the region but that would remove the element of regional specificity. In endorsing the regional spatial strategy we do accept that it is a fundamentally sustainable strategy that should be adhered to in the interests of combating climate change as well as to further urban and rural renaissance. The particular point behind the representations on behalf of QinetiQ, not to imply hostility towards new settlements in terms of sustainability credentials would be met by including reference in Section A of the policy to the ability in DPDs for other settlements to be designated as having potential for sustainable growth as allowed for in Policy CF2. With our recommendation later in this Chapter to enable consideration of new settlements provided that they are at least as sustainable as other forms of urban expansion, this would not preclude a new settlement being considered to fall within Policy SR1 if so determined in a LDD. We recommend accordingly in **R2.2**.

2.11. A number of submissions from local authorities and others such as CPRE and FoE seek a stronger or more specific policy, for example calling for specific regional carbon-reduction targets. While in principle we have sympathy with such calls, GOWM urged that they be resisted because the Climate Change Act requires such targets to be set by the Secretary of State taking into account the advice of the Committee on Climate Change after consideration of appropriate evidence. These targets have yet to be set. The Phase 3 Revision is therefore regarded by GOWM as the proper place to feed in more specific targets. We accept that there is insufficient evidence to set regionally specific targets at the present time and that simply to impose the national targets at regional level would be to risk the RSS being unsound as argued by certain development interests because circumstances differ between regions. Nevertheless, the supporting text should be updated to refer both to the Climate Change Supplement to PPS1 and to the Climate Change Act 2008 and the targets referred to within them. Worcestershire County Council suggested that Section D of the Policy could be omitted as all policies should be monitored and reviewed. While this is correct, TCPA put forward a suggestion that the policy should include a specific instruction for DPDs to include sustainability targets that would complement any regional target. While their suggestion was for a preamble to this effect, in our view the intent would be served by retention of and slight expansion of a re-numbered Section D. This too is included in our recommendation **R2.2**. WMRA put forward as EXAM46 suggestions for inclusion of indicators to enable monitoring of issues relevant to climate change. This is addressed in Chapter 9.

Creating Sustainable Communities – Policy SR2

2.12. Proposed Policy SR2 contains wide ranging requirements and criteria for development to achieve sustainable communities. They are set out in seven sections covering: A. provision of new housing, B. employment generating activities, C. design issues, D. social infrastructure, E. green infrastructure, F. sustainable transport and G. environmental and energy infrastructure. As one of the group of over-arching policies its intention is to provide an updated framework in the RSS which reflects the current policy approach for sustainable development in the Government's Sustainable Communities Plan.

2.13. Most of the local authorities, Government agencies and environmental organisations accepted the need for an over-arching policy on sustainable development and the proposed Policy SR2 was widely welcomed. There was also dissatisfaction with some of the content. Like other "Sustainable Region" policies, Policy SR2 was criticised by development industry participants for its very broad and general content. There were apparently contradictory arguments that the policy was both onerous for developers and local authorities, and that it was superfluous, adding nothing to national policy guidance. Many respondents hankered for more regionally specific guidance. However, many of the suggestions for more specific content, for example relating to urban green space and allotments are within the sphere of other policies in the RSS. Although not specifically mentioned in Policy QE4 at present, WMRA did indicate that revision of that policy in Phase 3 would enable allotments to be addressed there. The broad consensus was that in a strategic over-arching policy it would not be appropriate to include much more detail. The "CF" and "QE" policies and other parts of the RSS including the spatial strategy itself, generally give more specific guidance within the approach set out in Policy SR2.

2.14. EA, NE and EH all strongly supported the approach, but suggested detailed improvements. EA and EH, in common with many other respondents argued that the policy should relate to existing communities and not just to new development. WMRA agreed that the policy could be stronger on this point. Several participants suggested wording changes in the policy to this effect, and to include a reference to regeneration of existing areas and the importance of the maximising beneficial use of the existing building stock and previously developed land. There were calls for references to the historic environment (EH).

2.15. WMRA argued that the concentration on the Major Urban Areas (MUAs) and Settlements of Significant Development (SSDs) in the first part of the policy was a reflection of the priorities and principles of the spatial strategy. Several participants argued, however, that the policy was relevant to communities throughout the region.

2.16. We conclude that the inclusion of a policy on the lines of SR2 is justified. Many of the improvements suggested by participants have merit, and would in our view help to strengthen the policy, without detracting from its focus. Whilst we understand WMRA's desire to maintain the emphasis on the MUAs and SSDs, other policies in the RSS do that in full measure, and we consider it important that a region-wide strategic policy like SR2 applies to all the region's communities. We also

accept the widely held view that creating more sustainable communities is not only to do with new development but also about adapting existing development and influencing behaviour, and that the policy should reflect this. The policy also needs to be read in conjunction with more specific RSS policies including those in the Quality of the Environment chapter and for the provision for housing. However, it is important that Policy SR2 is not seen solely as a policy about housing development. As drafted the reference to “size, scale, density and mix” gives the policy this character. Our recommendation **R2.3** proposes textual changes to the policy and supporting text in the light of the conclusions above.

2.17. In considering the relationship of Policy SR2 with other RSS policies, we note that WMRA says in its briefing note about the phased revision process that following the introduction of Policies SR2 and SR3, the built environment Policy QE3 would be deleted by the Phase 3 revision (CD222 paragraph 5.42). That being the case GOWM, in its statement for Matter 1 saw no reason why Policy QE3 should not be deleted now as a consequence of Phase 2. Having compared the content of the policies, we find that although there is a good deal of overlap, there are specific aspects of existing Policy QE3 which are not covered in either Policy SR2 or SR3. These include as those to do with minimising noise and light pollution, and promoting public art. Although Policy QE3 is now out of date in some respects, it is not in conflict with the new policies and we see no particular benefit in deleting its entire content now. Moreover this policy is specifically within the scope of the Phase 3 revision, and was not formally within the scope of our examination of Phase 2, so we conclude that the proper course is to leave Policy QE3 to be removed or replaced as part of Phase 3. We consider the parallel case of Policy EN2 on energy conservation in the context of proposed Policy SR3 below.

2.18. The other aspect of Policy SR2 which needs to be considered in some detail concerns the water-environment and flooding. In part this relates back to the HRA discussion in Chapter 1. One issue that emerged from the technical seminar session on HRA and water related matters on 19 March 2009 was that EA and many others considered the RSS needs new policies to cover water and flooding issues, and not solely in the context of HRA and the protection of European sites. In the normal course of events under the phased revision approach, the revision of RSS Policy QE9 “The Water Environment” would be scheduled for Phase 3. However, EA made a strong case that new water-related policies were needed now to support the level of development proposed in Phase 2 and that without this the RSS would be unsound. Accordingly in its statement for Matter 1 EA put forward proposed policy wording for inclusion in the RSS as part of the Phase 2 revision. This was supported by NE and a number of other participants. GOWM considered that updated RSS water policies are needed now, a point which WMRA also accepted.

2.19. There was some suggestion from development sector participants that a new policy on flood risk was unnecessary and that all that is needed is a reference to the guidance in PPS25. However, there are regionally specific issues arising from the RSS, the call for Water Cycle Studies (WCS) and the findings of the updated Regional Flood Risk Assessment (RFRA) (CD237) that support EA’s argument for new policy to go into the Phase 2 revision. The RFRA, for example finds that a number of the local

authority areas proposed for significant levels of growth and development, including Birmingham and Worcester, are rated as having a “high” flood risk. While this does not preclude development it does have particular implications for the manner of providing for and delivering the development proposed in the RSS. By providing guidance for this EA argues that the proposed policy will help to facilitate development rather than simply creating additional demands or restrictions.

2.20. We conclude that the case for including such policy is made and that without it the RSS is at risk of being unsound in the way it deals with the water-related consequences of the development it proposes. The remaining questions are whether the detail of the EA proposal is appropriate or requires amendment and how best to integrate such a new policy into the RSS. Different options for incorporating the policy were suggested. In line with the principle of keeping any changes to the QE policies for Phase 3, WMRA favoured strengthening the water policy content of proposed Policy SR2 and Policy SR4. An alternative would be to make an additional over-arching Policy SR5. However the existing Water Environment Policy QE9 covers many of the same matters as the proposed EA policy, and an alternative suggestion was that the new policy should replace existing Policy QE9. We take the view that the latter course is preferable in order to avoid overlap between the two policies. The EA proposal is also detailed in its content in relation to LDD preparation, and therefore more suited to inclusion in a thematic chapter than as an over-arching policy. However, the EA proposal does not cover all the matters in Policy QE9 and so is not appropriate as a direct replacement for it.

2.21. Turning to the detail of the EA proposal, it is important to recognise that because of its appearance relatively late in the process there has not been the same opportunity for considered comment as was the case with the Phase 2 Preferred Option Policies. This point was made by HBF, CPRE and others. We have reached our views on the policy having regard to the points made in discussion.

2.22. In relation to part (i) of the policy on WCS, the call by EA for all LDDs to be supported by a WCS is obviously a key requirement which needs to be reflected in RSS. As set out in the EA’s proposal, the scope for such studies encompasses almost all the “water environment” issues currently touched on by RSS Policy QE9, namely:

- Flood Risk Management – Strategic Flood Risk Assessment
- Surface Water Management (production of Surface Water Management Plans)
- Urban and Rural Pollution Management
- Water Resources and Water Supply
- Water Quality and Waste Water Treatment

2.23. Whilst WCS have already been undertaken in parts of the region, this is likely to be a relatively new and unfamiliar activity for many local authorities. It is one which requires specialist guidance and professional expertise. Birmingham City Council raised the question of responsibility and resources for carrying out WCS. The proposed policy does not

address this although it does say studies should be “in accordance with Environment Agency guidance and advice”. We consider it important that the supporting text to the policy should give clear pointers to the process and the guidance. This is not merely for the benefit for LPAs who may perhaps be expected to know what is involved, but also for other stakeholders in the LDD process.

2.24. The proposed Policy also says that local authorities “will then identify the environmental infrastructure needed to support new development.” We consider this to be unclear and potentially unreasonable. One would expect the WCS to identify infrastructure requirements arising from its findings, and water companies or other providers of such infrastructure, and the EA itself would also no doubt need to be involved. What does seem reasonable is that, however identified, the relevant infrastructure should then be shown in LDDs. Even this is not entirely straightforward as infrastructure needs, like environmental impacts, may cross administrative boundaries, and may be cumulative or shared between neighbouring authorities. This cross-boundary aspect, which is included in the first part of RSS Policy QE9, is missing from the EA policy, and we consider it needs to be covered.

2.25. Section (ii) of the EA proposal requires LDDs and decisions on planning applications to “adhere” to the actions and objectives of the Severn and Humber River Basin Management Plans (RBMPs). The status of RBMPs in relation to statutory planning decisions and LDDs is not entirely clear but we would question whether “adhere” is the best word in this context. “Take account of” or “have regard to” may be more appropriate.

2.26. EA revised section (iii) of the original proposal to withdraw the specific requirements in relation to the Code for Sustainable Homes, BREEAM or a specific 25% water efficiency target because they had been advised that such matters would be progressed under national legislation. We accept the revised version of this provision, although it is now devoid of specific targets.

2.27. Section (iv) on flooding and flood risk gives much detailed guidance on the approach, which we find in the main to be necessary and helpful. It provides policy content to go with the supporting text currently contained in RSS paragraphs 8.42 to 8.44. This was another policy gap in the RSS which was of particular concern to the EA. HBF and DLP were particularly concerned about the requirements of the policy to avoid development in areas of high risk which was seen as potentially too onerous. It was also argued that there is guidance in PPS25 that covers this issue. The PPS contains specific and detailed guidance about the approach to be followed in locating development to avoid and minimize flood risk, using a sequential test and an exception test. We do not imagine that EA intended its proposed policy to be more stringent than this, and nor have we seen evidence to suggest that the particular flood risk issues in the West Midlands require an approach which departs from the guidance in PPS25. In attempting to paraphrase the approach, however, we consider that the EA policy could give this impression. For the avoidance of doubt we conclude that this is an instance where a reference in the policy to the guidance in the PPS would be appropriate.

On a point of detail, the EA proposed policy says that LDDs should require sustainable drainage systems to be incorporated in all development “including existing ones”. There is, however, no means by which LDDs could actually do this, although they could seek to encourage it where new development may help to achieve it. Our recommendation amends the EA proposal to reflect this.

2.28. Turning to existing RSS Policy QE9, as we note above the opening section of the policy with its reference to cross-boundary coordination should be retained. In part A of the policy, most sections indicate a more strategic approach than that of the EA policy to issues such as water quality and water resources. On its own it lacks specificity, while the EA proposal gives direct guidance about how to deal with water related issues. The two approaches are complementary. Section A(iii) of Policy QE9 on protecting wetland species and habitats and section A(vii) on waterway corridors as a strategic resource are, as CPRE pointed out, not covered by the EA policy, although arguably the former is at least partly covered by the reference to RBMPs. However, most other parts of Policy QE9 would be overtaken by the content of the EA policy. For example, section A(v) of the Policy QE9 referring to sustainable drainage systems and Part B of the policy are, as EA pointed out, now out of date, and would be superseded by the EA proposed policy.

2.29. We therefore propose that the Water Environment section of RSS Chapter 8 should be expanded and Policy QE9 updated and amplified with new wording embodying the EA proposals on Water Cycle Studies. Leading on from that the RSS paragraphs on development and flood risk should include a new policy based on section (iv) of the proposed EA policy. Given that we recommend elsewhere that the current RSS Policy QE10 be renumbered and moved to the spatial strategy section of the RSS, this flood risk policy would become new Policy QE10. We recommend accordingly at **R2.4**, and **R2.5**.

2.30. We are conscious that in making these changes the Secretary of State would be introducing new policies into part of the RSS that was not subject to the Phase 2 revision but is scheduled to be revised in Phase 3. However, our proposal introduces material that has been duly considered in the Phase 2 EiP and widely agreed to be needed in the RSS at the earliest possible time. Moreover we have sought to integrate it with the existing RSS, alongside sections of the existing policy that should remain. We consider the changes we propose would enable the RSS to continue to be coherent and authoritative on key water related issues during the period between the Phase 2 and Phase 3 revision, which will be important for progress on LDDs. Nevertheless this part of the RSS remains within the scope of the Phase 3 revision, and if that process results in further development or refinement of the policies we propose, we do not consider that should be problematical.

2.31. Finally we have considered whether the above conclusions necessitate any changes to the Phase 2 proposed Policies SR2 and SR3. Section G of Policy SR2 lists various types of water related infrastructure that should be provided in order to deliver sustainable communities. This does not repeat or cut across anything in the water policies which we now recommend, and we see no reason to change it. Section G of Policy SR3

includes references to water conservation and water efficiency standards identical to those in the original version of the EA proposed policy. As we note above, that is no longer supported by EA and we have recommended adoption of EAs new version. There is no need to duplicate that in Policy SR3, and we conclude and recommend accordingly in the next section of this chapter, dealing with Policy SR3.

Sustainable Design and Construction – Policy SR3

2.32. While again this over-arching policy received widespread support in principle, there were sharp disagreements over particular aspects. Representatives of development interests felt that there would be confusion and duplication with different non-statutory requirements being overlain on top of the requirements of the GPDO, Building Regulations and Code for Sustainable Homes. Indeed HBF, Barton Willmore and others suggested that most if not all of the policy should be deleted as contrary to the advice of PPS1 paragraph 30 that planning policies should not seek to duplicate the requirements of other legislation. Conversely some LPAs (with the notable exception of Walsall MBC), certain statutory consultees and amenity bodies strongly supported the additional or accelerated requirements in the Preferred Option, with some such as the TCPA wanting to go further. Sustainability West Midlands, while supporting the overall thrust of the policy, suggest that it is confusing in its present drafting in so far as action at an area level and action on individual developments are inter-mingled and that it should be clarified. The GOWM approach is that it would be inappropriate to seek to accelerate progress towards national zero carbon targets for house-building and other development on a regional basis and that such action and introduction of Merton-style renewable energy policies should be justified at the DPD level as advised in the PPS1 Climate Change Supplement. Thus, any reference in the RSS to Merton-style targets should only be regarded as interim policy pending adoption of Core Strategy DPDs.

2.33. Looking at the various sub-sections in turn, the development industry generally sought exclusion of reference to the West Midlands Sustainability Checklist for Buildings from Sub-section A because it had not been subjected to examination like an RSS or DPD. However, AWM strongly supported retention of references as the Checklist had originally been commissioned from BRE by CLG and had then been refined by AWM to make it regionally specific. There were suggestions instead for inclusion of references to BREEAM but that would be to introduce even greater confusion between assessments of layout and overall development and standards applicable to individual buildings as well as duplicating national policy. There were requests from a significant number of LPAs to lower the threshold given the extent of development on windfalls but equally development interests and Walsall MBC were concerned to avoid undue burdens on development. WMRA suggested that one way to avoid duplication would be to exempt developments that are required to submit Design and Access statements from the requirement as the requisite matters ought to be covered in such statements. While superficially attractive, this does not seem to be a wholly appropriate solution as the GPDO requires Design and Access Statements for all development other than for changes of use, mining and engineering operations and development of an existing dwellinghouse or within its curtilage.

Consequently all operational development involving new buildings would be exempt from the Checklist requirement. However amending the policy to relate the requirement to the content of Design and Access Statements would meet the threshold concerns and avoid duplication. We recommend accordingly at **R2.7** together with insertion of additional supporting text in paragraph 2.27 at **R2.6**. Retention of the principle would add regional specificity and encourage movement in the direction of sustainable development. HCA see delivery of development to the 'good' or 'best practice' standards of the Checklist as an appropriate aspiration.

2.34. With regard to Sub-section B, the development industry generally sought exclusion on the basis that LPAs should not abdicate their responsibilities to third parties. However, English Heritage, CPRE and others strongly supported inclusion of reference to CABE's Building for Life standards in view of the observed poor design quality of much recent development in the West Midlands. WMRA and LPAs stressed that it would be the LPAs that would be making the judgements. As a consequence, we can see no reason for excluding this attempt to raise design standards and increase regional distinctiveness as this is fully in line with the guidance of PPS1. We simply recommend correction of the terms included to refer to the standards at **R2.7**.

2.35. The position with regard to Sub-section C is somewhat different in so far as the Government has re-iterated its intentions to move towards zero-carbon development by 2016 through modifications to the Building Regulations. The advice in PPS1 Climate Change Supplement is that any accelerated progress towards these targets would need to be locally justified in DPDs. In our view the desirability of making progress across the region is not in itself the kind of justification that would be required at local level and the reference to European designations in the supporting text would clearly not apply universally across the region. We therefore recommend re-casting this sub-section so that it becomes simply a reference to what DPDs may propose. As for Sub-section D on Merton-style targets for local generation of renewable energy, as GOWM indicates this too is stated in PPS1 Climate Change Supplement as requiring justification at local level in DPDs. However, it was generally agreed that across the UK the 10% level specified will normally be viable and GOWM accepted that the policy could be retained on an interim basis pending adoption of DPDs. We recommend accordingly amended words to this effect and responding to concerns over reference to purely on-site provision and inclusion of low carbon as opposed to purely renewable sources at **R2.7**. While we can understand the Preferred Option reference to low-carbon given the view expressed by Sustainability West Midlands that there might need to be interim gas-fired local energy networks, it does not seem necessary to us for such possibilities to be included in policy. It would be open to developers to propose such gas-fired CHP systems under Sub-section E or to argue that they would be an appropriate solution rather than use of renewable sources in order to secure viability for a particular development. WMRA accept that off-site provision may be sometimes more appropriate.

2.36. We do regard Sub-section F as providing regional specificity and as an important contribution to sustainable development given the degree of urban renewal anticipated under the spatial strategy. Sub-section G

could have been argued as justifiable to secure a particular aspect of national BREEAM standards (and comparable standards for other development) relating to water conservation given the location of much of the West Midlands on the watershed between the Severn and the Trent and the consequent care that is required over water resource issues. This was a particular feature of EA representations. However, EA accepted that it was inappropriate to seek to impose national standards at regional level where action is intended through national legislation. It would therefore be inconsistent to retain this sub-section as drafted. SR3 G and H are now covered in more detail by our new Policies QE9 and QE10, so all that is needed in SR3 is a strategic reference to the approach to be applied. We therefore propose replacement of Sub-sections G and H with a new section saying: "Ensuring all development adopts a sustainable approach to water resources, water quality, drainage and surface water management, in accordance with Policies QE9 and QE10".

2.37. Birmingham City Council suggested an additional sub-section to address waste management and re-cycling facilities and this is accepted by WMRA. We entirely agree to its importance and recommend appropriate wording at **R2.7**.

2.38. Finally, there is the question of retro-fitting existing buildings. As with SR1 we accept the view of a number of respondents and WMRA that strengthening is required for this strand of the policy. We consider that that this would best be achieved by making it a separate paragraph of the policy as opposed to a sub-section governed by the initial preamble. That preamble refers to new buildings and is therefore not an appropriate preface to policy concerning existing buildings. We recommend separation at **R2.8**.

2.39. GOWM have suggested that this policy and Policy SR1 would wholly subsume Policy EN2 - Energy Conservation and that EN2 could therefore be deleted now rather than awaiting the Phase 3 revision. Certainly there would be very substantial overlap with various sub-sections of these policies including SR3 E. However, EN2 is written in a very succinct form that may be a sharper pointer to key matters needing to be addressed than the lengthy overriding policies. Moreover, the supporting text for EN2 contains the kind of regional specificity in the examples given that is generally sought and it would be counter-productive to lose this material along with the Policy. On balance we make no recommendation for deletion, considering that this would be best addressed as part of the Phase 3 Revision.

Spatial Strategy Principles

2.40. From the outset WMRA emphasised that the principles of the spatial strategy were not subject to review or revision in Phase 2. They attached great importance to the fact that the existing strategy had been tested through an EiP process and approved by the Secretary of State as recently as 2004 and again in the Phase 1 revision of 2008 (although the latter can hardly be said to have been a test of the whole spatial strategy since Phase 1 was limited to policies for the Black Country). This would not have been a matter of any controversy, were it not for the tension that emerged between WMRA's proposals in the emerging Phase 2 revision and the Government's housing growth ambitions, as reflected in

PPS3 and in the Housing Green Paper of August 2007 (CD217). The timing was unfortunate, in that work was already well advanced on the RSS Phase 2 Preferred Option by October 2007 when the NHPAU's regional supply range advice emerged in draft (CD174). WMRA pressed the Phase 2 Preferred Option to its conclusion and submitted it in December 2007.

2.41. The Government took the view that the Phase 2 proposed housing provision of 365,600 additional dwellings between 2006 and 2026 did not adequately address the scale of housing increase now seen nationally as needing to be provided. It therefore commissioned Nathaniel Lichfield and Partners (NLP) to do a study of options for accommodating higher levels in response to the NHPAU advice, so that the results could be considered through the EiP in testing the adequacy of the submitted housing provision. The resulting report (CD178) finally appeared in October 2008, and the RSS Phase 2 consultation period was extended to 8 December 2008 to enable respondents to comment on it. The impact of that on the phased revision programme is discussed in the previous Chapter. The stance of WMRA and that of CLG towards the NLP exercise and its effect on the process, as reflected in correspondence between the Assembly Leader and Ministers, are a matter of record and the relevant papers are in the EiP document library list. Our reason for mentioning it here is that the only challenge to the spatial strategy and its core principles, if indeed there is one, turns on this question of the housing provision.

2.42. The range of views on this broad issue includes:

- resistance against higher housing provision in order to defend the RSS principles and objectives against change or weakening;
- the view of some development sector participants, and to a degree of GOWM and NLP, that higher provision can and should be made without affecting the RSS principles and objectives;
- the view of other development sector participants, also imputed to NLP, that the RSS principles and objectives need changing, or loosening in their application, in order to deliver higher housing provision;
- the view of CPRE and others that the RSS principles and objectives are already undermined by the Phase 2 proposals and that housing provision should be lower.

2.43. WMRA's position was that there should be no departure from the principles and underlying objectives underpinning the "step change" for the region endorsed by Ministers in 2004. The Guiding Principles are set out in Annex A to both the existing RSS and the submitted Phase 2 revision. WMRA stressed the Minister's statement in approving the existing strategy that *"the spatial strategy for the region is now defined"*. However, the purpose of the NLP study was stated by GOWM as being *"to identify options and broad locations for delivering higher housing numbers ... while maintaining as many of the principles of the RSS as possible."* This was taken to imply that Government considers some of the principles of the RSS could indeed be sacrificed in pursuit of higher housing numbers. Thus the NLP study was widely seen as an attack on the existing RSS and its priority for urban renaissance and the MUAs, and as

potentially shifting the balance of growth away from the MUAs back to the shire areas.

2.44. Much of the controversy centred on arguments about migration. The previous era (i.e. before the 2004 RSS) was characterised by continuing decline in the MUAs, extensive development outside them and out-migration from the MUAs to the shire areas. The “step change” sought by the new strategy was to reverse these trends by a new emphasis on urban renaissance, focussing development and regeneration in the MUAs and stemming the loss of population and jobs to the shire areas – an approach that the Phase 2 revision seeks to reinforce. WMRA and local authorities, both within the MUAs and in the shires, argued strongly at the EiP that providing more housing in areas of high demand outside the MUAs would encourage out-migration and undermine urban renaissance. WMRA found themselves defending the Phase 2 housing provision of 365,600 on the basis that any higher figure would go against the strategy. WMRA’s risk assessment and its update by Alan Wenban Smith (CD12, CD22) argued that over-providing land for housing – that is providing land for more new homes than required to meet “effective demand” - would lead to “cherry picking” by developers of greenfield sites in preference to urban previously developed land, diluting the focus on the MUAs and posing a risk to the strategy.

2.45. On the issue of migration, the “Migration Report” prepared for WMRA by Worcestershire CC (CD234) identified clearly discernible historic trends and much detail about the origins and destinations of migrating households in each part of the region. While this may be seen as showing the historic trend of migration from the MUAs, it does not seek to attribute causes to this in terms of housing availability and housing development. NLP’s review of the evidence looked for any sign of a relationship between migration flows and levels of house building. This led them to conclude that there was no evidence that increasing housing supply outside the MUAs increases out-migration. At an overall level, migration in all directions is influenced by a wide variety of factors, including general economic ones, and house building likewise reflects a variety of influences but not necessarily in the same way. Given the amount of “noise” in the statistics, it is not surprising that no simple correlation emerges between migration flows and house building in the receiving area. Whether that lack of evidence provides a basis for deciding, as NLP seem to have done, that it is safe to discount this as a factor in considering possible locations for new housing is another matter.

2.46. WMRA pointed to evidence from more local studies (CD246) of a direct relationship between housing completions in districts adjacent to the MUA boundary and migratory movement across the boundary into those districts. That also is unsurprising as new housing close to the boundary, available to the local housing market of the MUA, will obviously attract house-buyers from that market. Sites for such housing will also be attractive to developers, competing directly against sites within the MUA including brownfield sites, and in that way potentially undermining their viability and the priority for urban renaissance. This issue arose for example in the context of housing in Staffordshire, both as between the Black Country MUA and South Staffordshire and between the North Staffordshire MUA and surrounding rural areas, as we discuss in Chapter

8. The local housing market effect, particularly where it relates to commuting back into the MUA, decays with distance from the MUA. There is in our view an important distinction to be drawn between avoiding adverse effects from development in locations close to the MUAs on development in the MUA, and seeking to restrain growth in towns remote from the MUA in the hope of influencing migration flows on a regional scale and encouraging growth in the MUA.

2.47. The migration argument may be, as Alan Wenban Smith suggested in the discussion of Matter 2B, something of a “red herring”. Without anticipating our conclusions later in this report, we find no reason to assume that meeting higher housing needs in the region necessarily involves any departure from the principles of the RSS or weakening of the spatial strategy. We do not challenge NLP’s view that the evidence does not suggest that the proposed figure of 365,600 is a “tipping point” beyond which any addition must damage the strategy. However, nor do we accept that any addition necessarily involves a move away from the MUA/ SSD focus of Phase 2. That is a question to be explored and tested in considering particular options, which we do in Chapter 8. As far as the NLP proposals go, we do not approach either the nine options or the three scenarios put forward by NLP as alternatives to the RSS spatial strategy. Rather, like the various submissions of the development sector, they provided a menu of specific proposals to be looked at and tested through the EiP process, which is what we did particularly in Matter 8. Moreover a key part of that testing must be the extent to which such proposals would contribute to fulfilling the principles and objectives of the RSS.

2.48. Some respondents to the Phase 2 revision have interpreted the principles of the spatial strategy as entailing restraint of development in the shire areas in order to favour urban renaissance. There is a widespread perception that growth away from the MUAs, particularly in the southern part of the region, is inimical to the interests of the MUAs, attracting out-migration and detracting from development and regeneration within them. This led to arguments against the scale of growth being proposed in Phase 2 for the shire areas, particularly in the Settlements of Significant Development (SSDs). In this respect CPRE and others saw the Phase 2 revision as departing from the aims and principles of the strategy. WMRA and the local authorities tended to see the Phase 2 proposals as taking forward the priority for urban renaissance but at the same time responding to development needs and potential throughout the region. This was, however, accompanied by a degree of caution over the planning and phasing of development to avoid the MUAs being undermined by development outside them. Walsall MBC went as far as to suggest a tighter version of the phasing Policy CF4 that would hold back development in the shire areas if progress was not being achieved in the MUAs.

2.49. We do not find that the principles set out in Annex A and in the spatial strategy paragraphs in Chapter 3 of the current RSS see the renaissance of the MUAs as dependent on restraint of development elsewhere. Principle A talks of stemming the decentralisation of people jobs and other activities away from the MUAs by improving the quality of the urban environment as a whole. It also mentions making the best use of existing urban capacity and giving priority to promoting brownfield

development. Elsewhere the principles support encouraging economic growth and increased prosperity in all parts of the region (our emphasis) in line with the Regional Economic Strategy (RES) and the RSS. The concepts of balance and complementarity between each part of the region are reflected there, but not a preference for restraining growth in some parts in order to support others. We also find that the RSS and RES are complementary in seeking to support the growth and regeneration of the region as a whole, while maintaining a particular priority for the MUAs, where the majority of the region's people live.

2.50. Many participants, including TCPA, NHPAU and development sector representatives, but also CPRE, FoE and others concerned with the environment, argued that the key to urban renaissance is to make the urban areas themselves sustainable, successful and attractive places to live and work. That priority is in turn reflected in the investment programmes of AWM and of Government, for example through the housing market renewal pathfinders, priorities for bringing forward urban regeneration sites, and in the Regional Funding Advice, which strongly focuses infrastructure investment priorities on the urban areas and on patterns of development which support the strategy. There is thus a strong synergy between the RSS and public investment priorities for the region.

2.51. Our overall conclusion from this part of the debate, which we have revisited after reaching our conclusions in Chapter 8 and elsewhere in this report, is that the principles and essential spatial strategy of the RSS remain sound and do not need changing in order to meet the housing and other challenges now confronting the region. Now, however, we need to consider more specifically the way the spatial strategy has been developed in the Phase 2 revision proposals.

Spatial Strategy Objectives

2.52. In the light of WMRA's assertions about not revising the spatial strategy, it is perhaps surprising that the Preferred Option document contains an extensively re-written Chapter 3 on the Spatial Strategy, including some changes to the Objectives in paragraph 3.9 relating to Green Belt boundary adjustments in order to allow for the most sustainable form of development. We discuss this Green Belt aspect in Chapter 8 when considering the sub-regional aspects. We conclude there that Green Belt boundary changes will be required in a limited number of situations and may be appropriate in some others, in order to provide for the most sustainable form of development to meet housing needs. However a key conclusion that we come to is that those situations should be specified in the RSS and that the general provision allowing for boundary changes indicated by supporting paragraph 6.25 should be removed. The revised objective at 3.9(d) needs to be amended to reflect this rather less open-ended approach to Green Belt boundary changes. This is covered in our recommendation **R8.2**.

2.53. Other adjustments to the RSS Objectives were suggested to bring them up to date and into line with the latest national policy context. These were to do with climate change and other issues identified in the new over-arching policies, and meeting housing needs. On climate change most participants agreed that this would be appropriately covered

in Policy SR1 as discussed above. To carry this directly into the spatial strategy WMRA and the same participants also agreed that an additional objective would be appropriate. We also take the view that the objectives would be incomplete without this and recommend adding one based on the suggestion of the EA at **R2.9**.

2.54. Another key over-arching issue which, as identified in paragraphs 2.18 – 2.29 above, is sufficiently important to need to be addressed now and not left until Phase 3 is that of ensuring that the region's development is sustainable in terms of water supply and water quality issues and avoiding increasing flood risk. This also is missing from the existing list of spatial strategy objectives, an omission which we recommend is addressed by a simple addition to the list, at **R2.9**.

2.55. The housing objective was only a little more disputed. Arguably there are references among the various objectives in paragraph 3.9 to meeting development needs. But NHPAU argued strongly that the RSS should have an explicit objective to address the Government's key housing goal to *"ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live"* (from PPS3 paragraph 9). NHF and others agreed that it should be a key aim of the spatial strategy to provide housing of sufficient quantity and quality meet housing demand and need in the region. Without it the objectives were unbalanced and the RSS was out of accord with national policy. WMRA also accepted that a housing objective would be appropriate although, as noted in document EXAM45, in agreeing to this they would not want to lose the focus on existing dwelling stock in meeting housing needs. We conclude that a simple objective for meeting housing needs should be added to the list. This is covered in our recommendation **R2.9**. Although the objectives in paragraph 3.9 are not stated to be in any priority order (and in our view it is right that they should not be), in view of the over-arching nature of our three recommended additional objectives, we propose that they become the first three in the list. We note in passing that in addition to the region-wide spatial strategy objectives, paragraph 3.14A of the current RSS includes separate objectives for the Black Country, which need to be associated with the regional objectives in paragraph 3.9.

2.56. In giving effect to the objectives, paragraphs 3.10 to 3.12 set out the key features of the spatial strategy, concentrating development on the MUAs, and explaining the policy principles that would apply in areas beyond them, including the focussing of development in and adjacent to towns which are most capable of balanced and sustainable growth. Ten towns so identified are designated "Settlements of Significant Development". We consider the particular issues relating to SSDs in the next section. Generally, although CPRE and others have criticised the strategy for focussing development on other settlements as well as on the MUAs, it must be recognised that the region will not be able to channel all its economic growth and development needs solely into the MUAs. They simply do not have the physical capacity to do that, or indeed for large parts of the Metropolitan area (i.e. Birmingham and Solihull) to accommodate all the needs they generate. It must also be recognised that many towns outside the MUAs are substantial urban areas in their

own right, with their own housing and economic development needs and growth dynamics which are a significant part of the region's economy.

2.57. As we understand it the key locations for significant development outside the MUAs, centred on SSDs, are intended to complement the MUA focus. In contrast to CPRE's concern about undermining the Urban Renaissance strategy, some development interests sought a looser framework which would enable more development in all parts of the region, particular those in attractive markets. They argued that movement out of the MUAs was the result of demands and aspirations that should be met by development outside the MUAs. We take the view, however, that seeking to improve the attractiveness of the MUAs themselves and not giving free rein to obvious counter attractions to them is an appropriate policy response to one of the central objectives of the strategy. We conclude that the spatial strategy makes the right balance between providing a strong focus on the MUAs and recognising the needs and growth role of the region's other major settlements, while at the same time giving a firm steer to development in support of urban renaissance. This is complemented by references to rural renaissance, which we also refer to in paragraphs 2.75-2.76 below. Overall we conclude that the spatial strategy as set out in the Preferred Option forms a sound basis for pursuing the objectives and meeting the identified needs. In the light of the examination of sub-regional issues in Chapter 8 we find the approach to be generally robust, more so perhaps than implied by WMRA's own arguments against making higher housing provision for fear of damaging the strategy. However, the strategy raises some more specific issues which we consider below.

Role and Status of the Spatial Strategy

2.58. Throughout the EiP it was evident that WMRA, with support from planning authorities across the region, attach great importance to the spatial strategy and its principles. It is seen, rightly in our view, as being at the heart of the RSS and the influence it should have on the region's development, not only for housing but also employment and the strategic priorities for infrastructure. This was behind WMRA's insistence on having it considered ahead of housing provision issues in the EiP. Against that background we were not alone in being surprised that no part of the key chapter, Chapter 3, is distinguished as policy. A key component of the spatial strategy, the designation of the SSDs, is in fact given in a housing policy in Chapter 6. This is Policy CF2, entitled "Housing beyond the MUAs". This belies WMRA's protestations that the strategy is not just about housing, although a mention of the SSDs is also proposed to be inserted in the Prosperity for All Policy PA1. More specific policies within the spatial strategy, including the priorities for different parts of the region and the need for Green Belt boundary changes, whilst duly included in the Spatial Strategy chapter, are all conveyed in the lengthy proposed additional paragraphs of supporting text. The result of all this, in our view, is that the presentation of the spatial strategy lacks clarity, and needs to be pulled together within Chapter 3 and picked out from the mass of supporting text. Our recommendations in Chapter 8 propose a series of Spatial Strategy Policies (SS2 to SS13) to bring out the essential policy approach applying to specific parts of the region, although intentionally they do not provide blanket sub-regional policy coverage. To

provide a framework for these policies, we propose that the essence of the spatial strategy should be set out in a leading strategic policy, SS1. This is drawn from the explanation in supporting paragraphs 3.10 to 3.12 and is the subject of our recommendation **R2.10**.

2.59. We turn now to the sub-regional and locationally specific issues surrounding the spatial strategy. In Chapter 8 we assess the implications in the various sub-regions, in as far as such can be discerned in the West Midlands, and recommend appropriate sub-regional text and policy. There are however a number of locationally specific issues that are not strictly sub-regional in nature but rather matters arising out of policies that have general applicability but only affect particular towns or proposals or would be most relevant only in certain parts of the region. These relate to the definition of SSDs, the appropriateness of considering the role of new settlements and the need for greater emphasis on achieving rural renaissance. In the remainder of this Chapter we deal with these three matters.

Settlements of Significant Development (SSDs)

2.60. A number of respondents including CPRE questioned the rationale behind the concept of SSDs. It was argued that because these settlements would be accommodating more than their own local needs they would be undermining the regional spatial strategy. By enabling some migration still to take place it was suggested that they would be diluting rather than reinforcing the emphasis on urban renaissance. The previous concept of Sub-Regional Foci was preferred. Moreover, it was claimed that there was no definition of the SSD concept in the RSS and consequently that the selection of the additional settlements over and above the previous Sub-Regional Foci was arbitrary.

2.61. WMRA staunchly defended their reasoning. In the context of their original intention to seek to meet regional housing need as then discerned, they suggested that the designation of SSDs recognised the reality that sufficient capacity could not be found solely within the MUAs. To the extent that it is short-range migration that WMRA consider to be most inimical to urban renaissance, the SSDs were selected for additional growth as they are much further from the MUA than most of the former crescent towns to which overspill had been encouraged in the past. The designation of SSDs still left the strategy to achieve the desired step change in reducing outward migration from the MUAs intact. CPRE disputed this argument as over 50% of new development would be outside the MUAs. However, we were satisfied that the strategy would still be placing emphasis both in terms of numbers and priorities for infrastructure and other investment within the MUAs while at the same time providing a means through which housing need throughout the region can be fully addressed. Paragraph 3.11 of the Preferred Option states the principle on which the SSDs have been chosen – namely those towns which are regarded as most capable of balanced and sustainable growth to complement the role of the MUAs. This principle is further expanded upon in the five requirements referred to in Policy CF2(A) all of which we take to be necessary for designation as a SSD. We note again a certain complementarity between RSS and RES.

2.62. We can see that the description and requirements cover the majority of the settlements that have been translated from Sub-regional Foci (Hereford, Shrewsbury, Telford, Worcester and Rugby). Most of these (Hereford, Shrewsbury, Telford and Worcester) and some of the other additions (Burton upon Trent/East Staffordshire and Stafford) have been selected as New Growth Points (NGPs) alongside parts of the MUAs and this reinforces their credentials as SSDs. WMRA indicated that where there may be more flexibility in terms of strict application of the definition is within the CSW area as this has a bespoke sub-regional strategy which determined the settlements to be identified for growth as SSDs – primarily those on a north-south axis centred on Coventry including Nuneaton & Bedworth and Warwick/Leamington.

2.63. The question we have to answer is whether all the 10 so identified can be said to meet the specified general criteria, including the towns identified within the bespoke CSW sub-regional strategy. Worcestershire County Council, Redditch Borough itself, Bromsgrove District Council (the Authorities) and a number of other respondents all opposed the designation of Redditch as a SSD. This is addressed more fully in Chapter 8, but the gist of their arguments is that as Redditch will not be meeting more than its own local development needs and can only meet these by cross-border developments within neighbouring authorities it should not be given a designation that implies an expectation of meeting development needs of a wider area. Given that it is relatively close to the MUA as a former crescent New Town, the designation could be seen as having connotations of continued migration contrary to the spatial strategy imperative of securing urban renaissance within the MUAs. We found this argument to be of compelling logic. Accordingly Redditch is omitted from the list of SSDs in our recommendation **R2.10**.

2.64. WMRA sought to resist the deletion of Redditch because of the scale of the housing growth still envisaged there, as consequence of the population structure arising from the former New Town status, but we did not see that as a justification for departing from the general SSD concept, albeit that in local terms the growth envisaged should be reasonably balanced. The Authorities suggested that even retail and office development to fulfil its strategic centre role would be likely to be overshadowed by development within the MUA. WMRA were prepared to accept additional supporting text describing the particular strategic centre role of Redditch in paragraph 3.65 but we do not see this as necessary as a number of Strategic Town Centres designed under Policy PA11 are not within SSDs and some both at other settlements outside the MUAs or comprising lesser sub-regional centres within the MUA will be within the hinterlands of either the Metropolitan Centre itself or of the defined Major Sub-regional Centres. Redditch would become one of the other urban areas and market towns referred to in Policy CF2(B) that would be identified for balanced opportunities for growth alongside other designated strategic sub-regional centres like Stratford-on-Avon and Lichfield and smaller market towns that may be identified in LDDs. As discussed below, there was some criticism of the inconsistent terminology for these locally identified settlements between the policy and supporting text and our recommendations at **R2.10** and **R2.11** also seek to address these concerns.

2.65. The specific identification of other SSDs was not seriously challenged even if concerns were expressed as part of the general opposition to the concept. Warwick/Leamington is relatively close to Coventry and part of a District that will be accommodating growth below historic trend. However, as part of the north-south axis of development it will still be facilitating major growth on the edge of the Coventry NGP and also intending to expand the linked towns of Warwick/Leamington to a significant extent within its own authority area. Nuneaton & Bedworth is also a Borough abutting Coventry. In this case it will be providing for more than its own local growth and trend growth as part of the step-change strategy to concentrate development in the north of the CSW area even without taking account of the proposed cross-boundary development for the Coventry NGP. We did float the idea that it might be more logical to consider Nuneaton & Bedworth as part of the MUA, as Newcastle-under-Lyme is within the North Staffordshire Conurbation, as it is has a local regeneration zone designated within it. However, this concept was not taken up by any of the relevant authorities or WMRA. As the contiguous part of the Borough is Bedworth rather than the strategic centre of Nuneaton, we do not propose any change with regard to the status of these two SSDs in this RSS Revision.

2.66. As for possibilities for promotion to SSD status, the one candidate canvassed by a number of development interests was Stratford-upon-Avon so that it might act as a focus for greater housing provision and economic growth in the south of the region. It could also be seen as an extension of the CSW North-South growth axis. We can see the attraction of this possibility given the very large proportionate shortfall against trend growth in this part of the region, but there were two main reasons for not recommending any change in status at this time. Firstly, there is the relatively small size of Stratford which at 23,000 population is only just over half the size of the smallest SSD that has been designated. On its own this might not prevent consideration as there will always be a smallest SSD. However, there were a considerable number of respondents including local amenity groups as well as the District Council and Warwickshire County Council who questioned the ability of the town to absorb substantially increased development without harming its key international tourism role and its historic heritage and/or without requiring a level of infrastructure that did not appear likely to be fundable. We have recommended in Chapter 8 that there should be further study of whether there are sustainable means of increasing housing provision in Stratford-on-Avon District in the period 2021-2026. Pending the outcome of such a study we make no recommendation for SSD status for Stratford-upon-Avon town, notwithstanding the acute need for additional affordable housing to support the service and tourist industries of the District.

2.67. The terminology of the RSS caused confusion among some participants over the approach to settlements below the SSD tier. "Other large settlements" are depicted on the Spatial Strategy diagram on page 48, but not referred to in the text, although there are references in paragraph 3.12 to "other settlements" and also to "market towns and larger villages". Policy CF2, in section B also refers to "other urban areas and market towns". WMRA explained that the "Other large settlements" are identified purely for the purpose of the RSS waste policies as broad

locations for waste management facilities. There is no intention for RSS to define a further tier of settlements below the SSDs, this being a matter for local decision through LDDs. We accept this and consider that to make it clear the "Other large settlement" notation should be removed from the spatial strategy diagram on page 48 (it would still be shown on the waste strategy diagram on page 161). References in the spatial strategy would then be standardised as "other urban areas" to be identified in LDDs. This is reflected in our recommendation **R2.10**.

New Settlements

2.68. Those acting for the promoters of the Middle Quinton Eco-town, a possible new settlement at Throckmorton Airfield, the Curborough Consortium's new settlement proposal near Lichfield and rather less defined possibilities on the Harbury Estate near Leamington all argued that the present antipathy towards new settlements in the RSS should be changed. TCPA also argued that the potential role of new settlements should be allowed for. They drew attention to the reference at paragraph 5.17 of the RSS that states "*It is not envisaged that any new villages will need to be developed*" and to the evident hostility of WMRA towards any consideration of new settlements. This was argued to be contrary to paragraph 37 of PPS3.

2.69. We pressed WMRA on the degree of their opposition to new settlements given that the text at paragraph 5.17 appears a relatively neutral statement of fact. From the copies of conformity advice given to Stratford-on-Avon, Wychavon and Lichfield District Councils and comments made at the EiP it would appear that the opposition towards consideration of new settlements is stronger than appears on the face of the RSS and is in fact contrary to PPS3 as that requires consideration to be given to the possible role of new settlements. The opposition appears to stem from a philosophical position that provision of a new settlement must inevitably undermine urban and rural renaissance.

2.70. Some of those acting for new settlement promoters proposed new text that would explicitly require consideration of new settlements as a means of meeting provision requirements, arguing that would be consistent with PPS3. They stressed that they were not seeking any specially privileged place for new settlements but rather a level playing field on which the relative merits in terms of sustainability could be assessed in Core Strategy DPDs between urban extensions and new settlements wherever suitable urban PDL is insufficient to provide for requirements. The extent of acceptance by interest groups and individuals of this basic premise was perhaps surprising. Supporters in addition to TCPA included BARD, the organisers of the campaign against the Middle Quinton Eco-town proposal and Beryl Metcalfe. GVA Grimley for QinetiQ, promoters of the Throckmorton Airfield new settlement proposal drew attention to the extent of support for the new settlement option in the Joint Core Strategy Issues and Options consultation for the South Worcestershire Authorities.

2.71. GOWM indicated that should the Panel be convinced of a need for a new settlement in a particular locality then this should be explicitly recommended to guide DPD preparation. Our position is that we consider that the case that new settlements have a role to play is unproven. We

accept that they may have such a role, but not necessarily that they do have a role. Provided that they would be at least as sustainable as urban extensions in any particular locality then clearly they ought to be an option to be considered in accordance with the guidance of PPS3. Thus we do recommend at **R2.12** deletion of the final sentence of paragraph 5.17, but we do not recommend any insertions explicitly to repeat the advice of paragraph 37 of PPS3 as such national advice would apply unless explicitly set aside by justification in the RSS.

2.72. We address the particular proposals that have been advanced in Chapter 8. Suffice it to say here that we were not convinced that Middle Quinton would represent a particularly sustainable solution towards meeting the very evident housing needs in the southern part of Stratford-on-Avon District. We accept that it could still be proven to be the best long-term option for increasing the supply of development land, but it would need proper testing against other development options for the District including the other somewhat ill-defined new settlement proposals that have been advanced in the context of the RSS Examination. Consequently, therefore, we make no recommendation to endorse that proposal.

2.73. As for Throckmorton, it is more closely related to Pershore, one of the settlements proposed in the emerging Core Strategy for the South Worcestershire Authorities under Policy CF2 for balanced growth, than Middle Quinton is to Stratford-upon-Avon. Should any of the more compact urban extension proposals being canvassed in the draft Preferred Option for that Core Strategy prove not to be feasible it could warrant evaluation in terms of relative sustainability but given the options that are seemingly available to the three LPAs we do not see the need for any strategic direction in the RSS.

2.74. The position at Lichfield is more complex in so far as the most recently approved Staffordshire and Stoke Structure Plan endorsed a new settlement proposal on Fradley Airfield to the North East of the City of Lichfield and this proposal still has significant local support from Lichfield Civic Society as the most appropriate means of meeting the long-term development needs of the locality. The proposals from the Curborough Consortium that were current at the time of the EiP are not the same as those previously endorsed at Fradley but relate to land mainly to the west of the airfield, i.e. to the north-west of the City rather than to the north-east adjacent to the A38 and rail line between Lichfield and Burton on Trent as previously considered. A further complication is proposals put forward for an urban extension at Streethay at the north-east corner of the City adjoining Lichfield Trent Valley rail station. Our conclusion in Chapter 8 and recommendation **R3.1** for changes to Policy CF3 Table 1 would mean that there would be a proper context in which to consider the optimum urban form for long-term development to the north of the Lichfield, be that an urban extension, a new settlement or a combination thereof appropriately linked to the strategic transport network. We see no reason for the RSS to pre-empt decisions that can properly be taken in the context of the Core Strategy DPD with the higher ceiling we propose and the rider that development could extend beyond the plan period enabling proper long-term consideration. Consequently even in the Lichfield locality we see no reason for the RSS explicitly to endorse or

deny a new settlement solution. However, on the basis that with our recommended changes the RSS would be open to new settlement proposals should they emerge as sustainable options through the LDD process, we would expect the behaviour of WMRA over RSS conformity to maintain a similarly open mind.

Rural Renaissance

2.75. There was a widespread feeling in the discussion at the EiP that the RSS does not propose enough action to further rural renaissance. It was of particular concern that the rural renaissance policies are not being revised in Phase 2 but are only to be considered on a selective basis in Phase 3. Only the challenge in paragraph 3.5 in relation to rural renaissance is proposed for revision in Phase 2. There was a general welcome to this widening of the attention that should be paid to rural areas and some suggestions that the text could be further strengthened. However, to widen these challenges significantly further would introduce potential for overlap and duplication with the spatial strategy objectives set out in paragraph 3.9 as well as with Chapter 5 that is not proposed for revision at this stage. We have recommended some additions to those objectives earlier in this Chapter and do not consider that other changes would be warranted at this stage in advance of the Phase 3 revision to the challenges and objectives to address rural issues more fully. The Phase 3 Revision should be able to take account of all the recommendations of the Taylor Review and the government's response thereto.

2.76. Indeed, notwithstanding the generalised expressions of concern, CLA and West Midlands Business Council accepted that the rural renaissance policies are fundamentally sound with the vibrancy of the rural economy acknowledged in RES as well as RSS in the revised rural renaissance challenge in paragraph 3.5. The key issue perceived was a failure to carry through such positive support into LDD preparation and development management contexts in some localities, a matter outside the scope of the RSS revision. While CLA suggested that issues extended beyond the rural west and the northern and southern extremities of the region into rural parts around and even within MUA authorities such as Solihull, we consider that there are different sub-regional contexts for the way in which housing, for example, can be addressed in Green Belt localities hard against the metropolitan conurbation edge as compared to rural localities far from the MUAs. We consider these matters more fully in Chapter 8 and do not consider that any general revisions to the RSS are warranted in Phase 2 to address rural issues given the programmed scope for this revision.

Recommendations

Rec Number	Recommendation
R2.1	In paragraph 2.4 b) insert "low carbon and climate adapted" between "diverse" and "economy" and in 2.4 g) add at the end "which ensures a strong, healthy and just society living within environmental limits";

Rec Number	Recommendation
	<p>In paragraph 2.16 insert "national," between "broader" and "regional"</p> <p>Add new paragraphs after paragraph 2.19 (1) to draw attention to the RES 'Connecting to success', the UK's first low carbon regional economic strategy and its associated delivery framework and its key components related to climate change and (2) to refer to the work by the West Midlands Regional Observatory (WMRO) drawing on the WMRES and WMRSS and based on a 30% reduction target for 2020 which has identified the scale of a 'carbon reduction gap' for the region after application of international and national policies and the likely means to address this gap of 1.75 million tonnes of CO₂e (equivalent of 330kg of additional CO₂e savings per person per year in the region, such as driving 1,250 miles less each year in a small car) after taking RSS/RES policies into account, namely:</p> <ul style="list-style-type: none"> • decentralising energy in the form of local heat and electricity networks using existing heat and energy loads identified through the regional heat and energy maps, powered by gas initially and later by a variety of other power sources such as biomass, bio-digestion and energy from waste; • managing the existing use of the transport networks, not just through the extensive promotion of walking, cycling, public transport and electric car infrastructure, but also through more flexible and smarter working practices combined with open access local tele-work centres to ensure overall productivity and carbon reduction gains are realised. • waste reduction and reuse as this is a key action that will help reduce carbon and provide economic benefit and which also reflects regional expertise through initiatives such as the National Industrial Symbiosis programme and the high concentration of waste reprocessors within the region; and • the retrofit of the existing housing stock with improved insulation and water saving devices and its effective use as this will make more of an impact than new build even of zero carbon homes and the region has a high concentration of construction and building technology companies. <p>Amend the start of paragraph 2.20 to commence:</p> <p>"Planning policies have a major role to play in tackling climate change as outlined in the Climate Change Supplement to PPS1 (December 2007). They can contribute towards the national targets set in the Climate Change Act 2008 to ensure that the</p>

Rec Number	Recommendation
	<p>net UK carbon account for the year 2050 is at least 80% lower than the 1990 baseline in terms of aggregate emissions of carbon dioxide and other targeted greenhouse gases and at least 26% lower for the budgetary period including 2020."</p>
<p>R2.2</p>	<p>Amend Policy SR1 to read:</p> <p>"Regional and local authorities, agencies and others shall include policies and proposals in their plans, strategies and programmes to both mitigate and adapt to the worst impacts of climate change through:</p> <p>A. Exploiting opportunities...[as in submitted policy]...Significant Development and other settlements which are capable of balanced opportunities for housing employment and local services as defined in LDDs by:</p> <ul style="list-style-type: none"> (i)–(iii) [as in submitted policy] (iv) enhancing, linking and extending natural habitats...[existing B with 'help' changed to 'helping'] <p>B. Requiring all new development and encourage the retro-fitting of existing development to:</p> <ul style="list-style-type: none"> (i) [as in C(i) of submitted policy] (ii) insert "low-carbon" between "developments and" and "sustainable building" (ii)–(iii) [as in C(ii)–(iii) of submitted policy] (iv) add at end "and encourage investment in low carbon vehicle infrastructure in appropriate developments and locations." (v) [as in C(v) of submitted policy] (vi) amend to "protect, conserve, manage and enhance natural, built and historic assets in both urban and rural areas;" add (vii) "enhance, link and extend natural habitats as part of green infrastructure provision¹." <p>C. Adopting sustainability targets in LDDs and implementing them through SPDs for sustainable development. Targets should cover all aspects of design and layout, energy, water supplies and waste reduction. There should be regular monitoring of progress against these targets with review of policies as necessary in order to achieve the regional targets for carbon reduction.</p> <p>¹ Green Infrastructure is the network of green spaces and natural elements that intersperse and connect our cities, towns and villages. It is the open spaces, waterways, gardens, woodlands, green corridors, wildlife habitats,</p>

Rec Number	Recommendation
	street trees, natural heritage and open countryside. Green infrastructure provides multiple benefits for the economy, environment and People (Green Infrastructure Prospectus for the West Midlands, 2006)
R2.3	<p>Amend Policy SR2 to read as follows:</p> <p>Policy SR2 Creating and Maintaining Sustainable Communities</p> <p>Regional and local authorities, agencies and others in their LDDs and other plans, strategies and programmes should make provision for the full range of requirements needed to create and maintain sustainable communities. In all parts of the region proposals for new development and for regeneration and enhancement in existing urban and rural areas should aim to meet the following requirements:</p> <p>A [as in submitted policy except: delete the words “with sufficient population” before “to achieve”]</p> <p>B [as in submitted policy]</p> <p>C [as in submitted policy, but insert the words “heritage and biodiversity” after “local character”]</p> <p>D to adapt, enhance and where appropriate regenerate existing communities to achieve the same standards of sustainability as in new development, maximising the beneficial use of existing developed land and buildings and maintaining the historic fabric, and promoting behavioural change to ensure sustainable communities</p> <p>E to H [as in submitted policy, D to G]</p>
R2.4	<p>Amend Policy QE9 to read as follows:</p> <p>Policy QE9 Water Management and Water Cycle Studies</p> <p>Local authorities, together with the Environment Agency, water companies and other agencies, should co-ordinate their LDDs and other plans, including where necessary across local authority and regional boundaries, in order to support the provision of the required housing and economic development and related infrastructure whilst ensuring the protection and enhancement of water quality and sustainable use of water resources. In particular:</p> <p>A. LDDs should be supported by a Water Cycle Study</p>

Rec Number	Recommendation
	<p>produced in accordance with Environment Agency guidance and advice. On the basis of the findings of Water Cycle Studies, LDDs should include environmental infrastructure identified as being needed to support new development.</p> <p>A Water Cycle Study should contain full assessments of the following:</p> <p>Flood Risk Management – Strategic Flood Risk Assessment Surface Water Management (production of Surface Water Management Plans) Urban and Rural Pollution Management Water Resources and Water Supply Water Quality and Waste Water Treatment</p> <p>B. Local Planning Authorities in their LDDs and in determining planning applications should have regard to the actions and objectives of the Severn and Humber River Basin Management Plans which include specific environmental objectives for each water body and how the objectives will be achieved.</p> <p>C. Local Planning Authorities in their LDDs and in determining planning applications should recognise the need for water efficiency and encourage schemes designed to reduce water consumption.</p> <p>D. LDDs should seek maintain and enhance the region’s river and inland waterway corridors as a key strategic resource, particularly helping to secure the wider regional aims of regeneration tourism and the conservation of the natural and built environment and biodiversity.</p> <p>The supporting text to this policy should build on paragraph 8.40 of the existing RSS, bringing out the importance of ensuring that planning policies deliver on objectives for conserving water resources and protecting or enhancing water quality. It should also stress the importance of consultation with the Environment Agency and the water industry in the process for determining the water-related content of LDDs. In particular it should include a reference to the approach to be followed in conducting Water Cycle Studies, and to the Environment Agency’s advice and guidance on such studies.</p>
R2.5	Insert a new Policy QE10 to read as follows:

Rec Number	Recommendation
	<p>Policy QE10 Development and Flood Risk</p> <p>Fluvial and Surface Water flooding is a significant risk across the West Midlands Region. Groundwater flooding will be an increasing risk in the future. Policies should aim to ensure that new developments and residential properties are located where there is no or little risk from all potential sources of flooding as far as possible unless there is overwhelming technical evidence to support an alternate approach.</p> <p>Local authorities in their LDDs should have regard to the guidance in PPS25 and should:</p> <p>Use Strategic Flood Risk Assessments to guide development away from functional floodplains, areas of current high and medium risk of flooding, areas likely to be at risk of flooding in the future and areas where development would increase the overall risk of flooding in and outside the region.</p> <p>Include policies which identify and avoid development in flood zones, protect essential infrastructure, support the objectives of the relevant Catchment Flood Management Plans (Severn CFMP, Trent CFMP, Wye and Usk CFMP and the Weaver Goway CFMP) and discourage development behind engineered flood defences.</p> <p>Require that sustainable drainage systems are incorporated in all new development and encourage their provision for existing development, unless it is demonstrated that it is not practicable to do so.</p> <p>Commit local authorities to adopt positive approaches to flood risk management by promoting land management practices which provide multifunctional benefits and encouraging new development to seek opportunities to make space for water by providing guidance on layout and design issues.</p> <p>Be supported by Surface Water Management Plans (as part of Water Cycle Studies) to inform the location and design of new development and adopt a strategic and integrated approach to managing Surface Water. These plans must also include identification and implementation of appropriate safe passage for overland flooding from sewerage systems and channels.</p> <p>The supporting text to this policy should be derived from existing RSS paragraphs 8.42 to 8.44 updated as necessary to</p>

Rec Number	Recommendation
	refer to the findings of the Regional Flood Risk Assessment and to the new Policy QE10.
R2.6	<p>In paragraph 2.27 add a further sentence at the end:</p> <p>“The West Midlands Sustainability Checklist is a toolkit adapted by AWM from a national approach produced by the Buildings Research Establishment for central government. Its use in formulating Design and Access Statements should ensure that key sustainability requirements of layouts and overall development are fully considered.”</p>
R2.7	<p>Amend Policy SR3 as follows:</p> <p>Replace Sub-section A by the following:</p> <p>“A. ensuring that Design and Access Statements include a sustainability statement that has regard to the contents of the West Midlands Sustainability Checklist. This should demonstrate that at least the ‘good’ standards and wherever possible the ‘best practice’ standards are achieved for each category. Appropriate targets should be set for substantial developments (over 10 residential units or 1,000 square metres) through dialogue between Local Planning Authorities and developers in AAPs, or through a planning brief or masterplan approach.”</p> <p>Replace Sub-Section B by the following:</p> <p>“B. ensuring that all new housing developments meet the CABE Building for Life requirements at least to the silver standard and that substantial developments (over 10 residential units) meet the gold standard wherever possible.”</p> <p>Replace Sub-section C by the following:</p> <p>“C. Local Planning Authorities, in preparing DPDs, should consider whether there is local justification for acceleration of progress towards securing zero-carbon development at an earlier date than that required under national policy. Such consideration must include the viability of development.”</p> <p>Replace Sub-section D by the following:</p> <p>“D. Local Planning Authorities, in preparing DPDs, should consider whether there is local justification for requiring a proportion of on-site or locally generated energy from</p>

Rec Number	Recommendation
	<p>renewable sources in all new medium and large scale developments. In the interim pending adoption of DPD policies all substantial developments (over 10 residential units or 1,000 square metres) shall incorporate measures to ensure that at least 10% of the development's residual energy requirements are met from renewable sources whether on-site or as part of a local network."</p> <p>Delete existing Sub-sections G, H and I and replace by the following:</p> <p>"G. ensuring all development adopts a sustainable approach to water resources, water quality, drainage and surface water management, in accordance with Policies QE9 and QE10"</p> <p>"H. ensuring that provision is included for waste management and recycling, including adequate space provision within buildings for appropriate storage or sorting of materials for recycling."</p>
R2.8	<p>Add new paragraph at the end of the policy as follows:</p> <p>"Local authorities, Registered Social Landlords and regional agencies and bodies should promote and seek opportunities to introduce similar standards for energy and water efficiency as contained in the first part of this policy for existing buildings together with sustainable drainage systems to serve those buildings."</p>
R2.9	<p>In paragraph 3.9 insert three new spatial strategy objectives, to read as follows (re-numbering the remaining objectives):</p> <p>a) to ensure that the region delivers its share of the reduction of greenhouse gas emissions needed to deliver a low-carbon future and that the region is resilient to the future impacts of climate change</p> <p>b) to ensure the sustainable use of water resources and protection and enhancement of water quality, and to avoid increasing and over time to reduce the exposure of housing and essential infrastructure to flood risk</p> <p>c) to ensure that everyone in the West Midlands has the opportunity of a decent home at a price they can afford</p>
R2.10	<p>Add a new Spatial Strategy policy after paragraph 3.9 to read as follows:</p>

Rec Number	Recommendation
	<p>Policy SS1 The Spatial Strategy</p> <p>To give effect to the spatial strategy objectives the following spatial strategy will guide development and investment priorities for the region:</p> <p>A. Development of a strategic scale will be focussed on the four Major Urban Areas of Birmingham/ Solihull, The Black Country, Coventry and the North Staffordshire conurbation, to support urban renaissance, to maximise their contribution to the region's economy and to meeting housing needs through new development, regeneration and maximising the beneficial use of existing developed land and buildings.</p> <p>B. In other parts of the region major new development will be focussed in and adjacent to towns which are most capable of balanced and sustainable growth to complement the role of the MUAs. The following nine areas have been designated for this purpose as Settlements of Significant Development (SSD): Burton upon Trent Hereford Nuneaton / Bedworth Rugby Shrewsbury Stafford Telford Warwick / Leamington Worcester</p> <p>C. Beyond the MUAs and SSDs, development at or where appropriate, related to other urban areas including those designated as strategic centres under Policy PA11 will be of a smaller scale, to meet local housing needs and sustain the local economy and services</p> <p>D. In the region's rural areas the strategy supports rural renaissance, with a key role for market towns and larger villages and development on an appropriate local scale to address rural affordable housing needs</p> <p>Amend supporting Paragraphs 3.10 to 3.13 to avoid repeating the substance of the new policy but explain its application in further detail through other RSS policies, particularly the "UR" and "RR" policies, CF1 and CF2, and policies in the "Prosperity for All" chapter.</p> <p>Delete the designation of "Other Large Settlements" from the</p>

Rec Number	Recommendation
	Spatial Strategy diagram on page 48. The supporting text should explain that identifying other urban areas for the purposes of paragraph C of Policy SS1 will be a matter to be determined in DPDs.
R2.11	<p>In paragraph 3.11 replace "ten" by "nine" and delete "Redditch" from the list.</p> <p>In Policy CF2 (A) delete "Redditch" from a re-ordered list with "Telford" placed first to recognise the scale of proposed growth.</p> <p>In Policy CF2 (B) In the second sentence delete "and which" and end sentence at "...services." Add additional sentence "Additional settlements for balanced growth may be identified in Core Strategy DPDs."</p>
R2.12	In paragraph 5.17 delete final sentence concerning new villages.

Chapter 3: The Regional Housing Provision

Approach to the Regional Housing Provision

3.1. This Chapter deals with the level and distribution of additional housing which the RSS should provide for. It includes our conclusions and recommendations for amending Policy CF3 and Table 1 of the Draft revision and aspects of the supporting text. In considering the geographical distribution we refer to our conclusions on the sub-regional matters in Chapter 8. While the delivery trajectory is discussed in considering the total, our recommendations on the trajectory and on phasing of new housing development (Policy CF4) are brought together in Chapter 4.

3.2. Government guidance set out in Planning Policy Statements (notably PPS1, PPS3 and PPS11) and elsewhere provides a context for considering the regional housing provision. Several participants referred to PPS3 paragraph 9, which states the Government's key housing policy goal *"to ensure that everyone has the opportunity of living in a decent home, which they can afford, in a community where they want to live."* They also referred to paragraph 33 which sets out matters to be taken into account in determining the local, sub-regional and regional levels of housing provision. Whilst we have aimed, through the conduct of the EiP and in this report, to take proper account of all the matters listed there, they do not provide a set methodology, or explain all the factors it is necessary to consider when testing the regional housing provision (paragraph 2.49 of PPS11 is also relevant to this).

3.3. Deciding on the number of new homes to be provided for a whole region over a 20 year period is not a simple process, and nor is it an exact science where a specific "right answer" will emerge as long as all the proper calculations are done. Such is the influence of uncertainty, and of assumptions made, that orders of magnitude and the direction of change may be more important than precise figures. This does not mean treating the issues "by and large" or taking a cavalier attitude to evidence. What it does mean is avoiding spurious numerical precision while seeking to understand the real relationships at work and the key messages in the evidence. Nevertheless the result has to be unambiguous quantified provision which, broken down to local authority level, provides firm and clear guidance for local Core Strategy preparation.

3.4. Our approach necessarily involves considering everything put forward during the EiP process, including the original evidence base which underlies the Preferred Option figure and other material emerging since it was submitted. The latter has played a big part because of the extended period after submission in December 2007, while the Government's study of 'Options in Response to the NHPAU Report' was carried out (the NLP study). In that time not only have the NHPAU supply range advice and new official household projections appeared, but much other work has been going forward within the region, such as progress towards Core Strategies, including Strategic Housing Land Availability Assessments (SHLAAs), and continued work by WMRA and its partners to support and develop the RSS. Much of the material put forward, including the NLP report, relates to the distribution of housing provision to different sub-

regions and local authority areas. This brings in issues of policy, including spatial priorities, and those of capacity and deliverability at the sub-regional and local level. There are thus both theoretical or “top down” and practical or “bottom up” elements. We have not sought to devise a “top down” view of the figure and its distribution around the region, nor have we tried to form our view of the region’s housing needs based entirely on adding together “bottom up” local assessments. We have approached our conclusions and recommendations on the housing provision from both directions, using each as a check on the robustness and realism of the other.

3.5. Our starting point is the submitted Preferred Option which proposes a net increase of 365,600 dwellings for the region as a whole over the period 2006-2026, distributed as in Policy CF3 and Table 1. A wealth of opinion and evidence was advanced, in writing and in EIP discussions, both in support of the 365,600 and against it, seeking both higher and lower figures. To test this figure we consider each of the main bodies of argument and evidence and take a view on whether they suggest a need for a higher or lower figure, and how great such a change might be (upward or downward pressure on the total). This leads to a provisional conclusion (in paragraph 3.59 below) about what sort of provision would represent a rational, and robust response to the evidence. That is the theoretical or “top down” part of our assessment.

3.6. The need for more in-depth consideration of the issues for each part of the region became apparent at an early stage and this resulted in the sub-regional discussions in Matter 8 which took up nearly half of the 23 days of the EIP. These sessions enabled testing of the Policy CF3/ Table 1 provision for each area, in the context of local policy, environmental, market and other considerations. As part of this we have addressed evidence from SHLAAs and emerging Core Strategy documents. In doing so we have sought to avoid trespassing on matters which are for the local planning process, but to understand the corroborative detail underlying the strategic issues. Our conclusions for each area are set out in the relevant parts of Chapter 8 of this report. A key part of the background to this are the RSS priorities and the spatial strategy and our conclusions on them from Chapter 2. These factors are brought together at paragraph 3.85 below, which represents the “bottom up” part of our assessment.

3.7. Finally the two components are brought together to give our conclusions and recommendation for amending the RSS housing proposals.

The Preferred Option Housing Provision

3.8. WMRA explained that the proposal for 365,600 net additional dwellings to 2026 results from applying the PPS3 approach, including taking the advice of the Section 4(4) authorities on the appropriate level of development for their area. As described in the Housing Background Paper (CD224), the starting point for the RSS proposed figure was an assessed regional requirement of 382,000 additional dwellings 2006-2026 in the light of the original 2004-based household projection of 371,000 plus a vacancy allowance of 3%. Initial consideration of other factors, including the views of the Section 4(4) authorities, as described by WMRA

produced a proposal of 340,000, an implied shortfall of some 42,000 dwellings. Further consultations and assessments of capacity, particularly in the Major Urban Areas (MUAs), eventually brought the provision up to the Preferred Option proposal of 365,600, reducing the implied shortfall to some 16,400 (or 4.5%) against WMRA's own assessment of the requirement derived from 2004-based projections. The proposed provision was argued to be robust against all the factors which should be considered, including maintaining the established spatial strategy and reflecting urban and rural renaissance and sustainability issues.

3.9. WMRA argued that at the time it was prepared the intention was that the Phase 2 provision should address the region's assessed housing requirement in full, and that the proposal for 365,600 dwellings essentially does so. Moreover it represents a very major increase (42%) in the RSS annual rate of provision and assumes a sustained annual rate of housing delivery well above anything achieved since the 1970s when there were major public sector housebuilding programmes. They also urged that the new 2006-based projections should carry limited weight for reasons discussed below. In defending the figure of 365,600 against any increase, WMRA laid great stress on the potential risks of higher provision to the established strategy. It was argued that this would mean more provision outside the MUAs, fatally undermining the priorities for urban and rural renaissance. We believe the intention was to defend the submitted Preferred Option but the effect was to make the strategy look fragile, although WMRA stressed it was the region and its economy that was fragile. Nevertheless, it implies a lack of robustness if it means that the RSS would be unable to deliver a higher housing level, should this be required, without a complete change of spatial strategy.

3.10. As we conclude in the previous Chapter in paragraph 2.51 we believe the principles and priorities of the spatial strategy are sound. The fact that NLP were not able to identify any "tipping point" beyond which additional housing would jeopardize the strategy can be seen as a sign of its strength and flexibility. Also we have no doubt that, starting now, WMRA would not be looking necessarily to limit the Phase 2 housing provision to 365,600 if a higher level was shown to be required. How a higher (or lower) number could be fitted into the strategy without undermining it depends more on the distribution than on the total. Consequently, in principle we consider that the spatial strategy itself and the RSS priorities create **neither upward nor downward** pressure on the total housing provision.

3.11. The Section 4(4) and Local Planning Authorities have in general given their backing to the regional provision and the basis for it, although in some cases work since December 2007 has led to reassessments of capacity or the amounts of housing required to meet local needs. These are considered specifically in Chapter 8. Other participants were critical, with the house building sector calling for much higher figures. This was based generally on arguments about meeting household growth in full (including anticipated increases from the 2006-based projections) and also about addressing a backlog of unmet housing need. Many of these representations also pointed to the Government's housing growth aspirations and the NHPAU's supply range advice. Of those holding the opposite view, CPRE was the only participant to offer a specific lower

alternative for the regional total and district allocations. CPRE's submission can, however, be seen as a reflection of the views of many other organisations, including a number Parish Councils, and individual respondents, who found the proposed provision too much and disputed the basis for it.

3.12. We do not propose to review all the figures and analysis which participants set out in their submissions. Several development sector participants submitted fully worked out proposals for the regional housing provision, based on household projections with various additions for vacancies, second homes and backlog of unmet need. The approaches included: 2004-based (2008 revised) projections with an addition for "under provision" in the period 2001 – 2006 (RPS); 2004-based household projections updated in line with the 2006-based population projections (Pegasus) and household projections run using the Chelmer model (DLP). CPRE's alternative, and its distribution, which is based on a "precautionary, plan monitor manage approach" is stated to focus on building the dwellings we know we will need and can build rather than those we may need over a twenty year period. A selection from the range of regional figures under discussion is given in Table 3.1 below. (A fuller selection was tabulated in the Panel Note for Matter 3A). They range between 285,000 and 514,000 additional homes between 2006 and 2026, or from 22% below to 40% above the Preferred Option proposal.

	Total net housing increase 2006 - 2026	Difference from RSS Phase Two draft	% difference from Phase Two draft
CPRE	285,000	- 80,600	- 22.0%
WMRA Preferred Option	365,600	0	0
NHPAU Lower	374,300	+ 8,700	+ 2.4%
CCHPR (EXAM26) (Low variant)	411,000 (405,000)	+ 45,400 (+ 39,400)	+12.4% (+10.8%)
Barton Willmore	436,460	+ 70,860	+19.4%
NHPAU Upper	440,600	+ 75,000	+ 20.5%
HBF	514,102	+148,502	+ 40.6%

Table 3.1: Range of regional figures under discussion

Household Projections

3.13. The 2004-based household projections from CLG (both original and revised) were superseded in March 2009 by new ones based on the Office for National Statistics (ONS) 2006-based population projections.

We came to the view at an early stage that we, and participants, could not ignore this latest information. The use of population and household projections in planning is well established. However there was still some debate on the use that should be made of projections, on the methodologies followed and on the weight that should be placed on the results, especially the latest figures. West MASA (West Midlands Amenity Societies Association) urged caution in the use of mathematical models, a theme echoed in a number of other comments. CPRE challenged the over-reliance on official projections, pointing to work carried out for them by Custance-Baker (doc. 442/8) exploring the uncertainties of forecasting. CPRE argued against what it saw as a “predict and provide” approach based on trend projections. Specific challenges were that the latest projections did not take account of recent changes, notably the economic downturn and reduced international migration, which may be long term shifts affecting household numbers. Another limitation is that, as trend projections, they cannot generally model future changes of direction, or the effects of policy on trends, except insofar as such effects are already observed in the source data. This last point was stressed repeatedly by WMRA to the Examination.

3.14. The Town and Country Planning Association (TCPA), The National Housing Federation (NHF) and other participants drew attention to the long term nature of the demographic trends being modelled in the projections and the fact that these had been borne out in successive projection rounds. For example NHF referred to past 1989-based and 1992-based projections of 2.3 million households in the West Midlands in 2011 – a figure that now looks like being reached before 2011. Notwithstanding the doubts and uncertainties referred to above, various development sector participants seized upon the latest projections as determining the (higher) level of housing increase the region should provide for, some also using the district level tables produced by CLG as indicating a housing requirement for particular authorities. Even GOWM, in its original response (paragraph 6.12) said the projections would “estimate a higher need for housing”. Others, however, drew attention to the Government’s own “health warnings” about what the projections do and do not represent. It is worth noting the statement made in the CLG document on the 2006-based household projections (CD220):

“They are not forecasts. They do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. They provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice.”

3.15. The projections do not tell us what the answer to the regional housing provision should be. However, demographic analysis, including projections, is the nearest thing to “sound science” available to inform us about how many households are likely to be in the region over a period looking 15-20 years into the future. In our view the caveats and uncertainties surrounding household projections do not justify setting them aside or ignoring uncomfortable messages which they may convey. The approach should be to interpret the information in an intelligent way and to assess it together with the other factors that need to be considered

in framing policy. In taking such an approach we draw upon EiP Matter 3A, the first session of which was devoted to a discussion of the projections. That discussion was assisted by the participation of Jane Hinton of the Housing Markets and Planning Analysis Division in CLG, and, on behalf of TCPA, Professor Christine Whitehead, Director of the Cambridge Centre for Housing and Planning Research (CCHPR), in addition to other participants knowledgeable in the field.

3.16. The 2006-based projections show the number of households in the West Midlands increasing by 431,000 between 2006 and 2026, 60,000 more than the 2004-based projections which were used to inform the derivation of the proposed provision of 365,600. As explained by CLG the level of household growth is driven by a higher population, which is attributable approximately 70% to natural change (higher fertility and longer life expectancy) and 32% to international migration, with a small net loss by migration to other parts of the UK. Much of the change in projected household numbers is attributed to a smaller reduction in married couple households than previously projected, and to increases in one person and cohabiting couple households.

3.17. WMRA, as well as CPRE, Beryl Metcalf and others questioned the robustness of the figures. There is a quite major technical issue, to do with the over-estimation of population and household numbers in 2006. This is raised in the CCHPR report (EXAM26), and Professor Whitehead was able to give some explanation of it. In essence, as described in EXAM26 paragraph 9, the actual number of households in England in 2006 appears to have been over-estimated. A pro rata apportionment would put the West Midlands share of this over-estimate at 16,000 households. The reasons offered for this are lower household formation rates for recent immigrants from outside the UK, and that during 2001-2006 a rise in house prices relative to incomes a long way above the long term trend has prevented households from forming.

3.18. The CCHPR study assumes for working purposes that the over-estimate is divided equally between these two effects (1,600 a year each). On this basis the immigrant household formation rates, operating over the whole 20 year period, would mean a reduction of 32,000 in the total projected number of households. The worsened affordability effect and the more recent mortgage accessibility difficulties could be assumed to end as recovery takes place with returning mortgage availability acting in concert with reduced house prices brought about by the recession. Taken to operate only to 2011 this effect would produce a further 8,000 reduction, giving 40,000 in total. This rather rough and ready calculation, which would reduce the projected household increase to 391,000, carried some weight in the discussion. There remains some uncertainty, however, particularly about how quickly the trend relationship between house prices and incomes would be restored after the recession. Annex B to EXAM26 gives an alternative calculation assuming that full recovery takes until 2016, which would reduce the total projected household increase by a further 6,000 to 385,000. These calculations by CCHPR, unlike NHPAU, do not assume any surge above the trend after the recession as households previously unable to form make up for lost time, but rather that the trend in household formation would resume from a new base. The CCHPR assumption appears to us the more logical.

3.19. Another assumption that could be debated is the division of the over-estimate equally between the two effects, given that migration generally plays a smaller part in household growth in the West Midlands than nationally. A 70/30 split between the two effects (960 a year for in migrant households and 2,240 a year for affordability) would give a reduction of 30,400, or 38,800 on the slower recovery assumption.

3.20. Some more specific questions were raised about the student population and elderly age groups. It was suggested that more purpose-built student residences, and a marked increase in the number of those aged over 75 needing care and/or institutional accommodation, may have caused numbers of private households in these groups to be overstated. CLG responded that the institutional population was modelled separately. Any understatement of the growth in the numbers of students in halls of residence in the region would be difficult to identify in advance but was thought unlikely to have a significant impact on regional household numbers because students are generally in the under 25 age group with a relatively low household representative rate. If any adjustment were warranted it was argued that it would be specific to authorities with a particularly high number of Higher Education students such as Birmingham. While future changes in trends, for example in elderly people's accommodation, may not have been modelled specifically, CLG pointed out that past trends are not mechanically projected in a straight line but are subject to discussion through consultation and peer review processes by ONS. While there is a potential source of uncertainty in the figures, we take the view that on such detailed technical matters the likely variances would tend to be relatively small, and it is unlikely that the EiP discussion can provide a better answer than the national experts, or suggest robust numerical adjustments that should be made.

3.21. Turning to more fundamental questions, it is important to recognise that ONS and CLG have themselves considered some of the uncertainties by carrying out "variant" projections at national level, to illustrate the impact on projected household growth of different assumptions about fertility, life expectancy and net migration level. WMRA pointed out in their note "Understanding the 2006 based projections" (EXAM22) that the potential range of these three sets of variant projections, taken together, is from -18.3% to +18.7%. Translated pro rata to the West Midlands these would indicate a range from 352,000 to 512,000 additional households, compared with the principal projection of 431,000 between 2006 and 2026. CLG suggested that, not only is the impact of variance in the fertility and life expectancy assumptions relatively small (from -5.8% to +5.6%), those trends have generally been maintained over a long period. We accept this and take the view that, while the recession may see some short term fluctuations in household formation, there is no reason at present to assume a significant permanent change in the demographic drivers of household change, and no evidence on which to base an assumption about the scale of any such change.

3.22. On migration, however, the picture is different. This was the variant projection with the largest effect (-12.5% to +13.1%). Many respondents commented on the high rates of international net in migration in recent years, notably from Eastern Europe, and in particular

the 8 EU Accession states (the "A8") and argued that the official projections were overstated as a result. Some of these comments may have been based on a mistaken belief that the projections simply carried forward those levels of migration for the whole period. In their presentation for Matter 3A (EXAM24) CLG explained that migration flows from the A8 countries for 2003 to 2005 were excluded from the ONS modelling of the long term trends and were projected separately. Net migration from the A8 countries was assumed to follow a declining trend from 2007/8 to 2011/12 and to be zero from then onwards.

3.23. Nevertheless WMRA pointed out that recent evidence suggested international migration to the West Midlands had already fallen to zero, and this pointed to lower household growth. CLG referred to research which it had commissioned from the National Institute of Economic and Social Research (NIESR) to look at the effects of changes in UK and world economies on projected migration flows. This found that flows depend on relative changes in both UK and other countries' economies, and that the recession could result in migration into the UK by 2015 some 50,000 lower than in the no recession case. Interpreting these results to households in the West Midlands is not straightforward, given that migration accounts for only a minority (about 30%) of the total population growth. CLG acknowledged, however, that it may be reasonable to assume something closer to the low migration variant projection. Applied in full this would mean a 12.5% reduction on the principal projection – i.e. a total increase of 377,000 households between 2006 and 2026. This is not much above the 2004-based projection, and below the CCHPR adjusted version of the principal projection.

3.24. Internal migration between the West Midlands and other regions, was relatively uncontroversial. The 2006-based population projections show a small net outflow (-3%) which is reflected in the household projection for 2006 - 2026. Apart from London, which shows a very large loss to other regions, the West Midlands is the only region with a negative balance. CPRE, however, argued that migration between the region and its neighbours, particularly the South West, South East and East Midlands, could change in future, with a higher outflow reducing this region's need for housing. They cited in particular the strong housing growth being provided in Milton Keynes and Northampton as likely to draw households away from the West Midlands. However, as far as we are aware, neither the South West nor the South East is planning to accommodate more than its expected household growth. As we understand it the growth at Milton Keynes and Northampton is driven by economic factors within those areas and housing pressures in the South East. To reduce housing requirements for the West Midlands on the strength of it would be a form of double counting and we see no justification for it.

3.25. The general conclusion we draw from the evidence and discussion on household projections is that, as contextual evidence of the number of households likely to need to be housed in the region the pressure of the household projections on the regional total is **upwards**. This was already the case with the previous, 2004-based projections. Taking off the 3% allowance for vacancies the 365,600 provision equates to a household increase of 354,600, around 16,000 below a level that would keep pace with the 2004-based projected household growth. The pressure of the

2006-based projections would appear to be more strongly **upwards**, but taking into account the current economic uncertainties and doubts about migration levels and the propensity of migrants to form households, probably not a great deal more so.

3.26. While the 2006-based principal projection would increase the shortfall to over 76,000, the shortfall would be cancelled out under the "low" result of all the three CLG variant projections put together, but would rise to over 157,000 with all three "high" variants. A reasonable assumption would be to take the low migration variant projection only, which would give an implied shortfall of some 22,000. Applying the CCHPR adjustment to the main projection (i.e. 431,000 – 40,000) produces an implied shortfall of some 36,000, or only 30,000 if slower recovery is assumed. It would not seem appropriate to apply the CCHPR adjustment in full to the low migration variant projection. The adjustment for lower household formation among migrant households would be less with fewer in-migrants. We have not done this calculation but applying the "reduced affordability" factor only to the low migration variant would reduce the shortfall by 8,000 to 14,000. This would reduce by up to 6,000 more, i.e. to 8,000 under the slower recovery assumption, and would also reduce if any part of the migrant household formation adjustment was also included. In reaching these conclusions it is important to reiterate that the projections cannot and do not purport to model housing need or the effective demand for homes, only the demographic demand. Whether it is appropriate for economic, policy or other reasons to plan for some other level of demand, higher or lower, is considered further below.

Vacancies and Second Homes

3.27. The proposed regional total is expressed as including a 3% allowance for vacancies. Most participants agree that this a reasonable reflection of reality and compares well with rates elsewhere, although some development sector participants argued it should actually be 3.3% or higher, and CPRE and others that it should be reduced. Actual rates vary geographically within the region, and we would certainly agree with FoE and others who called for unused and under used property to be brought into beneficial use. This is already a priority for housing policy in the region but it does not alter the need for housing provision to make realistic allowance for transitional vacancies within the stock. We conclude that the assumption of a 3% addition for vacancies is sound.

3.28. Second homes are rather more controversial in that many take the view that it is unacceptable to provide for second home owners when many people are struggling to have access to even one decent home. But simply ignoring this factor will not prevent people who want and can afford a second home from acquiring one, and thus taking homes out of the stock available for everyone else. The number of second homes in the West Midlands is not large. They are currently said to account for about 0.7% of the housing stock. Second home ownership may be expected to fall as a result of the recession, and may not return to previous levels for a long time if at all. Conversely, HBF argued that lower house prices could see more cash-rich people investing in second and third homes. We consider it would be prudent to make a small allowance for second homes.

A factor of 0.7% on a total household increase of around 400,000 would equate to 2,800 dwellings in the region over the 20 year period. If one assumed only half due to recession effects it would be only 1,400, or 2,100 if it were assumed that the lower rate of second home ownership only applied for half the 20 year period.

Affordability and the NHPAU Advice

3.29. Advice from the NHPAU was available in the form of its Regional Supply Range Advice of June 2008 (CD175) and other papers submitted under participant's doc reference 1001/1 – 21. The Unit also participated in EiP Matter 3A and other Matters. NHPAU did not make a specific proposal for the RSS housing total but provided high and low figures, which Government has asked should be tested through the EiP process. In this report we refer not to the NHPAU figures for 2008-2026 contained in CD175, but to the reconciliation version set out in document CD231, which relates them to the RSS time period 2006-2026. The figures are as noted in the table above and are derived from the revised 2004-based household projections. The lower range figure of 374,300 equates to demographic demand + vacancies, i.e. essentially similar to the basis of WMRA's own assessment of the requirement. The higher range (440,600) includes additions for unmet need and a backlog of provision, similar to many development sector proposals.

3.30. The creation of the NHPAU was one of the Government's responses to the Barker report (CD1001/16). NHPAU's essential message reflects that of Barker, that higher housing provision and delivery is needed to improve access to housing in line with the Government's objectives and to combat worsening affordability. The affordability argument stems from the classic economic principle of a triangular relationship between supply, demand and price: for a given level of demand, prices will only be reduced if supply is increased. Conversely failure of supply to match demand will only increase prices, and so worsen affordability.

3.31. Many consultation responses and submissions to the EiP, including those from CPRE, some local authorities and Parish Councils dispute the applicability of these principles for determining the regional housing provision, and say higher planning targets are not the answer. It is argued that the price increases and worsening affordability of the 2001-2007 period were caused by easy credit and other market factors rather than by planning restrictions on supply. A typical view is that, given the preponderance of the existing stock in the housing market and the impact of other factors on price, it is impossible in practice to increase the new provision for general market housing through the planning system to a level that would make a significant or measurable improvement in affordability or help those in housing need (a view reflected in the Sustainability Appraisal – see paragraph 3.54 below). Moreover the attempt to do so would, it is suggested, be highly damaging to the environment and undermine the priority for urban renaissance as developers "cherry pick" the most attractive sites. Allied to this argument is the notion that the development industry would never in practice flood the market with new housing to the point where prices would actually fall

overall. Such issues emerge in the reports prepared by Green Balance for the Regional Assembly (CD248) and CPRE (442/1).

3.32. We see the force of these arguments. As we understand it, however, the case put to the EiP by NHPAU was not attempting to address housing need and affordability solely by bombarding the market with extra supply until all those in need can afford to buy. In several interventions NHPAU agreed with the need to target housing by location, size and type and on the importance of social and intermediate sector housing provision in addressing housing need and affordability. They thus supported the efforts of local authorities, the Homes and Communities Agency (HCA) and social housing providers in this direction. It is also important to note that the Unit's figures for the West Midlands are based on a demographic model rather than a target for market affordability.

3.33. NHPAU has however used its modelling to show the effect on housing affordability in the West Midlands that would result from the RSS provision. This estimates that the Preferred Option would worsen the lower quartile affordability ratio from 6.3 in 2007 to 7.4 in 2026, while the NHPAU upper range would improve it to 5.8. NHPAU also argues that it would be wrong to see recent lower house prices as a signal that houses are becoming more readily available. However NHPAU itself makes a similar mistake by referring to the halving of lending to first time buyers and the doubling of first time mortgage deposits in 2007-2008 as though this was a reflection of restricted supply even though house prices were also in free fall at the time. The message we draw is that these relationships are complex and do not provide specific evidence for quantifying the RSS provision.

3.34. We consider the significance of the "Barker" argument for increasing supply to improve affordability, in the context of the regional housing provision, is best appreciated by looking at it the other way round: if the housing provision does not keep pace with the growth in the number of households requiring homes in the region, this can only result in unmet need and worsening affordability. Even CPRE at one point agreed that over the long term this would be the case. It is also important to note that Shelter, NHF and others supporting the provision of social and intermediate housing to address affordability and housing need all argued strongly that an adequate overall housing total was an essential component of the strategy. "Adequate" in this context means addressing in full the demographic housing requirement and making some provision to address outstanding unmet need. We consider these matters further below. In principle, however, if it is an aim of policy to improve or at least not to worsen affordability and access to housing this must mean pressure on the regional housing total that is **upwards**, at least to the same extent as demographic pressure.

Assessments of Need and Demand

3.35. Strategic Housing Market Assessments (SHMAs) are promoted in PPS3 as an important part of the policy process. They are expected to relate to sub-regional housing market areas and form part of a robust shared evidence base to inform RSS and LDDs (PPS3, paragraph 11). SHMAs are supposed estimate housing need and demand in terms of affordable and market housing. SHMA documents (CD37, 38, 39, 40, 41,

42) became available for all the West Midlands' housing market during 2007 and 2008; all but one after submission of the Preferred Option and thus too late to be an input into the proposed housing provision. Instead most of them take the proposed RSS regional housing provision as given, and were therefore of little value in the debate about what that total should be. They were, however, available as background information to the EiP, particularly for the discussion on affordable housing.

3.36. The SHMAs do provide considerable analysis of market issues and affordable needs at sub-regional and local level. A key message emerging is an assessed need for affordable housing in most districts well in excess of the annual amounts being delivered, and in some cases equating to 100% of the level of additional housing proposed in the RSS Preferred Option. While these locally derived assessments of need are not disputed in terms of the data on which they are based, they are clearly unlikely to be deliverable in full under any scenario. Equally, however, the higher the total provision, the more likely it is that a greater amount of affordable housing could be delivered, and also that higher provision of market housing would help to avoid adding to the need. The view of the social housing sector representatives referred to in paragraph 3.34 above supports this interpretation. On this basis we take the view that the evidence from SHMAs would suggest **strongly upward** pressure on the regional total, although it does not suggest a specific number.

3.37. A key piece of work in support of the RSS Phase 2 revision was the assessment of housing need and demand in the region carried out for WMRA by the CCHPR against which the RSS housing provision was assessed in arriving at the submitted Preferred Option. This report (CD173) was based on the then current 2004-based household projections, and WMRA's Housing Background Paper (CD224) explains how it was used. It is greatly to WMRA's credit that, once the new 2006-based household projections became available, they commissioned CCHPR to do an update of the previous assessment, which arrived shortly before the start of the EiP. That report by Alan Holmans and Alex Fenton (EXAM25/ EXAM26) has already been referred to at paragraphs 3.17-3.19 above. In our view it represents the latest analytical interpretation of the evidence, and provides a balanced and authoritative assessment. We note, however, that it was stressed that this assessment is not WMRA policy.

3.38. There are limitations to the approach in the CCHPR work. It is based on a regional total derived directly from the 2006-based projections so, other than the technical adjustments described above, it does not give an alternative view of the regional housing provision driven by issues of need and demand. But as it includes addition of vacancy and second home allowances it can offer reasonable approximations to minimum requirements in relation to the affordability objective referred to in paragraphs 3.29-3.34, although not expressly allowing for meeting backlog. Moreover, it does provide an alternative to the SHMA evidence on the components of market, social and intermediate housing in the overall requirement. These are considered further in our discussion of affordable housing in Chapter 4.

3.39. Further aspects of demand arose at various points in the EiP. WMRA stressed that effective demand (the numbers of households actually able to access housing) was different from the theoretical or demographic demand. Despite lower house prices the current recession appeared likely to widen rather than narrow the gap between the two. WMRA emphasised what they saw to be the risks to the strategy of making provision far above effective demand. A further argument was that effective demand was determined by factors such as income and availability of credit, rather than demographic factors. Economists might add, however, that availability of supply also influences effective demand through the price mechanism.

3.40. One of CPRE's arguments is that economic circumstances, and other changes such as the imperatives of the climate change agenda, are likely in themselves to affect behaviour and household formation, and hence result in permanently lower demand. It was suggested that a possible reduction in the birth rate would lead to a reduction in the natural growth of population (although that can be largely discounted as a factor in household growth up to 2026, which will be overwhelmingly from people who have already been born). CPRE argued that the assumption that long term trends would be quickly restored after the recession was "wishful thinking", although NHPAU and some other participants would apply the same description to the idea that the deep seated factors driving housing demand will go away and not return. One thing on which there was agreement was that it was "too early to say" what the medium and long term effects would be.

3.41. We do not find any evidence to make quantified reductions in the housing requirement on the surmise that people will not want so much housing in future. Even if current market models have to change to effectively meet the needs of the population, this would seem to be more of a supply side issue than one affecting the numbers of people and households to be housed.

Unmet Need and Backlog

3.42. NHPAU maintains that housing need is increasing in the region, as illustrated by various indicators of need, and sees no justification for making provision that does not meet these needs in full. Indicators of need cited are the numbers of children in overcrowded households, an increase in overcrowding, rising housing waiting lists, the numbers of concealed and sharing households and lower household formation among young people than in the past. NHPAU's analysis of "traditional constrained demand" uses the Survey of English Housing as a source of data on sharing, overcrowding and concealed households. It also draws upon OPCS research suggesting that some 60% of such households wanted their own self-contained accommodation. The NHPAU advice suggests a figure of 44,200 additional homes is required due to traditional constrained demand in the West Midlands (CD175, Table B3). Beyond this, NHPAU considers "other constrained demand", arising from single person households unable to form due to affordability issues. This gives an additional requirement of 18,600 for the West Midlands (CD175, Table B5).

3.43. The proposals for the regional housing total put forward on behalf of various housebuilders tend to rely on the NHPAU calculations or come up with a similar view. The NHF suggests a “conservative” assumed backlog of at least 20,000 homes, i.e. a rate of 2,000 a year above household growth would eradicate the backlog in 10 years.

3.44. The discussion of unmet housing need raises complex issues of double counting, and of interpreting what the statistics mean for planning policies. Beryl Metcalf argued that the backlog should not be added to the target for 2026 because the projection of the number of households already includes provision for those currently under provided. This view would see the current unmet need (e.g. as manifested in housing waiting lists) as only a short term addition to the total. Logic suggests that to the extent that the input trend data reflects household growth among those with previously unmet needs, the projections will also include this. However there is no clarity about the extent to which this is actually the case.

3.45. Another argument put forward by WMRA and local authorities is that unmet need should be understood as a flow within the population rather than a stock issue to be met by additional housing numbers. Households (existing or potential) spend a certain amount of time with unmet need before finding opportunities to meet their needs. As they move out of unmet need their place is taken by others who move through the pool of unmet need in a similar way. We see the logic of this, and appreciate that, like vacancies in the housing stock, unmet need is not something that will necessarily be entirely eradicated. If the pool of unmet need is considered in this way, it would be a cause for concern if the pool was filling up faster than it was emptying, or if the same households remained in the pool year after year. The indicators of housing need in the West Midlands (and nationally) would appear to show that this is what has been happening, particularly over the period 2001 – 2006. However, some participants suggested that there were technical changes in definitions of waiting lists that may explain some of the recorded recent rises rather than these being wholly a result of inadequate supply.

3.46. As regards households in overcrowded or unfit accommodation, CPRE and others pointed out that their need is not for an additional dwelling, but for one better suited to their needs. For this and other reasons they suggested that most of what is identified as housing need can and should be met from within the existing stock. Beyond the housing policies already in place, there were no clear indications of what other measures might be adopted, for example to persuade older people to surrender homes which were too large for their needs. There is, however, force in the argument that merely adding to the total numerical provision will not in itself ensure that those in housing need have the opportunity to improve their position. Conversely NHPAU argues it is unrealistic to expect that more housing can be targeted towards those in greatest need by reducing the supply available to those who can afford a decent home. As NHF, Shelter and others have suggested, it requires a combination of vigorous pursuit of targeted housing policies and social housing provision, within an adequate total.

3.47. The arguments from CPRE and others about behavioural change, touched on in paragraph 3.40 above, would also apply to aspects of constrained demand, for example lower household formation among the younger age groups. People may live in multi-person households for all sorts of reasons to do with social factors, lifestyle choices, saving of living costs (besides housing affordability) and convenience, such as sharing space and facilities that one person could not support. Some would say this is more sustainable than a continuing proliferation of single people in separate dwellings. NHPAU emphasises that it has made cautious assumptions in its analysis of constrained demand.

3.48. No doubt these issues will continue to be debated, and we do not consider the evidence points to a single precise quantity that should be added to the regional total for unmet need. We conclude, however, that the pressure of this issue on the regional housing total is **upwards**. An addition of 20,000 to the regional total for this factor would be a reasonable assumption, although there may also be an element of double counting with the demographic pressure, as identified above. A more ambitious effort to tackle unmet need would see a greater addition, some 40,000 or even higher.

Environmental Issues and the Sustainability Appraisal

3.49. Virtually all the objections seeking lower regional housing provision than the Preferred Option, and objecting to anything higher including the NLP scenarios, raise environmental issues in one form or another. General concerns are raised about the impact of additional housing on traffic levels and climate change emissions, and also about issues such as water supply and flood risk, although they are also affected by many other factors than the level of housing development. These issues also need to be addressed whatever the level of development that is provided, and are covered by specific policies in the RSS. It is important to note that these broader impacts on the environment are essentially the result of human activity and will occur from a given population, and its increase, whatever number of houses are built. HBF and others argue that not building enough would have more unsustainable impacts. New homes, properly planned and located, will arguably perform better in relation to emissions, energy and water use, than a badly housed population.

3.50. Many respondents, however, appear to believe that the growth in population and households will not occur if it is not provided for. Whilst that may appear true for a given locality, and possibly to a limited degree at regional level, unless it is believed that providing housing actually creates people, the overall effect of not providing for people in one place is simply to transfer their environmental impacts somewhere else. This shifts the focus back onto ensuring that the regional housing provision is based on the best possible understanding of what is appropriate for meeting the needs which arise. However, it brings the important qualification that development and its spatial distribution should be designed with sustainability in mind and to minimise environmental impacts. The four "SR" policies discussed in Chapter 2 can be seen as addressing this. It is worth noting that in relation to water issues, while the discussion at the EiP and in the technical seminar session identified a

number of challenging issues, particularly for certain parts of the region, it did not suggest any specific limit to the overall level of additional housing that the region should accommodate.

3.51. One issue raised repeatedly is the requirement for greenfield land for development and the fact that the higher the housing requirement the more land that will need to be used. Against the concern of CPRE, FoE and others that a higher total means that the proportion developed on previously developed land (PDL) will be less, GOWM and others pointed out that both total housing output and the percentage on PDL have increased at the same time. Obviously, however, the supply of PDL is not unlimited and at some point the proportion of development achieved on PDL may well reduce. We do not see that this necessarily imposes a restriction on the amount of housing that should be provided. We appreciate CPRE's wish to avoid taking greenfield sites or releasing Green Belt ahead of need. This, with other environmental concerns, is behind its proposal for a much lower regional total, on the basis that any necessary additional provision could be made through "plan, monitor and manage" once it was shown to be really needed. We see flaws in this approach. By failing to address long term development needs strategically, it would tend to mean an incremental process, in which lapses in the rate of development and failure to plan the delivery of necessary supporting infrastructure would be constant risks. We agree with the TCPA view that low provision is not necessarily "low risk".

3.52. Despite all the above arguments, it is incontrovertible that development, wherever it occurs, has environmental impacts. It follows that for the RSS to be sustainable, it should not provide for more development or more damaging development than necessary. We do not consider that there is a danger of too many houses being built – in the long run market forces would not allow that to happen. But an over-liberal approach to provision would be likely to bring in less sustainable options for development. To that extent we accept the WMRA case that too much provision, particularly away from the MUAs, would adversely affect the strategy and the region.

3.53. The Sustainability Appraisal (SA) does not reach an overall conclusion about the regional housing total, nor does it say that there is a finite capacity limiting the amount of development which the region can accommodate before the adverse effects become unacceptable or unmanageable. What the SA does say about the housing provision does not send a clear message and is to some extent contradictory. For example in relation to existing problems on housing relevant to RSS (CD7 page 9):

"The region faces a longer term failure in the housing markets to provide many people with housing they want which has resulted in little or in some cases no substantial range of choice whether in price or type. Housing affordability is a key problem facing the region...."

Recommendation 4 recommends increasing provision of social and intermediate housing in line with the CCHPR report (5,140 + 3,000 = 8,140 units per annum). It says nothing about the market component or the overall total which was an integral part of that assessment.

Recommendation 11 calls for targets for affordable housing to be set,

suggesting 35% overall. If 8,140 units was 35% of the total, this would equate to 23,257 per annum or total provision of 465,000 over the period 2006 – 2026. Even at 40% it would correspond to a regional total of 407,000. These are consequences that the SA itself fails to draw from its own recommendations.

3.54. The SA's overall summary of likely significant effects gives an "amber light" to the Preferred Option in relation to the objective of providing decent and affordable housing for all, but fails to suggest how the performance of the RSS should be improved. This relates to the finding (page A211) that *"there does not seem to be any evidence to suggest that increasing current housebuilding rates across the region by 18% (as in the Preferred Option) will have any significant impact on house prices and affordability"*. This could be taken as a criticism either of low RSS provision or of the Barker analysis, but it does not lead into any conclusion on what should be done about market affordability.

3.55. CPRE made much of the SA's finding that the policies on distribution and phasing of housing will not concentrate housing development in the MUAs, will not stem out-migration of households, and will not support urban renaissance. This links with the SA's sub-regional analysis of the extent to which the Preferred Option meets local housing need where it arises. While being critical of the failure to provide more housing in the MUAs, the SA appears to ignore the fact that it notes (in para 1.7.1) that the alternative of a significantly higher concentration of housing in the MUAs was not considered as it would not have been deliverable and would have had significant negative implications for housing market renewal processes. There would of course be other negative effects. In relation to Birmingham, for example, where the SA notes under-provision of 66,000 dwellings against "local needs", any attempt to rectify this would almost certainly involve large scale extension of the urban area into the surrounding Green Belt.

3.56. The SA appears to put a very high value on the objective of meeting need "where it arises", but gives no consideration about what to do if that is not possible. In attempting to understand this analysis we sought clarification from WMRA of the source information on which it was based. This was given in the document EXAM41. It was based on some work done for WMRA looking at how household formation might occur if net migration to each local planning authority was zero. The results were passed to the SA consultants URSUS, who used them as an indication of "locally generated needs". This assumes that no migration whatsoever takes place between 2006 and 2026, and so makes an implicit judgement that the needs of people who happened to be in an area in 2006 should be met, but anyone arriving subsequently should not. Not only is this highly unrealistic, it is potentially very misleading about the true scale of housing needs in the region, or in individual local authority areas. It sums to some 339,000 for the region compared to the 382,000 (2004-based projections + vacancy allowance) against which WMRA assessed the regional housing provision. Nevertheless it is the only assessment of housing needs that the SA appears to have adopted.

3.57. The SA also refers to the Preferred Option level of development in considering the impact of the RSS on objectives to do with protecting the

environment and biodiversity (Non-Technical Summary, page 21). It shows amber lights against these objectives and describes a number of pressures and likely negative effects on environmental and biodiversity assets. There are references to policies which will mitigate the pressures from the proposed levels of development, and to the Habitat Regulations Assessment and the recommendations arising from it. However, the SA does not attempt to achieve any resolution between housing and environmental objectives, or to suggest any alternative level of development.

3.58. In most other respects, the environmental issues raised relate to the spatial distribution and the sub-regional level and are considered further in Chapter 8. In relation to the overall housing total, we conclude that environmental issues exert a broadly **downward** pressure, but there is no basis for identifying a specific reduction that should be considered. The SA does not offer any useful guidance for determining what the regional total should be, but again issues specific to sub-regions and local authority areas are identified, which we took into account in Matter 8.

The Theoretical Housing Requirement

3.59. Bringing the conclusions from the above sections together we can compile a range for the theoretical regional housing requirement, 2006-2026 as follows:

Element	Low	Med	High
Preferred option proposal	365,600	365,600	365,600
↓			
Demographic/ Projections (Para 3.26)	+8,000	+14,000	+22,000
↓			
Market/ Affordability (Para 3.34): Upwards: increase by at least as much as above.			
↓			
Housing need/ Backlog	+20,000	+30,000	+40,000
↓			
Environment/ SA (Para 3.58): Downwards: not specific but aim to minimise.			
↓			
Vacancies 3% of increase (Para 3.27)	+840	+1,320	+1,860
↓			
Second homes 0.35% to 0.70% of total (Para 3.28)	+1,380	+2,160	+3,000
↓			
Regional total (rounded to nearest 500)	396,000	413,000	432,500

3.60. The above range is suggested as a robust theoretical envelope within which the regional total should fall. Anything lower than the low figure may be easier to deliver and may be more sparing on aspects of the environment but would leave serious and worsening issues of housing need and demand to be addressed. Anything higher than the high figure may in theory do more to house people in the West Midlands but it would raise serious questions as to its realism in terms of delivery and potential damaging environmental effects. In due course experience and

monitoring may show a need to think in terms of a rate of provision outside this range, but that would be a matter for the next review of RSS under the new SIRS approach.

Deliverability and Trajectory

3.61. Matter 3C considered the deliverability of new housing, in which we sought to probe the prospects for achieving the proposed regional total housing provision. Although many of the issues involved in delivery can only be specifically addressed at the level of particular locations or proposals it is in our view important to complement the theoretical strategic assessment of the regional total with an equally strategic view of its deliverability. Many participants approached the general debate on housing numbers in terms of annual rates rather than the total for the whole period. An annual average for a 20 year period can be misleading, however, given how inconstant housing output can be and has been from one year to the next. We have therefore not looked at annual rates up to this point but at the 20 year total. In this section we look first at the impact on housing delivery of likely resource constraints, and then at how, starting from the present, delivery might be achieved year by year, and what implications this has for the total.

3.62. As noted in paragraph 2.49(viii) of PPS11, realism, including about the availability of resources, is among the criteria for assessing the soundness of RSS. Many participants expressed concern about the infrastructure needed to support development and likely availability of resources. The Draft Implementation Plan (CD3) and the Implementation Plan Supplement (CD233) go into some detail in listing infrastructure schemes required under the strategy. While some information about costings and sources of funding is included, it is not complete. It would indeed be surprising, and not very credible, if there were a definitive list, including funding, of all the investment required in the region over a 20 year period. Many proposals, including some of the most expensive schemes, are at an embryonic stage where options, business case and environmental assessments have yet to be carried out, before timing and funding could be determined.

3.63. A further consideration is that the link between infrastructure investment and a given level of housing provision is very difficult to establish at a regional strategic level. While there is an assumption that more housing requires more infrastructure, it is the people and households in the region, and not the additional dwellings as such, that actually create the demand for infrastructure and services. This may be part of the reason why the Highways Agency (HA), and the Environment Agency (EA) and water industry did not see fundamental obstacles to alternative levels of housing growth from a strategic infrastructure point of view. The whole strategy, not only for housing but also regeneration and economic development, may be seen as dependent on key streams of investment, for example in sustainable transport. While investment directly in support of housing development is part of this mix, it is difficult to relate it to a specific overall level of provision. Much more critical are the location, manner and to some degree the timing of development.

3.64. At various points in the EiP, particularly in the sub-regional sessions, key infrastructure and investment needs were raised in

connection with the levels of housing proposed. Local authorities, CPRE and others drew attention to funding demands, not only in specific places but adding up, across the whole region, to what was seen to be a funding gap of many millions. Doubt was expressed about whether, given the current economic circumstances, this gap could be filled either by contributions from development or from public expenditure. In this context it is worth noting the concerns expressed by development sector participants about placing excessive expectations on developer funding for infrastructure, affordable housing and other public goods, which could undermine the viability of development. Against this, however, it was also argued that providing for development attracts investment, not only from developers but also from service providers and other public and private agencies.

3.65. It is important in our view to recognise that public expenditure, at least over the next few years, includes major priorities for additional housing. In addition to the Government's Growth Points programme and the programmes of the HCA, we heard about an additional £400m of Government funding being made available to unblock sites stalled by the recession, although it was not clear how far this was "new money". The Region's current Regional Funding Advice (CD241) also prioritises investment in support of the strategy, and Advantage West Midlands (AWM) is also focussing on the region's "impact investment locations". While this is not exclusive to housing it does mean there is a considerable focus on delivering the RSS provision. As and when development picks up, it will release further investment, although it would appear likely that expectations of funding through S.106 or the Community Infrastructure Levy for infrastructure and other investment will have to be tempered as the economy emerges from recession.

3.66. For the medium and longer term it is very difficult to be certain about the prospects for public expenditure or private investment to support additional housing growth. Much will depend on the rate of economic progress achieved, both by the region and nationally. As AWM points out in its report on the potential implications of the economic downturn (document 451/7), the recession has hit the West Midlands harder than England as a whole, both in terms of general job losses and in the way the construction sector has contracted. That report concludes that whilst the recession will be short term, responding to its consequences could remain a significant issue for the medium to long-term. We do not see any reason to expect an increase in the Region's share of future national public expenditure in support of development. In the post-recession period most commentators agree that resources for investment, from whatever source, will remain constrained.

3.67. We take the view that, while it is not possible to identify a specific level of housing provision on the basis of infrastructure and investment requirements, the availability of resources will be a perpetual issue for delivering additional development. This should be seen as a problem to be solved, rather than an absolute constraint. The issue will arise principally at the sub-regional level, through Core Strategies and in bringing forward specific major proposals, once their direct implications and funding requirements can be identified. For the regional strategic level, however, we conclude that the availability of resources exerts a

broadly **downward** pressure on the delivery of the development proposed in the Preferred Option, or any alternative level. This suggests that a cautious view of the regional housing total would be more realistic than an unreservedly ambitious one.

3.68. The above conclusions need to be set in the context of a more pragmatic look at what may reasonably be expected to be delivered over the period of the RSS. A certain amount of background material was available to assist in this, notably in the latest WMRA Annual Monitoring Report (AMR) (CD254) and the NLP study. NHPAU has done some work on supply trajectories and the impact of recent economic and demographic change at a national level (e.g. 1001/18). Other work looking at the implications of the economic downturn for housing in the region included a report by Ecotec (CD247) and the note by AWM (451/7). Key facts emerging from the latest information are that net housing completions in the West Midlands, running at around 16,000 per annum in 2006/7 have fallen to about half that level in 2008/9. Housing starts have taken a similar plunge, and the general view is that delivery is likely to remain at its current level (i.e. approximately 8,000 per annum net) for 2009/10, before increasing again.

3.69. Views differ widely about how long economic recovery will take and how quickly and how far housing output will increase from the present historically low level. WMRA, AWM and a number of other participants pointed out that current circumstances show that the region faces huge challenges in delivering the Preferred Option, let alone anything higher. Housebuilding representatives stressed the resilience shown by the industry in recovering from past recessions, and argued that the very high rates of housing increase required to deliver the higher provision they advocate (30,000 per annum, or even more) could be delivered. This was, however, allied to a call for sufficient additional greenfield sites to be made available to the market. CPRE and others argued, on the other hand, that the recession would cast a "long shadow" and this suggested a much lower level of provision than the Preferred Option. There was even a certain satisfaction that a depressed housing market would obviate the need for additional greenfield land for development, at least until much later in the RSS period, in diametric opposition to the housebuilders' view that more attractive and viable sites (i.e. greenfield) were required early to restore momentum.

3.70. Aside from those arguments, the available evidence provides a starting point for considering a possible 20 year trajectory showing the implications for delivering different levels of development. From information already available the delivery trajectory for the first 5 years of the RSS period, up to 2011, is more or less fixed. The assumptions made by NLP (Main Report Fig 8.1) and in the AMR (Fig. ER4), are that delivery, having started at approximately 16,300 net additional dwellings in 2006-7 and having fallen to half that in 2008-9, will continue at that level in 2009-10 and will at best recover to something like 70% of the 2006-7 level in 2010-11. This produces a total of some 59,810 net additional dwellings over the five years to 2011. Although development sector participants argued that the housing sector could respond quickly in coming out of recession, nobody suggested that an upturn significantly

earlier than this was likely or possible. Others argued that the climb out of recession would be slower.

3.71. Against a total of 365,600 the NLP/AMR view of the first five years would leave 305,790 to be delivered over the 15 years from 2011, or 20,386 annually. Our "low" end theoretical requirement of 396,000 (paragraph 3.59 above) would equate to 22,413 per annum, while our "high" value of 432,500 would mean over 24,846 per annum, sustained over a 15 year period from 2011. Obviously any slower return to the 2006-7 level would leave even higher rates for future years unless the overall total was less.

3.72. Considering what happens beyond 2011 is more speculative. The NLP/AMR trajectory shows housing delivery recovering to 90% of the 2006-7 level in 2011-12, and 110% in 2012-13. The general view is that this is the most optimistic scenario now likely. It is supported by the fact that many sites already under construction or programmed would be available immediately once confidence was restored. Also the impact of current public expenditure commitments, adoption of the RSS and Core Strategies, and the release of pent up demand as markets begin to recover, would all have a positive effect. Nevertheless, this rate of recovery represents an increase from 8,150 to 17,930 dwellings per annum – a rise of some 120% in three years from the low point in 2009-10. A slower recovery might take two years longer for the 2006-7 rate to be restored, in 2014-15.

3.73. Once historic levels of housing delivery have been surpassed, the next question is how rapidly they could go on increasing towards the levels implied by the Preferred Option or alternatives within the theoretical range we have identified above. The NLP report states in paragraph 8.25 that the industry is capable of increasing rates rapidly – by 16 – 36% over a 2 to 3 year period. It also notes that the challenge is to sustain these increases, and figure 8.2 in the same report shows that in the last 17 years there are few times when regions have achieved increases of over 10% in the annual delivery rate, and that these increases were not generally sustained year on year. NHPAU, in document 1001/18 (page 6) says: *"It is a commonly stated view that the industry is not capable of increasing output long term by more than 5% a year, but there is potentially a big difference between recovery from a dramatic drop in output and long term assumptions about output growth."* This may be taken to support the view that, outside of the recessionary dip and recovery from it, 5% annual growth in housing output is a reasonable long term assumption. It should be noted, however, that this rate of growth is considerably in excess of most forecasts of rates of growth in the general economy, or growth in incomes.

3.74. The NHPAU view above was given in the context of looking at a set of scenarios for housing affordability nationally, making different assumptions about rates of growth in earnings and levels of mortgage availability. We are not in a position to carry out similar econometric modelling to forecast housing supply for the West Midlands, but by making simple assumptions about the rate of change in housing output from year to year, it is possible to suggest different trajectories, reflecting pessimistic and optimistic views.

3.75. We have considered possible trajectories resulting from different assumptions about the rate at which net housing growth could be achieved from 2009/10. These represent an optimistic or high and a more pessimistic or low view not only of the climb out of the present recessionary trough, but also of longer term growth prospects. We have also considered a middle trajectory between the two, but this is not necessarily more probable than the two extremes. Starting from the assumed net housing increase of 8,150 per annum in 2008-09 and 2009-10 the assumptions thereafter are as follows:

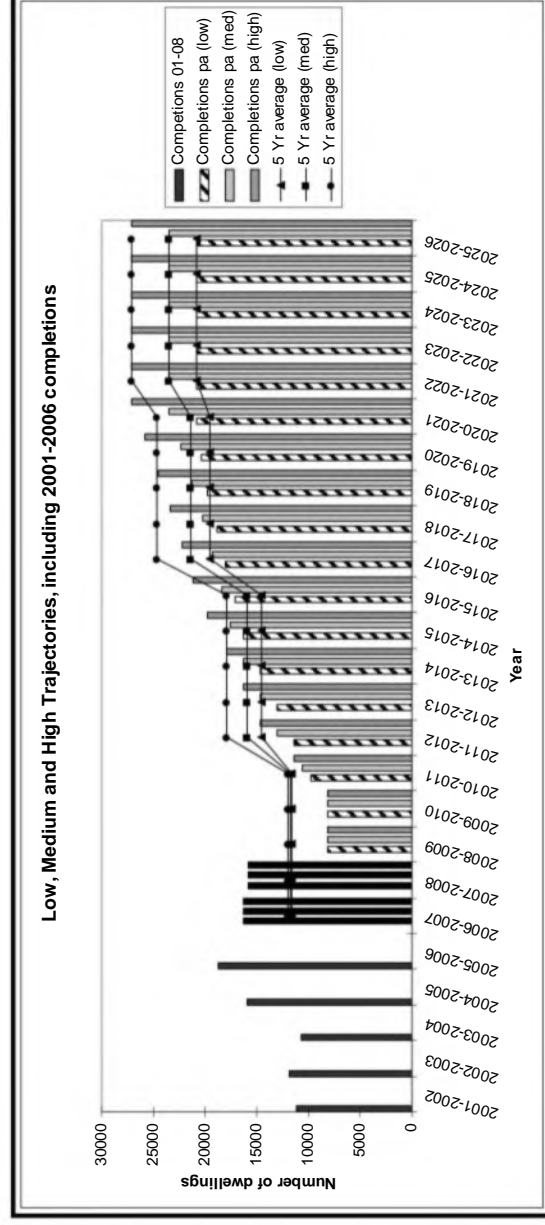
Low assumption: Output increases gradually to regain the 2006-07 level in 2014-15, then increases at 5% per annum until 2018-19, at 2.5% per annum for a further 2 years to reach a plateau from 2021 onwards at 20,815 per annum.

Middle assumption: Output rises in stages to regain 2006-07 level in 2013-14, then tapers to 5% growth year on year until reaching a plateau at 2021 of 23,480 per annum.

High assumption: Output bounces back rapidly to regain 110% of 2006-07 level by 2013-14, then a further year at +10%, tapering to 5% year on year to reach a plateau from 2021 of 27,060 per annum.

The results are shown in Table 3.2 below.

3.76. We would emphasise that the trajectories below are purely illustrative. The assumptions about housing output recovering to pre-recession levels and then growing further at a rate of 5% over a period of years, or even by 2.5%, are open to debate. The sustained rate of increase, and the “plateau” levels assumed in all three cases, are well in excess of what has been achieved over previous periods. Nevertheless, achieving either the Preferred Option or the higher alternatives put forward depends upon this historic scale of change being brought about.



Alternative Delivery Trajectories (net additional dwellings) 2006-2026			
	Low Assumption	Medium Assumption	High Assumption
2006/07	16,300	16,300	16,300
2007/08	15,800	15,800	15,800
2008/09	8,150	8,150	8,150
2009/10	8,150	8,150	8,150
2010/11	9,780	10,595	11,410
<i>5 year (average)</i>	<i>58,180 (11,635)</i>	<i>58,995 (11,800)</i>	<i>59,810 (11,960)</i>
2011/12	11,410	13,040	14,670
2012/13	13,040	14,670	16,300
2013/14	14,670	16,300	17,930
2014/15	16,300	17,525	19,725
2015/16	17,115	18,400	21,200
<i>5 year (average)</i>	<i>72,535 (14,505)</i>	<i>79,935 (15,985)</i>	<i>89,825 (17,965)</i>
2016/17	17,970	19,320	22,260
2017/18	18,870	20,285	23,375
2018/19	19,815	21,300	24,545
2019/20	20,310	22,365	25,770
2020/21	20,815	23,480	27,060
<i>5 year (average)</i>	<i>97,780 (19,555)</i>	<i>106,750 (21,350)</i>	<i>123,010 (24,600)</i>
2021/22	20,815	23,480	27,060
2022/23	20,815	23,480	27,060
2023/24	20,815	23,480	27,060
2024/25	20,815	23,480	27,060
2025/26	20,815	23,480	27,060
<i>5 year (average)</i>	<i>104,075 (20,815)</i>	<i>117,400 (23,480)</i>	<i>135,300 (27,060)</i>
20 year (average)	332,570 (16,630)	363,080 (18,155)	407,945 (20,400)

Table 3.2: Alternative Delivery Trajectories 2006-2026

3.77. One conclusion that may be drawn from this exercise is that the Preferred Option phasing shown in Policy CF4 in which the delivery rate peaks in 2016 and then falls back slightly in 2016-26 is unrealistic. In order to deliver even 365,600 dwellings by 2026, let alone more, the approach must be to think in terms of output rising steadily through 2016 on up to reach by 2021 a maximum annual rate the region can sustain for a further 5 years. In reality there are likely to be considerable fluctuations along the way. A number of participants pointed out that the period to 2026 is likely to see several economic cycles, with the probability of at least one slack period or "mini-recession". We have not sought to represent such fluctuations in our illustrative trajectories. An obvious implication, however, is that any dip in the rising profile, under any of the assumptions, would need even higher increases later on to achieve the same level over the whole 20 year period. Another point that is apparent is that very significant differences in the total provision (e.g. between the Preferred Option's 365,600 and an "optimistic" 400,000) amounts to less than a couple of years worth of output at the end of the period.

3.78. But the key message our illustrative trajectories show is that only the most optimistic assumptions about the rate of recovery in housing output from current levels, and about a sustained increase in the rate of output until 2021 and maintenance of that peak level for the final five years, will deliver total provision in the range we have identified above as theoretically required. Even so, that delivery would only be near the bottom of the range.

Spatial Distribution

3.79. The spatial strategy elements of the Phase 2 revision were discussed in Chapter 2. We have generally endorsed the strategy in terms of the priority for urban renaissance and rural renaissance and the aim of concentrating development in the MUAs. Also, recognising that the MUAs will not be able to meet all the needs arising within them, and that many other towns around the region have significant growth dynamics of their own, we have endorsed the concept of the Settlements of Significant Development (SSDs) and for the most part the selection of towns designated.

3.80. In Chapter 2 paragraph 2.47 we have also explained our approach to the NLP study. We have not seen it as an alternative strategy to the RSS, nor as packages of proposals to be taken on board or rejected in their entirety. Instead we have taken the NLP options and scenarios as containing propositions to be discussed and tested when considering what provision the RSS proposes for each LPA area. That discussion and testing took place in the sub-regional discussions covered in Chapter 8 and is not reported in detail here. It is worth noting, however, that in some cases NLP identified additional capacity or local requirements for housing that the local authorities themselves supported or accepted, or that had emerged as options through Core Strategy work. Many of those cases we have accepted as justifying an increased housing allocation for the district concerned. In other cases, NLP has put forward suggestions which, though they may or may not attract development sector support,

appear to have no grounding in local or regional policy or to have a disputed or unclear evidence base. Many of those cases we have not found appropriate to justify an increased housing allocation.

3.81. In Chapter 2 paragraph 2.50 we note that the spatial strategy reflects a high degree of synergy between the RSS and Government policies and priorities for public expenditure. Equally, it is a measure of the consensus building that went into the Preferred Option that there was no serious dispute from local planning authorities to the essentials of the strategy or to the housing allocations it proposes. In considering the distribution of the housing provision we felt it was an important aim not to disturb those synergies, and not to put the regional/local consensus under more pressure than necessary. One reason for this comes back to deliverability. Were we to recommend radical changes to the strategy and priorities, and to the housing distribution, not only would there be more likelihood of opposition to the RSS within the region, the changes would set back the very considerable progress that has been made on Core Strategies, and cause rethinking of investment and other programmes, all of which would threaten the rapid improvement in delivery that all see to be necessary.

3.82. Our proposals for the spatial distribution are rooted in the consideration of sub-regional issues in Matter 8. It is unfortunate in our view that, despite being invited, NHPAU did not participate fully in the sub-regional sessions but relied on high level statements of principle to get its point across. It is at the sub-regional and local level, however, that the arguments about housing needs, markets and supply really come to the fore. In some districts of the region with high demand there is a strong perception that house prices are set not by those in need of housing but by those who can afford to pay the most. The argument we heard several times was that no realistically deliverable amount of additional market housing would improve lower quartile affordability within the district. The apparently unlimited demand from in-migration, together with the preference of the property industry for the most profitable markets would keep prices out of reach of local people. The NLP report did nothing to contradict these arguments. Neither did NHPAU, even if the theory and evidence of housing need they put forward may be unassailable in principle.

3.83. It was always apparent that there would be broad upward pressure on the housing provision and also, by virtue of the consensus referred to above, few if any local authority suggestions for reduced provision, although we recognise that local organisations and CPRE often argued strongly for reductions. Our proposed increases to the housing allocations reflect careful consideration of the environmental and other issues raised, and the arguments put forward during Matter 8. We believe they also go with the grain of policy within the region and help to reinforce the effort that is going into urban regeneration, the Growth Points programme and towards addressing housing problems. In many cases we have not accepted specific suggestions put forward, including new settlements and particularly proposals for greenfield urban extensions adjacent to the MUAs. Although such proposals might appear to offer the prospect of additional housing overall, it is doubtful whether this would come forward early enough to contribute to the "step change" in housing

being sought. Moreover bringing them into the picture at this stage would be a distraction from the essential task of delivering what is already planned and budgeted for. Nevertheless, if monitoring shows additional options for growth are required for the longer term, such proposals may well need to be considered at the next review in the context of SIRS.

3.84. Our conclusion below represents an increase of 32,300 or 8.8% over the Preferred Option, with the proportion in the MUAs actually marginally higher. In that respect the outcome is very different from the NLP proposals, which appear to have paid little regard to the influence of current strategy and priorities in suggesting locations for additional housing. We have specifically addressed additional capacity identified for some of the Growth Points/SSDs and some situations outside the MUAs where affordability and local housing need are serious issues and yet the Preferred Option proposals would represent a significant reduction on present levels of provision or against identified needs. Notable cases of the latter are Bromsgrove and Stratford-on-Avon. In both cases there are environmental limitations and a strong sense of local self-determination about where additional housing should best be located. We believe, however, that the additions we propose in those districts will be deliverable and, properly targeted and located, will help to address acute housing issues within those areas while respecting the constraints. In both cases, however, there will be a need to return to the provision when the RSS is next reviewed in the context of SIRS, to see whether further increase is required and the most sustainable options for accommodating any such increase. In other cases our proposed increases are mostly small in scale and represent rounding out of odd hundreds which, over the 20 year period, are unlikely to be of major significance. In many cases they are, however, intended to be targeted at specific requirements, particularly affordable housing in rural areas, and so may have a significant impact locally in addressing those issues.

3.85. Adding up all the changes that we would recommend in the light of this bottom-up assessment of feasibility, the RSS Phase 2 housing provision to address general needs would be increased to 395,900. With the additional provision sought by the Ministry of Defence (MoD) to house service families returning from Germany the total would be raised to 397,900. In the longer term, should the further studies that we recommend be undertaken in Stratford-on-Avon and Bromsgrove Districts of a possible further increase in provision in the latter part of the plan period conclude that this is necessary and feasible in both localities then at that stage the provision could increase to around 403,000.

3.86. This figure is close to the CCHPR 405,000 assessed need under a slow recovery scenario and not far below their central need assessment of 411,000. It would be substantially less than the CLG central 2006-based household projection of 431,000 (which would equate to 447,000 after allowance for vacancies and second homes). It would, however, be comfortably above the 2006-based low-migration variant which CLG indicated may well be the most accurate as a consequence of the recession. The latter would not result in a figure greatly in excess of the 371,000 growth figure from the original 2004-based projection (which translates to 385,000 after allowance for vacancies and second homes). Our "bottom up" figure would sit between the lower and upper range

points of the NHPAU advice from document CD231 (374,300 and 440,600 respectively) although it is significantly lower than some developer suggestions. Perhaps most importantly it would be broadly comparable to the most optimistic trajectory that we consider can be justified from our overall strategic view. As such we are conscious that such a level of provision will be extremely challenging to deliver in all parts of the region.

Conclusions on the Regional Housing Total and its Distribution

3.87. We conclude that the figure of 397,900 distributed as in the table below should be the regional housing requirement. This is reflected in our recommendation **R3.1**. Other aspects of Policy CF3 also need amendment. Some amendments will be required to the supporting text paragraphs 6.22 to 6.30. These include a slightly improved ratio between MUAs and other areas – from 1:1.2 as stated in 6.22 to 1:1.1 (rounded from 1.13) in our proposal. We would emphasise that for the reasons behind each recommended increase in Table 3.3 the reader should refer to the conclusions in the relevant paragraphs of Chapter 8.

3.88. Other aspects of Policy CF3 will also need amendment. There was considerable discussion about the provision of “minima” figures in the MUAs, which could be exceeded. In the view of a number of participants, and in a recommendation of the Sustainability Appraisal the figures elsewhere should be stated to be maxima, as in the existing RSS. In Chapter 2, and in the next Chapter, we draw the conclusion that the spatial strategy should not depend on holding down housing provision in the shires in the hope of encouraging delivery within the MUAs. We also consider that circumstances have changed radically since the Preferred Option was prepared and the SA gave its view. In the first five to ten years at least there is very little likelihood of any part of the region exceeding the rate of development required to deliver the total provision over the plan period. As we note in the next Chapter throughout the region the priority will be to accelerate housing growth out of recession and towards achieving the provision required. Also it is worth noting that our proposed provision for the MUAs in Table 1 includes some increases in response to additional capacity identified. In practice therefore we do not consider that stating the MUA figures to be minima is likely to result in materially higher achievement, though we recognise that any higher achievement would be beneficial to the process of urban renaissance.

3.89. We therefore conclude that the “minima-maxima” concept is no longer useful, and the provision in Policy CF3 Table 1 for all areas should be regarded as targets to be aimed for. This would in our view correctly interpret the guidance of PPS3. An important corollary to this is that progress towards those targets, and against delivery trajectories, should be closely monitored and the results fed into the management and policy review process. More rapid or slower progress in different parts of the region would need to be seen in context, including the latest available housing market information. Any policy adjustment may be in terms increasing or redirecting efforts at delivery as well as, or instead of, adjustments to annual or five year provision levels within the target, or even review of the latter. These conclusions are also reflected in our recommendation **R3.2**.

Table 3.3 – Housing Proposals 2006-2026

[All cross-boundary figures are consistently listed in the LPA from which they derive]

Planning Area	RSS PO (Net) 2006-2026	Panel (Net) 2006-2026	Increase	Comment	Chapter 8 para reference
Birmingham¹	50,600	57,500	+6,900	Additional capacity substantially as identified by the LPA	8.13 - 8.18
Solihull	7,600	10,500	+2,900	Additional capacity substantially as identified by LPA	8.19 – 8.27
Black Country	61,200	63,000	+1,800	Additional capacity identified by LPAs	8.29 – 8.33
Coventry²	33,500	33,500			8.34 – 8.42
WM MUA	152,900	164,500	+11,600		
North Warwickshire	3,000	3,000			8.45
Nuneaton & Bedworth	10,800	11,000	+200	Rounding	8.43 – 8.44
Rugby	10,800	11,000	+200	Rounding	8.47
<i>Rugby</i>	<i>9,800</i>			<i>Indicative</i>	<i>8.48</i>
Warwick	10,800	11,000	+200	Rounding	8.49 – 8.53
Stratford-on-Avon ³	5,600	7,500	+1,900	Additional capacity partially identified by the LPA	8.55 – 8.74
Warwickshire	41,000	43,500	+2,500		
Bromsgrove ⁴	2,100	4,000	+1,900		8.85 – 8.87
Redditch ⁵	6,600	7,000	+400		8.77 – 8.84
Wyre Forest	3,400	4,000	+600		8.88 – 8.89
Worcester City ⁶	10,500	11,000	+500	Rounding of Core Option	8.91 – 8.101

¹ Around 700 to be in Longbridge AAP in Bromsgrove District.

² Around 3,500 to be in Nuneaton & Bedworth adjacent to the City boundary to the north near Keresley and around 3,500 to be within Warwick District adjacent to the City boundary to the south in the vicinity of Gibbet Hill/Finham.

³ Further study should be undertaken in the context of a Core Strategy Review on the potential for sustainable provision of a further 2,500-3,000 dwellings for the 2021-26 period.

⁴ Further study should be undertaken in the context of a Core Strategy Review on the potential for sustainable provision of a further 2,000-3,000 dwellings for the 2021-26 period.

⁵ Around 4,000 within the Borough and around 3,000 in Bromsgrove District adjacent to the Redditch boundary.

⁶ At least 3,500 will be in Worcester City, at least 3,500 in Malvern Hills adjacent the West boundary of the City and the remainder split between the City, Malvern Hills and

Planning Area	RSS PO (Net) 2006-2026	Panel (Net) 2006-2026	Increase	Comment	Chapter 8 para reference
Malvern Hills	4,900	5,000	+100	Rounding of Core Option	8.101
Wychavon	9,100	9,500	+400	Rounding of Core Option	8.101
Worcestershire	36,600	40,500	+3,900		
Cannock Chase ⁷	5,800	6,800	+1,000	No actual increase within Cannock Chase given SAC issue only identification of cross-boundary requirement in Lichfield District.	8.108 – 8.110
South Staffordshire	3,500	3,500			8.107
Tamworth ⁸	2,900	4,000	+1,100	Little actual increase within Tamworth Borough but that total should be regarded as a minimum to be exceeded if possible; mainly identification of cross-boundary requirement in Lichfield District.	8.111 – 8.114
Lichfield	8,000	8,000		Although unchanged this represents an increase of around 2,000 as Cannock Chase and Tamworth requirements now identified separately. It should allow proper long-term consideration of NE Lichfield/Fradley.	8.115 – 8.121
East Staffordshire	12,900	13,000	+100	Rounding only as cannot count Drakelow provision and provision also made instead at NE Lichfield/Fradley.	8.122 – 8.125
<i>Burton-on-Trent</i>	<i>11,000</i>	<i>11,000</i>		<i>Indicative</i>	<i>8.125</i>
Stafford ⁹	10,100	11,000	+900	NGP requirement	8.126 – 8.132

Wychavon Districts adjacent to or in the vicinity of the City as determined in the joint Core Strategy.

⁷ Around 1,000 to be in Lichfield District adjacent to Rugeley.

⁸ At least 1,000 to be in Lichfield District adjacent to north Tamworth.

Planning Area	RSS PO (Net) 2006-2026	Panel (Net) 2006-2026	Increase	Comment	Chapter 8 para reference
<i>Stafford</i> ¹⁰	7,000	8,000	+1,000	<i>Indicative</i>	8.129
Staffordshire Moorlands	6,000	6,000			8.141
Newcastle-under-Lyme (rural part)	900	900			8.142
Staffordshire other than North Staffs MUA	50,100	53,200	+3,100	Adjusted to exclude North Staffs MUA.	
Newcastle-under-Lyme (MUA)	4,800	7,800	+3,000	Indicative assumption that extra 6,000 post 2016 split evenly. No rounding given short-term market fragility and need for Core Strategy DPD Review.	8.140 – 8.142
Stoke-on-Trent	11,400	14,400	+3,000	Indicative assumption that extra 6,000 post 2016 split evenly. No rounding given short-term market fragility and need for Core Strategy DPD Review.	8.140 – 8.142
North Staffs MUA	16,200	22,200	+6,000	Increase post 2016	
Telford & Wrekin ¹¹	26,500	26,500			8.134 – 8.137
<i>Telford</i>	<i>25,000</i>	<i>25,000</i>		<i>Indicative</i>	8.137
Herefordshire	16,600	18,000	+1,400		8.149 – 8.154
<i>Hereford</i>	<i>8,300</i>	<i>8,500</i>	<i>+200</i>	<i>Indicative</i>	8.152
Shropshire ¹²	25,700	27,500	+1,800		8.143 – 8.148
<i>Shrewsbury</i>	<i>6,200</i>	<i>6,500</i>	<i>+300</i>	<i>Indicative</i>	8.147
Military Households		2,000	+2,000		8.130 – 8.132, 8.148
MUAs	169,100	186,700	+17,600	46.25% > 46.92%	
Other areas	196,500	211,200	+14,700	53.75% > 53.08%	
West Midlands Region	365,600	397,900	+32,300		

⁹ 1,000 additional for Defence Personnel related to Stafford on return from Germany separately listed. Subject to further studies part of the provision for Stafford may be provided in South Staffordshire District adjacent to the southern boundary of Stafford.

¹⁰ See footnote 9 above.

¹¹ See footnote 12 below.

¹² 1,000 additional for Defence Households related to Cosford/Donnington on return from Germany separately listed.

3.90. Paragraph 6.25 refers to considering the release of Green Belt in order to provide more sustainable development. In line with our conclusion in Chapter 8 at paragraph 8.4 that all strategically significant Green Belt release should be specified in RSS, and any minor local adjustments are governed by PPG2 guidance, paragraph 6.25 should be deleted. Paragraph 6.26 refers to considering air quality impacts and sustainable drainage systems, but not to any of the wide range of other environmental, transport and other policies that need to be applied. This cross reference seems unnecessary and could give a false sense of priority to those particular issues. Recommendation **R3.2** therefore includes the deletion of these two paragraphs.

3.91. Paragraph 6.27 and Table 2 refers to assumptions about housing demolitions that would lead to replacements, needing to be added to the net housing increase in Table 1 to give the total gross amount of housing for which land needs to be provided. The table sets out demolition assumptions in terms of annual rates and a 20 year total to 2026 for each authority. This is a legacy from the previous RPG approach in which the headline housing provision was in gross terms, and demolition assumptions were set out (also in Table 2 of the existing RSS) so that the net increase could be calculated. The net approach is generally supported and accords with guidance in PPS3 (although the footnote to paragraph 34 of PPS3 also says "and gross if appropriate").

3.92. Whilst demolitions are important, we share the view that Table 2 is too specific and potentially misleading. It is essential that the gross requirements, including replacement of units lost through demolitions, conversions or other losses are taken into account at local level when providing for development in LDDs. But this must be based on the best and latest local evidence, and not on assumptions for a 20 year period. Paragraph 6.27 does not make this clear although it does admit some variability in the assumption of 1 for 1 replacement and to do with densities achieved. It is probable that that Table 2, based on the 2007 Housing Land and Urban Capacity Refresh Study is already out of date, and actual future demolitions will be influenced by emerging local factors including economic circumstances and the policy response to them. The table appears unnecessary and we therefore recommend at **R3.3** its deletion and revision of the supporting paragraphs to make clear the approach to be adopted. We would observe, however, that on the evidence of the table, and also in the light of some of the discussion during Matter 8, the expected levels of demolition are very significant – adding up to over 59,000 in the Metropolitan conurbation and nearly a further 4,500 in the North Staffordshire conurbation. Although these figures may be subject to some reassessment it is clear that demolitions will add very significantly to the total amounts of new housing to be provided in those areas to achieve the net provision in Table 1. This underlines the challenging nature of the RSS, but also that there will be a greater improvement in housing availability and choice in the MUAs than may be simply highlighted by the net provision figures.

Recommendations

Rec Number	Recommendation																																																																
R3.1	<p>Replace Policy CF3 to read as follows:</p> <p>Local Planning Authorities in their LDDs should make provision for a regional total of 397,900 net additional dwellings in the period 2006 to 2026, distributed as in Table 1 below. In all parts of the region the allocations should be regarded as targets to be achieved by 2026, having regard to the phasing and indicative trajectories set out in Policy CF4.</p> <p>Replace Table 1 – Housing Proposals 2006-2026 with new Table:</p> <p>Table 1 – Housing Proposals 2006-2026</p> <table border="1"> <thead> <tr> <th>Planning Area</th> <th>Proposal Total (Net) 2006-2026</th> <th>Indicative Annual Average 2006-2026</th> <th>Comments <i>(Figures for SSDs within Districts are indicative)</i></th> </tr> </thead> <tbody> <tr> <td>Birmingham</td> <td>57,500</td> <td>2,875</td> <td>Around 700 to be in Longbridge AAP within Bromsgrove District</td> </tr> <tr> <td>Solihull</td> <td>10,500</td> <td>525</td> <td></td> </tr> <tr> <td>Black Country</td> <td>63,000</td> <td>3,150</td> <td></td> </tr> <tr> <td>Coventry</td> <td>33,500</td> <td>1,675</td> <td>Around 3,500 to be within Nuneaton & Bedworth adjacent to the City boundary to the north near Keresley and around 3,500 to be within Warwick District adjacent to the City boundary to the south in the vicinity of Gibbet Hill/ Finham.</td> </tr> <tr> <td>WM MUA</td> <td>164,500</td> <td>8,225</td> <td></td> </tr> <tr> <td>North Warwickshire</td> <td>3,000</td> <td>150</td> <td></td> </tr> <tr> <td>Nuneaton & Bedworth</td> <td>11,000</td> <td>550</td> <td></td> </tr> <tr> <td>Rugby</td> <td>11,000</td> <td>550</td> <td></td> </tr> <tr> <td><i>of which Rugby town</i></td> <td><i>9,800</i></td> <td><i>490</i></td> <td></td> </tr> <tr> <td>Warwick</td> <td>11,000</td> <td>550</td> <td></td> </tr> <tr> <td>Stratford-on-Avon</td> <td>7,500</td> <td>375</td> <td>Further study should be undertaken in the context of a Core Strategy Review on the potential for sustainable provision of a further 2,500-3,000 dwellings for the 2021-26 period.</td> </tr> <tr> <td>Warwickshire</td> <td>43,500</td> <td>2,175</td> <td></td> </tr> <tr> <td>Bromsgrove</td> <td>4,000</td> <td>200</td> <td>Further study should be undertaken in the context of a Core Strategy Review on the potential for sustainable provision of a further 2,000-3,000 dwellings for the 2021-26 period.</td> </tr> <tr> <td>Redditch</td> <td>7,000</td> <td>350</td> <td>Around 4,000 within the Borough and around 3,000 within Bromsgrove District adjacent to the Redditch boundary.</td> </tr> <tr> <td>Wyre Forest</td> <td>4,000</td> <td>200</td> <td></td> </tr> </tbody> </table>	Planning Area	Proposal Total (Net) 2006-2026	Indicative Annual Average 2006-2026	Comments <i>(Figures for SSDs within Districts are indicative)</i>	Birmingham	57,500	2,875	Around 700 to be in Longbridge AAP within Bromsgrove District	Solihull	10,500	525		Black Country	63,000	3,150		Coventry	33,500	1,675	Around 3,500 to be within Nuneaton & Bedworth adjacent to the City boundary to the north near Keresley and around 3,500 to be within Warwick District adjacent to the City boundary to the south in the vicinity of Gibbet Hill/ Finham.	WM MUA	164,500	8,225		North Warwickshire	3,000	150		Nuneaton & Bedworth	11,000	550		Rugby	11,000	550		<i>of which Rugby town</i>	<i>9,800</i>	<i>490</i>		Warwick	11,000	550		Stratford-on-Avon	7,500	375	Further study should be undertaken in the context of a Core Strategy Review on the potential for sustainable provision of a further 2,500-3,000 dwellings for the 2021-26 period.	Warwickshire	43,500	2,175		Bromsgrove	4,000	200	Further study should be undertaken in the context of a Core Strategy Review on the potential for sustainable provision of a further 2,000-3,000 dwellings for the 2021-26 period.	Redditch	7,000	350	Around 4,000 within the Borough and around 3,000 within Bromsgrove District adjacent to the Redditch boundary.	Wyre Forest	4,000	200	
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	Worcester City	11,000	550	At least 3,500 will be within Worcester City, at least 3,500 within Malvern Hills adjacent to the West boundary of the City and the remainder split between the City, Malvern Hills and Wychavon Districts adjacent to or in the vicinity of the City as determined in the Joint Core Strategy.
	Malvern Hills	5,000	250	
	Wychavon	9,500	475	
	Worcestershire	40,500	2,025	
	Cannock Chase	6,800	340	Around 1,000 to be within Lichfield District adjacent to Rugeley.
	South Staffordshire	3,500	175	
	Tamworth	4,000	200	At least 1,000 to be within Lichfield District adjacent to north Tamworth.
	Lichfield	8,000	400	
	East Staffordshire	13,000	650	
	<i>of which Burton-on-Trent</i>	<i>11,000</i>	<i>550</i>	
	Stafford	11,000	550	1,000 additional for Defence Personnel related to Stafford on return from Germany separately listed. Subject to further studies part of the provision for Stafford may be provided within South Staffordshire District adjacent to the southern boundary of Stafford.
	<i>of which Stafford town</i>	<i>8,000</i>	<i>400</i>	
	Staffordshire Moorlands	6,000	300	
	Newcastle-under-Lyme (rural part)	900	45	
	Staffordshire other than North Staffs MUA	53,200	2,660	
	Newcastle-under-Lyme (MUA)	7,800	390	3,000 post 2016 subject to Core Strategy DPD Review.
	Stoke-on-Trent	14,400	720	3,000 post 2016 subject to Core Strategy DPD Review.
	North Staffordshire MUA	22,200	1,110	
	Telford & Wrekin	26,500	1,325	See comment re Shropshire as some may be located within Telford & Wrekin.
	<i>of which Telford</i>	<i>25,000</i>	<i>1,250</i>	
	Herefordshire	18,000	900	
	<i>of which Hereford City</i>	<i>8,500</i>	<i>425</i>	
	Shropshire	27,500	1,375	1,000 additional for Defence Households related to Cosford/Donnington on return from

Rec Number	Recommendation			
	<i>of which Shrewsbury</i>	6,500	325	Germany separately listed.
	Military Households	2,000		
	MUAs	186,700	9,335	
	Other Areas	211,200	10,560	
	West Midlands Region	397,900	19,895	
R3.2	<p>Revise the supporting text on the following lines:</p> <ol style="list-style-type: none"> 1. Retain paragraph 6.22 2. Revise paragraph 6.23 to say: The distribution of housing shown in Table 1 sets out how the West Midlands will respond to the objective of meeting housing needs within the region. It reflects the objectives of the WMRSS, including the priority for urban renaissance and rural renaissance, as well as the RES, RHS and sub-regional and local regeneration policies. Within the MUAs development will be of a scale that will enable these areas to increasingly meet their own generated needs. At 2006 the ratio of new housing development between the MUAs and other areas was 1:1.3. The provision in Table 1 corresponds to an average ratio of new development of 1:1.1 between the MUAs and the rest of the region. Exceeding the targets within the MUAs, if that is possible, would be beneficial to the process of urban renaissance. 3. Add a paragraph to refer to the central importance of annual monitoring of housing delivery against the totals in Table 1 and delivery trajectories, to be considered in the management of housing delivery and review of RSS and LDDs. More rapid or slower progress in different parts of the region would need to be seen in context, including the latest available housing market information. Any policy adjustment may be in terms increasing or redirecting efforts at delivery as well as, or instead of, adjustments to annual or five year provision levels within the target, or even review of the latter. 4. Retain paragraph 6.24 but delete 6.25 and 6.26. 			
R3.3	<p>Delete Table 2 and replace 6.27 and 6.28 with a paragraph explaining the need to add losses due to demolitions and other losses to the net provision in Table 1 in order to determine the total of new housing for which land needs to be provided in LDDs. These losses should be based on the best and most recent available local assessments, having regard to the RHS and other programmes and should be kept under review.</p>			

Chapter 4: Delivering Homes and Communities

Introduction

4.1. This Chapter deals with the issues to do with the phasing of housing, land for housing, affordable housing and mixed and balanced communities, which were discussed in Matters 4A and 4B of the EiP. Some of the relevant issues and arguments also arose under other Matters, particularly Matters 2 and 3. This Chapter sets out our conclusions and recommendations as to the changes that should be made to Policies CF4 to CF10 of the RSS Phase 2 revision, and supporting text. We have not, however, considered Policy CF9 on sites for gypsies and travellers, as this is to be covered specifically in the RSS Phase 3 revision.

Phasing of Housing Land

4.2. Draft Policy CF4 sets out proposals for phasing the increase in housing provision to provide different rates of completion in the West Midlands and North Staffordshire conurbations and in the rest of the region. This aims to give priority to increasing development in the West Midlands conurbation early in the plan period in order to support urban renaissance, with development increasing at a slower rate in the rest of the region. The Policy also sets out a number of criteria for local authorities to govern the allocation and phasing of land release at local level. These prioritise support for urban renaissance and regeneration, use of previously developed land ahead of greenfield sites, and phasing of Green Belt sites late in the plan period. The tabulation in the Policy shows average completion rates in the West Midlands conurbation rising slightly from 2005/6 to 2016, those in North Staffordshire falling slightly and the rest of the region remaining level. After a peak at 2016 equating to 19,000 additional dwellings per annum (dpa) for the region as a whole, the rate in all areas falls slightly so that the regional average from 2016 to 2026 is 17,800 dpa.

4.3. There is no direct equivalent to proposed Policy CF4 in the existing RSS, although similar elements may be seen in the fact that Table 1 in the existing RSS sets out different annual rates of provision for each Section 4(4) area between 2007-2011 and 2011-2021, and these generally show provision increasing over time in the MUAs and decreasing outside them. For the region as a whole the existing RSS shows the rate of provision reducing from 16,680 dpa in 2007 to 14,650 in 2011-2021.

4.4. WMRA argued that Policy CF4 was essential to protect the fundamental principles and objectives of the strategy, in particular urban renaissance in the MUAs. This was linked to the argument that increased housing development in the "shire" areas undermines the achievement of housing increases in the MUAs and induces further out-migration from the MUAs, hence threatening urban renaissance. This view was strongly supported by a number of the local authorities and by CPRE, although the latter makes a number of criticisms of the policy as drafted. Walsall MBC called for a tightening of the policy to include a provision that would reduce the housing increase proposed in shire areas if the minimum allocations to the MUAs are not being achieved. While the emphasis on

maximising the achievement of housing increase in the MUAs is supported by HCA, NHF and a number of other organisations, there are also misgivings about the way the policy is designed to work, and about the assumption of a reduced rate of provision after 2016, which is widely felt to be no longer appropriate.

4.5. Development industry respondents were united in their condemnation of Policy CF4 which is seen as an unduly restrictive attempt to ration housing land. DLP and others express particular concern that the policy would lead to undue restraint in shire areas in an attempt to favour urban renaissance, resulting in under-delivery against the total regional housing requirement. It was suggested that rigid application of the policy by local planning authorities would lead to a return of moratoria on housing development in areas of high demand as has occurred in the recent past. Although WMRA said Policy CF4 would not have this effect as it is not intended as a development control policy, we note that it states the criteria are for use "in the preparation and review of LDDs and in determining planning applications". GOWM suggested Policy CF4 should be deleted and that the RSS needed to set out clearer regional and sub-regional trajectories for housing delivery. In its original response GOWM suggested alternative wording for Policy CF4 which refers to monitoring of delivery against housing trajectories and a thorough regional review when data for 2015/16 is available, which would identify any shortfalls in delivery and the reasons for them and consider policy or implementation changes to address them.

4.6. In reaching a view on Policy CF4 we start from the position, agreed by all participants including WMRA, that circumstances have changed significantly since the policy was drafted and that the first housing delivery challenge now facing the region is to get back on track towards achieving the regional housing requirement (whatever that requirement is held to be). Whilst the Preferred Option starts from the 2005/6 actual completion level of 18,000 dpa, we now have an opening position of about 8,000 dpa in 2008/9 and no doubt 2009/10 as well. The first 5 years (2006-2011) now seem likely to produce a shortfall of well over 30,000 against what was expected when the Preferred Option was prepared. As we have concluded in Chapter 3, the higher overall provision to 2026 that we now recommend will require a rapid recovery from the present low level and then a sustained increase in the rate of delivery until 2021 at least. Moreover, this applies to all parts of the region - the MUAs, the SSDs, other towns and rural parts of the region.

4.7. We conclude that Policy CF4 should be recast to show the essential delivery trajectory for the region and at a sub-regional level, starting from the present situation and showing key stages up to the final period 2021-2026. In recommendation **R4.1** we propose a replacement for the table in the policy, which is drawn from our recommended revised regional housing provision and from the discussion of trajectories in the previous Chapter. The table in our proposed policy is essentially the "high assumption" trajectory from paragraph 3.75 above, adjusted to reflect our regional total of 397,900, with rounded annual averages for each 5 year period. While the breakdown by area and time period can only be indicative at the RSS level, the policy should give guidance on how Core Strategies should translate this into appropriately detailed trajectories for

each area. We also consider it important that the policy should be linked with monitoring, management and review as suggested by GOWM. Given the uncertainties currently surrounding the rate at which housing development will increase, it must be recognised that trajectories, and ultimately provision levels, may change in the light of such review.

4.8. Our conclusions on the aspects of Policy CF4 concerning using different rates of development for different parts of the region to prioritise the MUAs over shire areas are linked with the view we have taken on the spatial strategy as a whole. As we have concluded in Chapter 2, we do not accept the argument that the overriding priority for urban renaissance justifies under-providing or restraining development to meet the needs of the more buoyant parts of the region. We accept the need to ensure that the viability of previously developed sites in urban areas is not undermined by liberal greenfield availability nearby. But this is not the same as the idea that phasing should be used to try to manipulate the relationships between different parts of the region. In our view the priority for urban renaissance and development in the MUAs is fully reflected in the development allocations for them, and in the focus of infrastructure and other funding provision on achieving regeneration in them. For the more buoyant areas those locations selected as SSDs have an important role in meeting the needs of the region as a whole and other places should be able to meet the needs of their population and local economy. This should not be made dependent on what happens in the MUAs.

4.9. Against the background of the above conclusions, and the need to seek to accelerate the rate of provision in all parts of the region towards achieving a very challenging total over the period to 2026, actual delivery trajectories within each area should be based on local assessment of what is deliverable. This should include market considerations and land availability, together with any infrastructure issues that influence the timing of development. We have considered some of these issues in the sub-regional discussion in Chapter 8 but it would not be possible to produce definitive trajectories for each local planning authority area without prejudging assessments that need to be carried out in more depth through the Core Strategy process.

4.10. Our proposal for Policy CF4 therefore gives only indicative annual rates of provision for each strategic planning authority area. We find these areas to be more meaningful for this purpose than the four Housing Market Areas (HMAs), in the absence of formal functional sub-regions. These indicative rates are based on each area's share of the regional total provision of 397,900, and on the proportion of the 20 year total falling into each five year period under the regional trajectory. As indicative rates they should not simply be translated pro rata into trajectories at LPA level. It is important that proper account is taken of local circumstances, including SHLAAs and information about constraints which may point to later delivery, as well as opportunities for earlier delivery. The overall regional trajectory we have suggested passes through the 20 year annual average around the year 2015/16. For any authority, the earlier this point is reached the less will be the burden of higher annual requirements later, and the greater the benefit in terms of earlier delivery of housing for those who need it. The translation of Policy CF4 into individual LPA trajectories,

and of course the delivery actually recorded against those trajectories, will be important inputs into the monitor, manage and review process for the RSS. These points are reflected in our revised supporting text, recommended at **R4.1**.

Land for Housing

4.11. Other aspects of draft Policy CF4 cover similar ground to draft Policy CF10 on managing housing land supply, which is an expansion of existing RSS Policy CF6. It also relates to draft Policy CF5 on the re-use of land and buildings for housing, which sets out the region's target for the percentage of development on PDL and would replace existing RSS Policy CF4. A number of participants pointed to overlap between proposed Policies CF4 and CF10, and WMRA indicated that the Assembly would not be averse to merging the two policies, provided the essential content of both was retained. Having recommended the recasting of the "trajectory" element of Policy CF4 (**R4.1**) we now consider the "criteria" element of that policy together with the housing land supply Policy CF10.

4.12. Policy CF4 sets out criteria A to F to govern the allocation and phasing of land release at local level. They prioritise urban renaissance, previously developed land and support for regeneration, and say that greenfield sites should only be released where insufficient sites on PDL are available to meet the housing trajectory. For Green Belt sites, the policy supports phasing later in the plan period and after further investigation as to their sustainability and whether they represent exceptional circumstances. Policy CF10 covers much the same points in criteria Bi), ii), and iii) of the policy, including a requirement not to undermine urban renaissance in neighbouring authorities. Both policies say full account should be taken of the potential for windfall development, with CF10 saying that where justified based on strong evidence such sites should contribute to the ten year provision required in an LDD.

4.13. WMRA and others who supported the approach argued that PPS3 gives support to prioritising the development of PDL over greenfield land, and that holding back Green Belt release until it is required, and is shown to be the most sustainable option, accords with Government policy on Green Belts. They also maintained that this was essential in order to ensure that progress on urban renaissance was not undermined. Developers argued however, that the proposed policies sought to impose a sequential approach that was no longer supported by PPS3, and that it was likely to be applied in a restrictive way which would jeopardise housing delivery. They argued instead that a portfolio approach was needed which provided for both PDL and greenfield sites, including Green Belt urban extensions, in order to deliver the housing requirement. Pegasus Planning Group and others pointed out that the lead time for bringing forward major new proposals such as urban extensions can be as long as ten years, which means that they need to be progressed in parallel with urban sites. Others went further and argued that the recession had already undermined the viability of urban brownfield sites, and that policy should facilitate early delivery on greenfield sites which the industry would find more attractive.

4.14. Thus PPS3 has been claimed to support two opposing points of view, one for a sequential approach putting PDL and regeneration

objectives ahead of greenfield land, and the other for a “portfolio” approach. We therefore need to consider in some detail what PPS3 actually says, particularly about the management of land supply and the use of PDL. This is first mentioned in paragraph 36 about suitable locations for housing development, which talks of making effective use of land and considering opportunities on surplus public sector land, and concludes with the sentence: *“The priority for development should be previously developed land, in particular vacant and derelict sites and buildings”*. Paragraph 37 says RSS should identify broad strategic locations for housing development and suggests criteria to do with need and demand, cutting carbon emissions, national housing policy objectives, market circumstances, infrastructure availability and creating sustainable, mixed and inclusive communities. That paragraph does not appear to suggest an explicit priority at RSS level for regeneration objectives or use of PDL (except insofar as they would be part of the “spatial vision” and objectives for the area as set out in RSS).

4.15. At the local level, however, paragraph 38 of PPS3 sets out a similar list of criteria to be taken into account in LDDs, in which *“re-use of vacant and derelict sites or industrial and commercial sites”* is in a list of options which may be considered, also including urban extensions and new settlements. Again this does not explicitly prioritise urban regeneration or PDL, but paragraphs 40 to 44 on effective use of land refer to targets, trajectories and the approach to strategies for using PDL use. While this clearly supports the priority for previously developed land, it does not include a sequential test. With regard to managing the supply of land for housing, PPS3 paragraphs 52 to 58 set out an approach that requires LDDs to plan to enable continuous delivery of housing for at least 15 years ahead in line with the RSS. This involves identifying specific available and deliverable sites for the first five years, and further specific sites for the second five years, and managing land so as to maintain a continuous five year supply. The PPS lays emphasis on what constitutes a deliverable site or a developable one. Paragraph 59 says that allowances for windfalls should not be included in the first 10 years supply unless there is robust evidence of genuine local circumstances that prevent specific sites being identified.

4.16. In managing delivery, PPS3 places considerable emphasis on monitoring the achievement of housing and previously developed land trajectories. In the event of under performance against PDL trajectories, paragraph 67 specifically countenances invoking development control policies in relation to development on particular categories of land, for example rejecting applications on greenfield sites until evidence demonstrates that the under performance has been addressed. This implies that it is accepted that such policies may be appropriate. However, the paragraph also says authorities should ensure that the approach does not jeopardise delivery against the housing trajectory.

4.17. In considering the guidance in PPS3, we do not suggest that the RSS should merely repeat what the PPS says. It should, however, aim for consistency with the guidance, and where it differs from or goes beyond it, the reasons for this need to be understood and justified. In our view it is appropriate, and indeed necessary, for the RSS to set out its priorities for regeneration and urban renaissance, and rural renaissance, as key

factors that should influence the allocation and delivery of land for housing development. But that is not to say that those priorities should be set above the need to secure delivery of the region's housing requirement. It is also appropriate to reflect the priority for PDL supported by PPS3 paragraph 36, which has particular importance for the strategy and will be a major component of the supply particularly in the MUAs. Alongside PDL, however, greenfield allocations will have a role in some places, particularly where the supply of PDL is limited, or where new sites are the most appropriate option to meet the particular range or type of housing required, or for sustainable location of development. Even land released from the Green Belt may be appropriate to bring forward at an early stage in some locations in order to facilitate wider objectives, including sustainable development.

4.18. We conclude that the RSS needs to reflect both a priority for PDL and a portfolio approach, and that the one does not necessarily exclude the other. It is appropriate in our view for the RSS to seek to ensure that urban PDL is developed as a priority and that less sustainable options including greenfield sites should not be brought forward ahead of need. The latter consideration also applies to sites identified for release from the Green Belt. However, this needs to be set in the context of ensuring a 5-year supply, and identifying 10-year provision to meet the requirements of Policy CF3. As we have noted elsewhere, although greenfield sites may be thought easier to develop, they may still require long lead times - up to 10 years, which means that they need to be identified and committed at a suitably early stage. While Policies CF4 and CF10 do envisage certain flexibility, we consider that some of the criteria are too prescriptive in their approach. For example Policy CF4 (D) appears to predicate any release of greenfield land on a lack of sites on PDL in sustainable locations (including the expected contribution from windfall sites) to meet the housing trajectory. Furthermore CF10.B(ii) implies that available provision in an adjoining local authority area could be used to justify holding back sites. In relation to land released from the Green Belt, once such sites have been identified following the RSS/ Core Strategy process, this should mean that the principle of their development as and when needed, including the fact that they are the most sustainable option, is established. It should not then be necessary for them to go through a further test of sustainability and exceptional circumstances before they can be brought forward, as implied by Policy CF4.E.

4.19. On windfall sites, we appreciate the role that such sites have played in the region's housing delivery in recent years. WMRA tabled figures showing windfall completions rising in all parts of the West Midlands, from a regional total of 6,136 in 2001/02 to 14,309 in 2007/08. Over the whole seven year period windfalls accounted for some 58% of total gross completions in the region, although it should be noted that the levels for individual districts varied widely. We can therefore understand why WMRA and local authorities want sites from this source to be recognised as part of the supply. Windfall sites have contributed very significantly to the region's high delivery of housing on PDL, and will continue to do so. Figures in document EXAM34 showed that over 90% of windfall development is on PDL. Development sector participants, however, argued that it is unsatisfactory to plan on the basis that a

significant proportion, as much as 50%, of all development will come forward outside the development plan process. It was also argued that as the information available through SHLAAs becomes more complete, a higher proportion of sites that would previously have been windfall should now be able to be identified as part of the supply. AWM and others, however, stressed the importance of protecting high quality land for employment use. It would be undesirable for SHLAAs and LDDs to identify many sites still in employment use as potentially available for housing development. On this basis, while windfall redevelopment may be important for the economy as well as for housing delivery, and it may be possible for SHLAAs to identify more sites in future, much windfall development on employment land will need to be left to be dealt with as and when it arises, through the operation of Policy PA6B for the review of employment land.

4.20. The treatment of windfall sites needs to be seen in the context of the way the five year and 10 year supply will operate under PPS3. LDDs are required to identify developable sites for 10 years worth of housing development to meet the trajectory for achieving an authority's housing allocation. In monitoring the use of the 10 year provision, and the need to top up the five year supply, any windfall sites developed will count as part of the delivery. So if in practice windfall sites continue to come forward at historic rates and contribute, say, 50% of the delivery achieved, the reservoir of identified sites in the 5 year supply, or in the 10 year provision, will last longer – potentially up to twice as long, although that is unlikely under a rising trajectory.

4.21. It is important to note that, as Barton Willmore and AWM pointed out, Policy PA6B is a policy for the protection of employment land and premises, and is not necessarily designed to achieve the speedy release of redundant employment land for "windfall" housing development. This is likely to be an important issue against the background of current economic uncertainties, in which a flexible response may be needed, not only to achieve housing delivery but also for businesses to find solutions to their needs. We discuss Policy PA6B further in Chapter 5.

4.22. We conclude that the issue of windfall in the housing land supply will need sophisticated handling at the local level, but does not lend itself to a regional prescription in the RSS. Windfall development is, by definition, difficult to predict in terms of both its location and quantity. We appreciate that this makes it to a large degree impossible to identify future windfall sites in development plans. However, the same factors make it equally hazardous to make general assumptions about the future contribution of windfall development. Whilst it is undoubtedly true that windfall PDL sites have played and will continue to play a key role in delivering additional housing in many parts of the region, this does not in itself exempt the whole region from the requirement in paragraph 59 of PPS3 that specific local evidence is needed in each case before accepting an unallocated allowance for future windfalls in LDDs.

4.23. Overall we conclude that while draft Policies CF4 and CF10 are broadly a proper reflection of the issues and priorities for delivering the regional housing provision, they present an unnecessarily complex and potentially inflexible mechanism for phasing and managing land for

housing. In our recommendation **R4.1** we propose a single simplified policy which, in our view, while adding value and regionally specific policy, is consistent with the guidance in PPS3.

Previously Developed Land

4.24. Some of the discussion above is relevant to our consideration of draft Policy CF5, which sets out the region's approach to the re-use of land and buildings for housing, including the target for the proportion of housing to be achieved on PDL. Statistics tabled by WMRA show that the region has been delivering a high percentage of its housing on PDL in recent years – rising from 61% in 2002 to 86% in 2008. It is apparent that this rising trend has been achieved both at times when total housing output has been rising and when it has fallen. However, these results have also been achieved in the context of total annual housing output well below the annual average of over 18,000 net additional dwellings per annum implied by the Preferred Option provision of 365,600 over 20 years. In this context Policy CF5 proposes an overall minimum target of 70% of development on previously developed land between 2006 and 2016. This is broken down into 90% for North Staffordshire and 85% for the West Midlands conurbation, with 60% for the rest of the region.

4.25. The supply of previously developed land at any given time is finite, and so the actual percentage achievable on PDL will depend upon the overall total housing requirement. CPRE and others support the highest possible proportion of development on PDL, and this is allied to calls for a lower total. Housebuilders and others calling for greater housing provision, on the other hand, are concerned about attempting to impose too demanding a target for PDL in case this should undermine total housing delivery. The development sector pointed out that recent high PDL performance was achieved at a time when city centre apartments and buy to let formed a major part of the housing increase. These conditions were, it was suggested, unlikely to return and a different balance of housing demand would lead to lower PDL percentages. It was also argued that the viability of many PDL sites has been undermined by the recession, and that delivering sufficient additional housing in total will not be possible without a less challenging PDL target.

4.26. DLP's written submission draws attention to evidence in the WMRA housing background paper (CD224), table 19 of which suggests that 72% of the proposed 365,600 dwellings could be delivered on PDL. This amount, some 263,500 dwellings, would only represent 59% of DLP's suggested total requirement of 450,000. Against our proposed provision of 397,900 the same figure would represent some 66%. Similar figures emerge from document EXAM38 in which WMRA show identified PDL capacity as being sufficient to provide the 70% of the Preferred Option housing increase of 365,600 to 2026. The evidence of recent monitoring of delivery on PDL, however, suggests that the relationship between the total and the percentage achievable on PDL is not fixed over time. In spite of the argument about the collapse of the city apartment market, it is reasonable to assume that a higher provision requirement, and a stronger demand and market for housing land, would improve the viability of sites at the margin, bringing additional PDL into the supply. WMRA also

argues in EXAM38 that additional PDL is likely to come forward during the plan period.

4.27. Overall, we take the view that, even against the higher total provision that we suggest, the regional 70% target remains a reasonable if challenging position. The higher targets for the conurbations may be particularly challenging over the medium and longer term. Progress towards the targets will, as the policy says, need to be monitored in the light of delivery, and by the time sites come to be identified for the final 5 years there will have been an opportunity, through review of the strategy, to consider whether any revision of the target should be assumed for the period beyond 2016 or 2021. For the time being, however, we would support the Preferred Option approach to the PDL target and our recommendation **R4.2** merely removes the time limit of 2016 for the target. Policy CF5 does not appear to require amendment for any other reason, provided it is read in conjunction with the revised approach of Policies CF3 and CF4 which we recommend.

Efficient Use of Land

4.28. Draft Policy CF6, which sets out the RSS approach to density policies, did not attract a great deal of comment or discussion. A number of respondents felt the policy did not add much to national guidance. CPRE and FoE stressed the need to ensure higher densities are achieved, in order to minimise the need to take greenfield land for development. One argument is that compact cities and towns produce the most sustainable outcomes. However a number of other views, including those of the TCPA and Burton upon Trent Civic Society, caution against excessive density and the over use of back gardens and other urban open space, which may be damaging to the character and environmental quality of towns. The characteristics and existing densities vary widely across the region, particularly between the MUAs and smaller and more rural settlements. Generally there was no appetite for seeking a more prescriptive approach in RSS, for example by imposing a minimum regional density, or range to be implemented in LDDs.

4.29. We agree with the general view, and consider that setting density standards and policies for efficient use of land can only sensibly be done at the local level, within the framework of Government guidance in PPS3. While proposed Policy CF6 does not add a great deal, we consider its focus on town centres and locations close to transport interchanges reflects an appropriate approach. Birmingham City Council made suggestions for amending the wording to make this refer to a wider range of centres and locations well served by public transport. We find this helpful and recommend at **R4.3** that it is adopted.

Affordable Housing

4.30. We found widespread agreement on the importance of affordable housing and its delivery as part of the overall housing needs of the region. There was also a variety of suggestions as to how the RSS approach in Policy CF7 could be improved. The policy covers much the same ground as existing RSS Policy CF5, which it is intended to replace, but with the addition of a regional target and indicative minimum targets for affordable housing in each of the four Housing Market Areas. This would appear to

accord precisely with what PPS3 paragraph 28 expects of RSS in relation to affordable housing. Nevertheless GOWM was among those calling for a more specific policy, based more closely on up to date sub-regional assessments of need and including indicative targets for individual local authorities. Other criticisms came from the social housing sector and the development industry, all criticising the assessments that had been made and/or the way they were reflected in the policy.

4.31. We have some sympathy with the position WMRA were in when the Preferred Option was finalised in 2007. Completed Strategic Housing Market Assessments were not to hand, and the data available on assessments of need across the region did not present a complete or consistent picture. Most of the six SHMAs subsequently appeared during 2008, and may be seen as a “bottom up” assessment of need compiled from local information. To inform the RSS, WMRA commissioned the Cambridge Centre for Housing and Planning Research (CCHPR) to produce a “top down” analysis of housing demand and need derived from the then current 2004-based household projections (CD173). WMRA then commissioned consultants Ecotec to carry out an analysis of the SHMAs, bringing together the bottom up and top down assessments (CD249 January 2009). After the appearance of the 2006-based household projections in March 2009, a further assessment was commissioned from CCHPR. This used a re-run of the previous methodology and became available (as document EXAM26) shortly before the discussion of housing issues in the EIP.

4.32. The table below, which we reproduced in the Panel Note for Matter 4B, shows the result of the attempt to bring together the top down and bottom up assessments. This is the corrected version, following WMRA's note (CD249A) rectifying some errors in the original table.

	Comparison of CCHPR and SHMA outputs ^x							Total
	South HMA	North HMA	West HMA	C1 HMA	C2 HMA	C3 HMA	"C HMA" Total (C1+C2+C3)	
SHMA net annual housing need	3,625	2,180	2,930	7,401	1,613	4,916	13,930	22,664
CCHPR + SHMA backlog reduction	4,411	2,732	3,040	6,548	2,360	5,104	14,012	24,194

^x Figures taken from Table 14, *Analysis of Strategic Housing Market Assessments in the West Midlands, Stage 1 Technical Report (CD249)*, corrected in CD249A

Figures are taken to be annual rates for the 20 year RSS period in all cases.

4.33. There are some important qualifications to the information in the above table which in our view severely limits its usefulness in considering the RSS provision for affordable housing. Apart from the general point that all the data sources pre-date the effects of recession, which may have a considerable impact on future assessments, methodological differences mean that the six SHMAs are not measuring the same thing.

This led Ecotec to conclude that they cannot be considered truly comparable and *“are therefore of limited use to the Regional Assembly in providing a robust quantitative picture of need for the West Midlands as a whole”* (CD249, paragraph 32). The CCHPR work was of course done on a completely different basis and caution is therefore needed about the comparison with the SHMAs. Moreover, the CCHPR study did not include an assessment of a backlog of unmet need. To make the comparison in the above table the backlog calculated from the SHMAs was merely added to the CCHPR calculation of newly arising need, and this accounts for two thirds of the total. The apparent closeness of the two sets of figures in the table does not convey any particular message, and was said by Ecotec to be little more than a coincidence. The CCHPR figures used in CD249/CD249A have of course since been superseded by the 2006-based update (EXAM26).

4.34. Despite the issues of statistical comparability, WMRA stated in CD249A that they have accepted that the differing approaches of the SHMAs at least in part reflect differing needs, and that the SHMAs are accepted as a basis for informing the regional housing figures. Nevertheless, the targets in Policy CF7 are essentially based on the CCHPR assessment, a breakdown of which into estimates for each HMA is given in RSS Table 3. WMRA helpfully provided a note (EXAM32) updating this table. It showed the total annual requirement from demography and right to buy as 8,800 per annum (compared with 6,200 in Table 3). It was emphasised that this was not a proposal to change the Preferred Option figures. The new CCHPR figure of 8,800 (6,000 social rented and 2,800 intermediate) needs to be seen against the new CCHPR figure for total demand equivalent to 20,550 units per annum (compared with 18,280 in the Preferred Option).

4.35. The question of a backlog of unmet need, which was discussed when considering the overall housing provision, arose again in the context of affordable housing. Many development sector submissions had added previous unmet need into their proposals for the total provision. This time, however, there was an argument that seeking to add a backlog, including overcrowding and concealed households, to calculations based on affordability produced double counting of additional households needing affordable homes. This was because backlog was a snapshot in time of a need which would be addressed by housing delivery over time. This leads back to questions of how quickly unmet need can be redressed by new housing delivery, which in turn depends on having a viable balance between market and affordable housing.

4.36. The Preferred Option target of 6,000 affordable dwellings per annum approximates to one third of the total provision. This total is broken down to show different rates for each of the four HMAs. The approach was criticised on a number of counts. RPS and others pointed out that the CCHPR (original) affordable housing requirement related to a projection based assessment of total demand of 390,000 dwellings, and had been lifted out of context and applied to the lower RSS regional total of 365,600. Development sector participants argued that the affordable housing increase being sought could only be delivered against a higher total provision – generally related to participants’ own proposals for what that total should be. This was allied to a concern about the burden of

expectations through Section 106 obligations, and the effect this may have on the delivery of housing overall.

4.37. Other participants criticised the adequacy of what was proposed. There is some confusion between net and gross figures, as Table 3 indicates that 3,500 affordable dwellings per annum would be required to re-house those displaced from demolished stock. Out of the regional target of 6,000, this would appear to leave a genuine increase of only 2,500 per annum in the supply of affordable dwellings. NHF, Shelter and the West Midlands Registered Social Landlords Planning Consortium (RSLs) all took a similar line, calling for much higher affordable housing provision to meet needs, but setting it in the context of higher overall provision that would address the total demographic requirement. Shelter suggested a regional target of 9,700 per annum, including 6,800 social rented and 2,900 intermediate, while the RSLs proposed 7,500 consisting of 4,500 social rented and 3,000 intermediate.

4.38. There is considerable support for the view that about one third of the total provision is the lowest level of affordable housing that is likely to make an impact on the need, while being within the limit of what can be expected to be delivered alongside market housing requirements. It is important to note that the RSS proposed target of 6,000 affordable units per annum is double what the region achieved in the period 2001 to 2008. Social housing providers pointed to patchy performance by local authorities across the region in delivering affordable housing through Section 106 and other means. We note the positive approach of the HCA, whose programmes were stated to be providing 3,600 affordable units annually. Shelter, NHF and the RSLs suggested that the higher amounts of social rented and intermediate housing they are calling for can be delivered, in part by using local authority and other public sector land holdings, through 100% affordable schemes and HCA funding as well as a more aggressive approach in some areas to securing provision through S.106 agreements. NHF also pointed out that a portion of the currently identified need could be met through private renting supported by housing benefit.

4.39. We note that the latest CCHPR estimate equates to 29.2% social rented and a further 13.6% intermediate housing, within a total of 411,000 additional dwellings for the period 2006-2026. Scaled down to our recommended total of 397,900, these percentages would give 116,000 social and 54,000 intermediate, or annual rates of 5,800 and 2,700. While this may be a fair reflection of the estimated need, the combined requirement for social and intermediate housing would be almost 43% of total additional supply across the whole region. Such targets might be achievable in some parts of the region, but this is unlikely to be the case everywhere, and setting targets too high would be likely to have an adverse effect on delivery overall. CCHPR did acknowledge that part of the intermediate requirement might be met within the market sector. As a consequence, we conclude that a combined regional target of 35% for affordable housing within our proposed overall total would be a more realistic approach. That would equate to an annual rate of some 7,000 dwellings over the 20 year period. The RSLs suggest a re-write of Policy CF7 which would require local setting of targets, within a range of 25% to 40% of the total.

4.40. GOWM sought more detail in Policy CF7, to give more clarity for local authorities as to what should be provided in LDFs. In its original response, GOWM suggested new wording for Policy CF7 and indicative annual affordable housing requirements at district level. These figures in effect apportion the RSS Preferred Option target of 6,000 affordable dwellings per annum based on each district's share of the relevant SHMA assessment of need. Another breakdown to district level is available from the CCHPR assessment, in table 10 of EXAM26.

4.41. We see considerable difficulties in attempting to set out district targets for affordable housing in RSS. The "bottom up" approach from the SHMAs falls foul of the fact that they have not been prepared on a consistent basis and are statements of the ultimate need in any particular area, rather than a more searching assessment of what is deliverable. The assessments of need, in terms of overall numbers, are out of all proportion to the amounts of affordable housing that it is feasible to deliver. Even under a "proportionate" approach as proposed by GOWM, we have no great confidence that the SHMAs provide a sound basis for determining district shares of the regional total. A new round of assessments, supplemented by work done by each local authority in the context of its own housing and Core Strategy work, may well remedy these shortcomings, but we do not have the results of such work, and nor can we second guess what has been done so far in the SHMAs.

4.42. The CCHPR "top down" approach has different drawbacks as an assessment of what should be provided in each district. A key point is that it is a "policy off" assessment based on projections, which takes no account of the fact that in some districts the actual proposed provision is well below the projected household increase, and in others close to or even above it. This must have an impact on how the affordable housing requirement is understood. The CCHPR methodology also models the need of households for affordable or intermediate dwellings on the basis of historic observed "propensities" of households in different income groups to occupy different sorts of housing. As such it would not reflect the changes in these propensities over time. A few instances will illustrate the difficulties. In Birmingham, for example, the CCHPR (EXAM26) estimates show 36% of the future demand being for social rented housing and a further 10.4% for intermediate, leaving 53.6% for market housing. However this is against a total demand of 81,700 dwellings, whereas even with our proposed increase the actual provision likely to be achieved is considerably less. This is likely to have an uneven impact on the amounts delivered in different sectors. A somewhat similar picture emerges in Stoke, where only 52% of CCHPR's estimate of new demand would be for market housing. Policy, however, aims to address fundamental market issues in both places, and so could well be seeking quite different proportions.

4.43. Similarly, in Stratford on Avon, the social sector is shown as accounting for only 19.9% with a further 18.4% for intermediate housing, leaving 61.7% as market housing. This is, however, against a total requirement of 13,600, whereas the Preferred Option provides only 5,600 and our recommendations only increase this to 7,500. The basis on which Stratford's provision departs from the trend projection is to do with a policy aim of reducing in-migration, largely if not wholly into market

housing. The corollary to this is that a lower provision would correspond to a higher proportionate demand for affordable and intermediate housing to address local needs within the district.

4.44. District level targets in RSS are not expected by PPS3, which goes into some detail about how LDDs should go about setting targets and pursuing policies for affordable housing. At the regional level, however, it seeks only the regional approach and regional and housing market area targets. We see the wisdom of this. Affordable housing needs, and the level of provision which can be achieved, can only be fully assessed in the light of information at the local level, and in the context of detailed planning for implementation over the short to medium term. While a broader RSS context is necessary, this must be at a long term, regional level of generalisation. Even "indicative" figures for individual districts are liable to be regarded as a norm against which departures would need to be justified, whereas what we see to be needed is an approach which places demands for the provision of affordable housing firmly in the realm of local assessments of what is needed in an area, and what is deliverable, but against the background of a strategic statement of the size of the task at regional level.

4.45. In conclusion, we do not consider that the information available supports a robust breakdown of the regional target below the HMA level. In the table below we show how the SHMA estimates are distributed, in terms of the percentage falling in each HMA, in comparison with the distribution of the updated CCHPR estimates (social + intermediate) from document EXAM26. This is related to the six SHMA areas rather than the four original HMAs.

HMA	South	North	West	C1	C2	C3	(Cent.)	Total
SHMA distribution	16.0%	9.6%	12.9%	32.7%	7.1%	21.7%	(61.5%)	100%
CCHPR distribution	18.6%	10.6%	9.5%	28.6%	10.3%	22.3%	(61.2%)	100%

4.46. The differences are mostly not very significant, the largest being in the West HMA, where the SHMA distribution is higher by 3.4%. The CCHPR estimates have the advantage of having been done on a consistent basis across the whole region. As we have leant towards the CCHPR estimates in considering the level of total affordable housing provision, we propose a distribution of our 7,000 annual figure broadly in accordance with the CCHPR distribution. This is shown in the table below. These figures are, however, adjusted to give round numbers for each HMA. In making this adjustment we have rounded the figure down where the percentage from the CCHPR estimate is above the SHMA percentage and up where it is below, thus to a certain degree smoothing the difference. These figures are included in our recommendation **R4.4**. Although we consider this a reasonably robust proposal for monitoring at the strategic level, the HMA figures are indicative only. We would re-emphasise the fact that district targets should be founded on the latest and most reliable local assessments, as set out in our proposed revision to Policy CF7.

HMA	South	North	West	C1	C2	C2	(Central)	Total
Panel numbers	1,200	700	760	2,100	700	1,540	(4,340)	7,000
Proposal %	17%	10%	11%	30%	10%	22%	(62%)	100%

4.47. PPS3 includes intermediate housing, together with social rented housing, in a single definition for affordable housing, and our proposal, as in the RSS Preferred Option, is for a single target. Both the CCHPR estimates and the proposals of participants from the social housing sector made a distinction between social rented and intermediate housing. It is important to consider the likely role of the intermediate sector in future housing delivery. As noted in the CCHPR report (EXAM26, paragraph 28) intermediate housing emerged as a category of housing need as a result of the surge in house prices relative to incomes after the late 1990s, but the economic downturn has depressed shared ownership sales. CCHPR provides a theoretical estimate of need for intermediate housing based on analysis of incomes. As a number of participants pointed out, intermediate housing may have a key role to play in increasing housing delivery, ahead of a full revival of the housing market. This may be through schemes such as Home Start or other forms of subsidised purchase, shared equity or other tenures, operating between “full market” and “social” rent levels. There is a widespread perception that as demand and need for homes continue to grow but mortgage finance remains difficult, the contribution of intermediate housing will become more important.

4.48. Against this background, we consider it would be unhelpful to take too rigid a view of the proportion of intermediate housing that should be sought, either within the affordable housing total or additional to it. It is possible that a significant amount of what would previously have been market housing will in practice be deliverable in the intermediate sector, at least in the short term. The HCA’s programme, and Government Growth Point and other funding all point to an early drive to achieve higher delivery of intermediate and social housing, as well as seeking to revive market housing delivery. This in our view makes it quite possible that our proposed 35% target can be reached or even exceeded at an early stage. For this reason we have not sought to allocate the targeted amounts to different time periods in line with the rising trajectory for the overall housing provision.

4.49. The number of households displaced by demolitions needing to be re-housed in affordable or intermediate housing is an important aspect to be taken into account. It means that gross numbers of new affordable units in some districts will be very significantly in excess of the net increases indicated in the targets. As we have noted at 4.37 above, the expression of the 6,000 per annum target in Policy CF7 in gross terms seriously reduces the real affordable housing increase it represents. We agree with the view of those who found this approach unsatisfactory. As with the overall housing provision, we take the view that, having set out the net additional housing requirement, the RSS should leave the conversion to gross to the local level, taking into account the best and most recent estimates of losses to stock due to demolitions, conversions or other causes. On this basis we do not consider it necessary for the RSS

to give estimates of demolitions over the 20 year period, and see no other reason for Table 3 to be retained.

4.50. Overall we conclude that the regional affordable housing target should be 35% of the total, equating to 7,000 dwellings per annum over 20 years, distributed to HMAs in similar proportions to the CCHPR estimates. Instead of district level targets, we recommend the approach proposed by the RSLs of requiring targets to be set in the light of local assessments within a range of 25% to 40%. We have drawn upon this and other aspects of the RSLs' and GOWM's rewording in our recommendation **R4.4**.

Mixed Communities

4.51. Matter 4B saw a wide ranging discussion of aspects of delivering mixed and sustainable communities. There was broad acceptance of the regional approach reflected in Policy CF8, in the context of the new overarching Policy SR2. TCPA, the Brethren's Gospel Trust speaking for faith communities and others made supportive comments. However, many noted that communities are about much more than housing. HBF and some others argued that Policy CF8, like SR2, largely repeats national guidance. While there were some calls for more regionally specific guidance, we found few concrete suggestions for what this might entail. Generally there was agreement that identifying what was required, including the various forms of infrastructure needed to support communities and how it might be delivered, could only be done at the local level. This is in effect what the RSS policies call for.

4.52. In the discussion of community infrastructure, particular contributions came from the NHS West Midlands, and West Mercia Constabulary (WMC) on behalf of the region's police forces. Given the extent of transformational change sought through development and regeneration in the region, there were important points to be made about the need to build in factors conducive to health, security and safety. Both NHS and police drew attention to the need to take account of the relevant infrastructure needs in the planning process. It was suggested that the RSS should do more to recognise this, and specifically to endorse the need for new police and health infrastructure to be funded by development through the Section 106 mechanism. WMC indicated that new capital programmes were not funded centrally and that any new strategic facilities required to serve new development would, if funded by the police force, use up resources that were required for police "on the beat".

4.53. For the development sector, the HBF expressed concern about making new demands in policy for funding through Section 106 in the present climate. It is already established practice that development should make a reasonable contribution towards necessary infrastructure it entails. As a point of principle, however, we can see difficulty in the idea that housing development should generally be expected to fund the capital programmes of police, health or other service providers. Demand for such services arises from the growth in population, and the Government's projections of such growth are available for all departments to plan for future service needs. The point is frequently made that there is a time lag of some three years between growth actually occurring and its being reflected in funding increases. It does not seem reasonable,

however, to place the burden of funding entirely on those who develop new homes, and thus ultimately on those who buy them. The shortfall due to the funding time lag is, in any event, not a cumulative one. Rather the basis for funding will always be three years out of date.

4.54. One can see the difficulty that may arise where major and rapid growth is proposed in an area. As we understand it this may be an issue where Growth Areas or Growth Point funding has a role to play in providing new social infrastructure. However, we conclude that the RSS is not the appropriate place to spell out requirements for funding either through this or the Section 106 mechanism. In Chapter 2 we have recommended changes to make Policy SR2 less housing-specific and more broadly based. That, together with Policy CF8, with suitable cross reference between them as we recommend at **R4.5** should in our view provide the guidance that is appropriate at a regional level.

4.55. The other aspect which was considered under the "mixed communities" heading was provision for the needs of elderly and retired people. The point was made that the needs of this group will form a significant part of future housing needs, with the household projections showing households in the over 65 age group rising to almost a third of the total by 2026. The draft RSS includes a reference to the needs of an ageing population in supporting paragraph 6.56 and among a list of different groups mentioned in part B of Policy CF8. The HBF Retirement Housing Group, NHF and others found this approach of the RSS unsatisfactory. References were made to a much fuller policy incorporated into the new South East RSS, which it was argued was equally relevant to this region. Specific additions to the RSS were suggested by the RSLs and the HBF Retirement Housing Group.

4.56. We agree that the references in the Preferred Option to the needs of elderly people are superficial, given the importance of the issue. However, it is difficult to identify regionally specific policy in the alternatives that have been offered. The South East Plan Policy CC5 is obviously not tailored to this region, and as a cross-cutting policy would not fit neatly into the structure of the CF policies. The essential issues are largely already covered by the over-arching Policy SR2, particularly with the amendments we have proposed in Chapter 2 above. Beyond that we recommend at **R4.5** an amendment to Policy CF8 to address the needs of older people more fully in a separate sub-paragraph. This should be accompanied by appropriate references in the supporting text.

Recommendations

Rec Number	Recommendation
R4.1	<p>Replace Policy CF4 and CF10 (which should be deleted) with a new policy to read as follows:</p> <p>CF4 Phasing and managing land for housing</p> <p>Local Planning Authorities in all parts of the region should aim to increase housing delivery as quickly as possible in order to reach the annual levels of delivery required to deliver the housing provision set out in Policy CF3, table 1. The table below sets out a trajectory for achieving the regional total housing provision by 2026. In LDDs (including joint core strategies where applicable) Local Planning Authorities should set out a trajectory for their area having regard to the indicative annual rates set out below, and taking particular account of local factors affecting delivery in their area, including any strategic infrastructure or other constraints on the timing of development, market considerations and any opportunities for early housing delivery.</p> <p>In maintaining a 5 year supply and at least 10 year provision of sites Local Planning Authorities should bring forward sites for development having regard to the guidance in PPS3 and to the following criteria:</p> <p>A. The need to maintain and accelerate the progress of urban renaissance, as well as to achieve the delivery of additional housing under Policy CF3.</p> <p>B. Priority for the re-use and development of previously developed land in sustainable locations.</p> <p>C. Avoiding the use of greenfield sites (including land released from the Green Belt pursuant to the policies of the RSS) ahead of need, having regard to the availability of other land, but also to the lead times involved in bringing sites forward for development.</p> <p>Regional Housing Trajectory Indicative Average Annual Rates for 5 Year Periods (figures may not sum due to rounding) (cross-boundary provision treated as in table 1 to Policy CF3)</p>

Rec Number	Recommendation					
		2006-11	2011-16	2016-21	2021-26	2006-26
	Birmingham + Solihull	<i>2,040</i>	<i>2,990</i>	<i>4,080</i>	<i>4,240</i>	<i>3,400</i>
	Coventry	<i>1,000</i>	<i>1,475</i>	<i>2,010</i>	<i>2,210</i>	<i>1,675</i>
	Black Country	<i>1,890</i>	<i>2,775</i>	<i>3,775</i>	<i>4,160</i>	<i>3,150</i>
	Herefordshire	<i>540</i>	<i>800</i>	<i>1,080</i>	<i>1,190</i>	<i>900</i>
	Shropshire	<i>825</i>	<i>1,210</i>	<i>1,650</i>	<i>1,815</i>	<i>1,375</i>
	Telford & Wrekin	<i>800</i>	<i>1,165</i>	<i>1,590</i>	<i>1,750</i>	<i>1,325</i>
	Staffordshire non MUA	<i>1,600</i>	<i>2,340</i>	<i>3,190</i>	<i>3,510</i>	<i>2,660</i>
	N Staffordshire MUA	<i>675</i>	<i>975</i>	<i>1,330</i>	<i>1,465</i>	<i>1,110</i>
	Warwickshire	<i>1,300</i>	<i>1,915</i>	<i>2,610</i>	<i>2,870</i>	<i>2,175</i>
	Worcestershire	<i>1,275</i>	<i>1,870</i>	<i>2,550</i>	<i>2,805</i>	<i>2,125</i>
	West Midlands	<i>12,000</i>	<i>17,500</i>	<i>23,900</i>	<i>26,300</i>	<i>19,900</i>
	<p>Revise the supporting text, paragraphs 6.30 to 6.35 to include the following points:</p> <ol style="list-style-type: none"> To achieve the amount of additional housing required to meet the Region's needs will require a rapid rise from current (2009/10) levels of housing increase. This should be a priority for all parts of the region as soon as economic circumstances permit. The indicative trajectory for delivery is inevitably "back-loaded", with the average annual rate of delivery required over a 20 year period to achieve the provision in Policy CF3, table 1 unlikely to be reached until about 2015 or 2016. Thereafter rates will need to continue to rise to balance out the lower delivery in earlier years and achieve the regional total by 2026. The annual rates included in Policy CF4 are not to be regarded as fixed targets. Any opportunity for more rapid delivery, provided it is consistent with achieving sustainable development and the other objectives of the RSS, should be taken up. In preparing supply trajectories at district level, Local Planning Authorities will need to consult with the Regional Assembly, strategic planning authorities and neighbouring authorities, as well as taking into account the latest information from Strategic Housing Land Availability Assessments and other 					

Rec Number	Recommendation
	<p>sources. It will be particularly important to identify opportunities for early gains to delivery, through re-starting sites already in the development pipeline as well as bringing forward new allocations which are both available and deliverable.</p> <p>3. Urban renaissance continues to be the key priority for the RSS, and the approach to housing delivery needs to support this. In giving priority to urban sites for development and particularly PDL, account needs to be taken of viability and deliverability and the sustainability of locations. Not all PDL sites will be suitable for early development – this source is likely to remain a significant part of the supply throughout the plan period. The 5-year supply and 10 year allocations identified in each Local Planning Authority area should therefore contain a portfolio of sites of appropriate type, size and location to meet the housing requirements of the area.</p> <p>4. Greenfield sites, including land released from the Green Belt, are likely to need to be brought forward in some locations at an early date to complement the availability of previously developed sites in achieving the levels of housing increase sought. The programming and location of such sites, particularly in or adjacent to the MUAs, may need to be carefully managed so as to avoid undermining the delivery of viable urban sites close by (including those in a neighbouring authority's area). While the strategy does not support releasing greenfield sites ahead of need, account will also need to be taken of the lead time involved for such sites to make a contribution to meeting housing requirements and the need for early commitment in order to secure infrastructure funding.</p> <p>5. Windfall sites are likely to continue to play an important role in housing delivery, and this should be closely monitored. While windfall sites will count towards housing delivery, LDDs should not include an allowance for windfall unless this is specifically justified in accordance with PPS3 paragraph 59.</p> <p>6. The balance of delivery of housing across the region will be monitored annually. Authorities will need to keep SHLAAs and their 5 year supply under review, and respond rapidly to any shortfall against the delivery trajectory.</p> <p>7. A thorough regional review should be carried out when data for 2015/16 is available to consider what action to take in response to any instances of under delivery or conversely where delivery is running above planned levels, including any need for additions to be made to planned levels of provision.</p>

Rec Number	Recommendation														
R4.2	<p>Revise Policy CF5 to remove the words “between 2006 and 2016” from paragraph B and from the table in the policy.</p> <p>The supporting text should refer to the need for the targets to be kept under review in the light of monitoring of progress in delivering the regional housing provision and the rate at which previously developed land comes forward for development.</p>														
R4.3	<p>Revise Policy CF6 to read as follows:</p> <p>Local authorities should set out density policies in their DPDs specific to their areas to reflect local circumstances and the findings of housing market assessments. High density development should be encouraged on sites within and close to town centres, in other local centres, in locations close to public transport interchanges and in public transport corridors well served by public transport.</p>														
R4.4	<p>Revise Policy CF7 to read as follows:</p> <p>CF7 Delivering affordable housing</p> <p>A. Local authorities should keep under review the need for affordable housing in their area, based on local and sub-regional housing market and housing needs assessments, using a consistent approach as advised by government policy and the regional housing board. Both social rented and intermediate housing should contribute to meeting needs, dependent on the particular requirements and market circumstances of an area. Opportunities should be sought within the existing housing stock where this would help the creation of mixed communities as well as through new build.</p> <p>B. The regional affordable housing target is that across the region as a whole 35% of the net housing increase should be affordable, equivalent to average provision of 7,000 net additional affordable housing units per annum over 20 years. Indicative minimum targets (net annual) for each housing market area are:</p> <table data-bbox="395 1776 981 2054"> <tbody> <tr> <td>South HMA</td> <td>1,200</td> </tr> <tr> <td>North HMA</td> <td>700</td> </tr> <tr> <td>West HMA</td> <td>760</td> </tr> <tr> <td>Central HMA - C1</td> <td>2,100</td> </tr> <tr> <td> - C2</td> <td>700</td> </tr> <tr> <td> - C3</td> <td>1,540</td> </tr> <tr> <td>Total</td> <td>7,000</td> </tr> </tbody> </table>	South HMA	1,200	North HMA	700	West HMA	760	Central HMA - C1	2,100	- C2	700	- C3	1,540	Total	7,000
South HMA	1,200														
North HMA	700														
West HMA	760														
Central HMA - C1	2,100														
- C2	700														
- C3	1,540														
Total	7,000														

Rec Number	Recommendation
	<p>C. Local Planning Authorities in their DPDs, together with local or sub-regional housing market partnerships in their Housing Investment Strategies should:</p> <p>(i) set an overall minimum target for their area for the amount of affordable housing to be provided, in the light of local and sub-regional assessments of need and subject to economic viability assessment. Targets should have regard to the regional target and indicative sub-regional minima set out in part B above. Only exceptionally will the proportion be either below 25% or above 40% of the total additional housing provision;</p> <p>(ii) ensure a flexible response to emerging needs and opportunities for affordable housing delivery over time, having regard to the overall trajectory of provision and monitoring of delivery year by year;</p> <p>(iii) take full account of the need for additional affordable housing to replace losses to stock through demolitions and conversions, in deciding on the gross requirement for additional affordable housing for their area.</p> <p>(iv) ensure that the need and demand for housing in rural areas is adequately taken into account. Where appropriate separate indicative targets should be set for affordable housing provision in rural areas;</p> <p>(v) consider the option of allocating sites for 100% affordable housing and lower site thresholds to recognise the contribution of small sites to the overall land supply in rural areas;</p> <p>(vi) actively promote the use of rural exception sites to meet the need and demand for local housing;</p> <p>(vii) consider how their own land resources and those of strategic partners can be used to support a higher level of social rented and intermediate tenure housing provision.</p> <p>D. The Regional Housing Strategy and the implementation of associated programmes should distribute resources, taking into account the broad pattern of identified need and the likely contribution from S106 agreements and other resources.</p> <p>Revise the supporting text, paragraphs 6.43 to 6.52 to reflect</p>

Rec Number	Recommendation
	<p>the above approach, in particular drawing attention to the fact that the RSS affordable housing targets, like the overall provision, are for the net additional increase. The definition of affordable housing in Policy CF7 includes both social and intermediate housing. Affordable housing targets should not, however, be regarded as setting limits to the amount of intermediate housing that may be delivered as part of the general housing allocation. Table 3 should be deleted, and the supporting text should instead make it clear that local assessments of need and targets in LDDs should take full account of the latest information about the expected level of demolitions in the area.</p>
<p>R4.5</p>	<p>Revise Policy CF8 to:</p> <p>Include a new opening sentence to read:</p> <p>Policies for housing provision should be set in the broader context of Policy SR2 Creating Sustainable Communities. In particular:</p> <p>Remove the words “an ageing population” from the list in sub-paragraph Bi), and insert a new sub-paragraph ii) (re-numbering the existing ii) as iii)) to read as follows:</p> <p>The particular needs of an increasing proportion of older people in the population for accommodation and places to live that are suited to their needs. This will include support for older people living independent lives in their own homes, through ensuring access to services on which they depend, as well as meeting specialised needs for specially designed or adapted housing, sheltered and residential care accommodation.</p> <p>The supporting text should refer to the need for housing policies to link up with the wider range of actions required to promote sustainable communities as set out in Policy SR2. It should refer in particular to the increasing proportion of older households and to the benefits of addressing their needs in a positive way, in terms of widening choice and opportunity for older people, improving quality of life and helping to free up under occupied family homes. Reference should also be included to Lifetime Homes and the role this can play in the housing supply, subject to appropriate local assessment of need.</p>

Chapter 5: Prosperity for All - Employment and Economic Development Policies

General Policies and Employment Land Provision

5.1. The Phase 2 revision leaves most aspects of the policies for employment economic development unchanged from the current RSS and there was relatively little controversy about the changes proposed. WMRA stressed how the RSS had been dovetailed with the Regional Economic Strategy (RES). The iterative process between the two strategies to ensure full alignment was confirmed by AWM. WMRA also argued that not only does the strategy follow the guidance of PPG4 and PPS6 but also the emerging guidance of draft PPS4 that will in due course subsume both together with the economic aspects of PPS7. Some concern was expressed that the economic policies for rural areas that are necessary to underpin rural renaissance were not reviewed in Phase 2 but left for consideration in Phase 3, but no specific suggestions were made for necessary amendment at this stage.

5.2. There were a number of views expressed from the development sector e.g. from Goodman and the Spetchley Estate that the text is less positive and flexible than it should be, particularly with regard to the areas outside the MUAs. For our part we can see some strength to such argument in the wording of paragraph 7.8 of the supporting text to Policy PA1 and recommend a minor change at **R5.1**. For the most part, however, and in accordance with the generality of support evident at the Examination, we consider that the Portfolio approach to the general provision of non-town centre employment that is embodied in Policy PA6 is fully reflective of the guidance in Policies EC1 and EC2 of draft PPS4. Words such as “*generally*”, “*likely to*” and “*may*” in describing the various categories of sites that should be included in the portfolio of locally significant employment sites do not seem to us to indicate any rigidity or inflexibility. Policies PA2-PA5 also reflect the guidance of draft PPS4 in terms of catering for high tech clusters and addressing regeneration needs, with the former also being highlighted as a justification for levels of provision in PA6A. GVA Grimley suggested that paragraph B of the policy would prevent rationalisation of QinetiQ’s key site at Great Malvern through a partial mixed-use redevelopment to facilitate enhancement of the remaining core premises. However, the restrictions appear to be intended to apply to newly established sites that might be accepted to further development related to research establishments contrary to other planning policies and not to a long-established site within an urban area. WMRA, AWM and the authorities suggested that the QinetiQ aspirations at Malvern would be perfectly capable of accommodation through the Joint Core Strategy and development management processes and that the wording of Policy PA4 would not create any barrier to this. We concur with this view and find no reason to amend the policy.

5.3. The main controversy turned upon the scale of the provision that should be made as set out in Table 4 to Policy PA6A which WMRA had inserted into the RSS to comply with government guidance that the RSS should include District level figures. In initial representations GOWM indicated a concern that the figures appeared to reflect too great an

emphasis on past trends. They sought a greater relationship to housing provision. However, at the Examination GOWM accepted the thoroughness of the evidential base produced by WMRA though GOWM still suggested that were housing provision to be increased consideration would need to be given to additional employment land provision to further the creation of sustainable communities, 1 ha being suggested for every 200 additional dwellings.

5.4. A number of planning consultancies appeared to follow the original GOWM line and argue for provision calculated on a more theoretical basis. Some drew upon the SQW (CD122) and Arup (451/2) studies for AWM. Although acknowledging the revised version of the Employment Land Provision Background Paper that WMRA published in March 2009 (CD225) many did not appear to take on board the evidence contained therein. Arguments were advanced that there was no coordination between the housing and employment provision figures in the RSS. On the contrary the iterative process described in that Background Paper makes clear that in addition to past trends, existing stock, cross-boundary issues, the need for small sites and the extent of additional provision under the separate Regional categories (PA7-9), the extent of housing growth envisaged is a factor taken into account. We therefore conclude that as a generality the 5 year reservoir figures put forward by WMRA have a sound evidential base. It is also difficult to escape the conclusion hinted at not just by WMRA but by respondents such as CPRE, that at least some of the arguments expressed from consultants representing housing developers were more to do with seeking to justify higher housing provision than meeting employment land needs. Indeed there seemed a circularity in some arguments that sought higher employment land provision so as not to hold back buoyant aspects of the economy but also then higher housing provision so that labour requirements might be met.

5.5. AWM stressed that there should be no attempts to have a simple mechanistic formula for the level of employment land provision as so much change in employment, both down as well as up, can take place without new development and that much employment takes place either in town centre locations or outside B Class development altogether. The RES and therefore the RSS has to address a much wider range of interventions in terms of training, skills, infrastructure and many other issues to secure a buoyant sustainable economy and a closure of the GVA (Gross Value Added) gap with more prosperous parts of the UK and Europe. We find the general arguments of WMRA and AWM on the justification for the 5 year reservoir figures to be convincing and noted the support from the West Midlands Business Council. The Business Council also support the inclusion of reference to premises in the RSS, notwithstanding opposition from Redditch BC. We agree with WMRA that securing re-use of existing premises and providing premises where there are market deficiencies are within the scope of Regional Development Agency (RDA) and LPA responsibilities and rightly therefore referred to within a spatial plan.

5.6. There were some arguments that particular District figures should be adjusted for reasons expressly related to employment site issues but we address these after looking at the total indicative provision figures for the full plan period. There was much more widespread and sustained

attack on these total indicative figures for employment land provision over the plan period with some planning authorities as well as developer interests expressing concern that simply to multiply the five year reservoir figures by 3 rather than 4 cannot be a logical process. Although we think that a number of respondents do not fully understand the reservoir concept, seeing it as a 5 year provision figure instead of the intended buffer stock that should always be available to ensure that economic development would not be inhibited, nevertheless, as the reservoir calculations are derived from expectations of need over a five year period, we share these concerns.

5.7. WMRA argued that there is a rationale for only using x3 rather than x4 because recent rates of development taken account of in calculating the 5 year reservoirs had been exceptionally high and that it is important not to bring forward greenfield land that might not be required. This could involve both sterilising that land from other productive use and undercutting urban renaissance efforts utilising PDL. Re-use of good quality employment land safeguarded under Policy PA6B could also minimise the need to make new allocations. They also pointed out that the figures are intended to be indicative. LPAs would be able to review the figures in their Core Strategy process. In many areas, for example Staffordshire other than Tamworth and Stafford, allocations already exceed likely requirements over the full plan period. The Assembly denied that the x3 arose simply from a desire to avoid changing the figures after the plan period was rolled forward from 2021 to 2026. CPRE shared the concern to avoid premature and possibly unnecessary take up of greenfield land, fearing that the reservoir approach would simply mean that there would be ever greater land-take in areas of high demand.

5.8. We were not convinced that these issues justify departing from the logic of applying a x4 basis for the total indicative requirement over the 20 year plan period. In this case we consider that it is the Assembly and those planning authorities that support them that are misunderstanding the consequences of making the change sought by so many respondents. It should not mean that new land would need to be allocated if new land were not required, nor that there would be unrestricted development in areas of high demand as the reservoir calculations are made on a 'policy-on' basis. If there are authorities that already have a supply in excess of that likely to be needed over the plan period, then they would not need to make new provision whether a x3 or x4 basis is applied, unless they wished to re-allocate some of the existing provision for other purposes such as housing. In our view the position for employment land would be, and indeed should be, broadly comparable to that for housing land. Clearly, the first 5 year reservoir land would need to be identified as would a comparable extent of land to enable that reservoir to be topped-up as it is used. This would be very much comparable to the 10 years' identified supply required for housing land in PPS3. Beyond this, authorities might wish to give some general indication of where further land, if required, might be located, for example as part of sustainable urban extensions, so as to avoid need for premature reviews of Core Strategies. However, if the rate of depletion proved less than anticipated as a consequence of the recession or if the reservoir could be topped up through re-use of vacated industrial sites, such windfalls might

well obviate the need to identify further land during the plan period. Conversely, where the reservoirs became taken up more quickly than anticipated there would be clear policy backing for maintaining the flow of sites necessary to secure the buoyant economy that is sought. In short, x4 with appropriate phasing appears to us to be the sound and rational basis on which the RSS should go forward and we recommend accordingly at **R5.5** and **R5.6**.

5.9. Once this change is made it would seem to cover all the specific arguments raised as to the adequacy of provision, particularly as the paper prepared by AWM on the "Economic Downturn and its Potential implications" (451/7) highlights the severity of the recession on the economy of the West Midlands. More specifically looking at Redditch, the Borough Council drew attention to the work of GVA Grimley on an employment land study for the Borough and sought amendments to increase provision to reflect its findings. However, the x4 indicative provision with appropriate cross-boundary footnotes would result in an indicative requirement greater than those arising from this study. Or again the arguments raised at Worcester in relation to the consequences of the intended Worcester Bosch relocation and the possibility that recent rates of development have been depressed as a result of particular circumstances appear to be fully met both by the specific reference to the particular relocation recommended in Chapter 8 and by the adoption of x4. The express endorsement of both RLS and their expansion in North Warwickshire later in this Chapter, plus a note concerning cross-boundary provision for Tamworth, when added to the adoption of x4 also appear to meet the concern of Tweedale for I M Properties in relation to North Warwickshire.

5.10. Concerns were raised that the provision for some Districts appeared excessive. CPRE argued that too high a long term requirement may lead to unnecessary release of greenfield sites and Green Belt. However, we see no reason to dispute the basis of the "reservoir" figures which is explained in CD225, and which is agreed between WMRA and AWM and appears to be generally accepted by the local authorities. The rolling 5 year reservoir approach will help to ensure that land is not brought forward ahead of need and in the absence of an employment land equivalent of paragraph 6.25 (which in any case we recommend should be deleted) any proposal to take additional land out of the Green Belt, other than in the specific cases in the Spatial Strategy policies which we recommend, would need to comply with the strict requirements of PPG2. We do not generally recommend making adjustments to the figures for employment land as a consequence of our recommended changes to housing provision figures given the indicative nature of the employment land provision figures and given the strictures from AWM cautioning against seeking to match housing and employment land with too great a degree of precision. Finally, Telford and Wrekin Council (TWC) sought to use the x3 ratio as a justification for proposing re-allocation of some of their employment land to either mixed development or housing as x3 would only lead to an indicative requirement for 150 ha whereas they currently have 200 ha allocated. While adoption of x4 would not provide the explicit statistical justification for the course sought by TWC, we cannot see that there would be anything to prevent the Council from

proposing some re-allocation in their Core Strategy Review and without necessarily at that stage allocating replacement employment land given the phasing for the provision of such land that we endorsed in the previous paragraph. We consider further concerns to be able to be more flexible over the provision of out of centre offices that were voiced by Telford, Cannock Chase and Staffordshire County Council as well as developer interests in relation to Policy P13A.

5.11. Before moving on to consider Policy PA6B, we should note that the format of the RSS should be improved in relation to presentation of Policy PA6A. Key definitions that are required to understand the policy are contained in footnotes on page 96 and in paragraph 7.36 on page 100 and the footnotes to Table 4, which contain a mixture of generalities and precision, appear on page 97 two pages ahead of the table to which they refer. The former footnotes and paragraph 7.36 should be brought together within the supporting text after paragraph 7.34 and the footnotes to the table should be clarified and inserted on a consistent basis following the table. More specifically, WMRA pointed out that footnote (e) to Table 4 referring to a 50% share of Warwick University expansion was in error and should be removed, which we accept. We recommend accordingly at **R5.2, R5.3, R5.4** and **R5.7**.

5.12. Policy PA6B on the protection of employment land received widespread support, albeit not without some concerns being expressed. Developer interests sought greater flexibility while CPRE did not wish to see employment land that would never be required continuing to be sterilised and thereby leading to loss of additional greenfield land for other purposes. The Policy was introduced at the request of AWM and particularly supported by both AWM and the West Midlands Business Council and as a generality not opposed by GOWM. It is the final paragraph of the Policy that attracts particular concern as to inflexibility. In this there is a requirement that any redevelopment for non-employment purposes of a site over 10 ha should only take place through the development plan process. GOWM object to this particular provision as do TWC, though we were not able to draw out details of any particular site the Council may have had in mind. A number of development interests also focus on this particular provision. WMRA and Birmingham City Council sought to defend the provision by drawing attention to the success in securing adoption of the Longbridge AAP that was hung directly off the existing RSS in only 3 years and which includes not only retention of some car manufacturing but also a RIS and other employment potential as well as housing. Attention was also drawn to the success in securing an employment redevelopment of the Peugeot site referred to above. Both show how the policy can be effective.

5.13. The Assembly also stressed the large scale of a 10 ha site but that the policy would otherwise enable a Core Strategy DPD to set an alternative threshold. We do not regard the latter point as a good one as it would appear to enable any LPA to bypass the policy which should not be so if it is of importance. As to the scale and the success at Longbridge and Ryton, we regard these as points in favour of retaining the essence of the policy, but on balance we consider that this paragraph should be reduced to the status of supporting text in a slightly more flexible form and so recommend at **R5.9**.

5.14. There remains the question of whether the remaining substance of the policy, which requires a strictly sequential process and which has also been challenged, is too inflexible. It is pointed out that Policy UR1B inserted into the RSS by the Secretary of State to cover the Black Country does not have such a strict sequential formulation. WMRA endorsed the continuation of that policy as Sub-regional strategy for the Black Country and we so recommend in Chapter 8. Consequently, we consider that the general Policy PA6B should be amended into a broadly comparable form, bearing in mind that Policy PA6B is intended to operate as a policy in a development management context and not just to guide the preparation of DPDs. The policy as amended in **R5.8** would still provide strong protection for good quality employment sites and require employment land reviews as part of the evidence base for Core Strategies. While prioritising retention of at least some employment use on the previous sites where necessary, it would enable parallel consideration of the merits of alternative developments.

Regional Investment Sites (RIS) - Policy PA7

5.15. The approach of Policies PA7 on Regional Investment Sites (RIS) and PA8 on Major Investment Sites (MIS) was generally supported. Although there was a concern to clarify that the employment land provision under Policy PA6A is over and above any Regional requirements identified under Policies PA7-9, this point will be attended to under the clarification of footnotes that we recommend in paragraph 5.11 above.

5.16. In terms of policy content both WMRA and GOWM accepted that Policy PA7 does allow B1(a) Office development on RIS, though this was not thought to be inconsistent with the preclusion of large-scale speculative office development which can be more appropriately located in town centres as referred to in paragraph 7.37. The success in securing town centre headquarters office developments in the centre of Coventry testifies to the sense of making this distinction. We endorse the latter point as consistent with PPS6 and emerging PPS4 and accept that in general the restriction of out of centre office developments sought under that government guidance would be maintained by the strict rationing of RIS/MIS because such locations would only be able to be promoted where expressly identified in the RSS.

5.17. Goodman and Liberty Land Investments as the owners of Birmingham Business Park (BBP) and Blythe Valley Business Park (BVBP) respectively urged greater flexibility in the application of Policy PA7 to facilitate provision of ancillary development on Business Parks so that they might become "Third Generation" parks able to attract the highest calibre of occupants. WMRA did not oppose the concept of genuine ancillary development. They accept that hotels, restaurants and limited local shopping facilities, health & fitness centres and crèches would fall within such definitions provided that the scale would not be such as to encourage their promotion as destinations to rival town centres. Attention was drawn to the acceptance of some of these facilities at or adjacent to the existing Business Parks. Where the line was drawn was over acceptance of residential development. This is a matter covered more fully in Chapter 8 of our report, but we accept the Assembly and RDA argument that it would not be possible to link residential occupation and on-site

employment to any significant degree and that as a consequence the likelihood would be that the developments would become less rather than more sustainable with more two-way car-borne commuting the probable outcome. At Birmingham Business Park, the close proximity to the urban renewal in North Solihull and the proposed high capacity transport links through the site to BIA would seem the proper way in which to achieve residential and employment integration. The newly proposed RIS in the East Birmingham regeneration zone would also be able to benefit from proximity within a renewed community. We do not therefore consider that any softening of policy to allow on-site housing and consequent dilution of the business offer of RIS to be warranted, but we recommend the amendment of paragraph 7.37 at **R5.11** to make explicit that ancillary development on RIS Business Parks would be acceptable.

5.18. As for specific proposals for RIS, CPRE and Hampton in Arden Society specifically opposed use of greenfield and particularly Green Belt land to create large scale RIS. Others such as Spetchley Estate questioned the rigidity of the requirements. The concern of CPRE and amenity societies is understandable but the economic needs of the region have to be part of any consideration of sustainable development. Nevertheless, the outstanding requirements for RIS now that the Longbridge and Aston RIS have been identified may well also be able to be accommodated on PDL. As with Policy PA6A, we do not find the requirements for what are intended to be a small number of prestige sites to be unduly inflexible. The size is noted as "in the order of" and the circumstances around Worcester clearly demonstrate that within the portfolio approach it is possible to provide solutions in physical terms for all the kinds of employment requirements that present themselves. Given the need to prioritize the Longbridge RIS at this stage and as an alternative solution has been identified to meet the needs of Worcester Bosch (including 40,000 square metres of warehousing which would not fit within RIS criteria), we can see no reason to dissent from the WMRA/AWM view that the Birmingham-Worcester High Technology Corridor (HTC) would be adequately served by RIS pending the next review of the Regional Strategy in a SIRS context.

5.19. Birmingham City Council drew attention to the identification of a prospective RIS at Aston in the East Birmingham-North Solihull Regeneration Zone (RZ). It was questioned by developer interests as potentially not providing an attractive enough environment but this does not seem to us a good reason for not seeking to pursue such a proposal that would fit squarely with the desired emphasis on urban renaissance. It would seem to provide a distinctive offer from the less urban contexts of BBP and BVBP so the three should be complementary. Although not yet in a published AAP we can therefore see every reason for explicit endorsement in the RSS and recommend accordingly. I M Properties canvassed the Coleshill Office Park as having RIS potential. It was not clear that the available area would be of RIS scale, but as the site would be in close proximity to BBP and relatively close to BVBP and have a similarly out-of-town setting, we cannot see any reason to consider adding further provision in a locality already well served, particularly as the site is outside the regeneration zone and in the Green Belt.

5.20. RPS canvassed the merits of land adjoining the prospective extension of the M6-Toll to link with the M54 as a RIS as an alternative to a Regional Logistics Site (RLS). However, Staffordshire County Council drew attention to the fact that some land still remains at the Hilton Cross and Wolverhampton Business Park RIS sites together with 102 ha at the combined RIS/MIS i54 site at Wobaston Road, Wolverhampton, arguing that there is no foreseeable need for additional provision in South Staffordshire. We concur with this view and also that North Staffordshire is amply served. Conversely, although the possible need for a RIS to serve the Coventry and Nuneaton Regeneration Zone is expressed only tentatively, the supporting Employment Land Background Paper indicates that the portfolio requirement for Nuneaton & Bedworth has been set having regard to additional provision of a RIS. We recommend amendments to paragraphs E and F of the policy and paragraphs 7.38 and 7.39 to give recognition to the progress on firming up RIS requirements at **R5.10, R5.12 and R5.13.**

5.21. Before moving on to consider the second of the Regionally significant categories of employment sites, note needs to be made of the arguments of the National Exhibition Centre (NEC) that it should be recognised in Policies PA7 or PA8 as a site of regional and indeed national/international significance. The company indicated that it had a large reserve of undeveloped land and therefore potential for additional development to support the regional economy. We endeavoured to ascertain what kind of development was in mind but were not given any specific indications. Moreover, it was established that a significant portion of the undeveloped land lay within the Green Belt to the east of the M42 in the Meriden Gap. WMRA drew attention to the supportive approach of Policy PA10 Tourism and Culture and the emphasis on the importance of the NEC in the sub-regional text for Solihull. In the absence of any more definitive indication of what might be necessary to support the continued development of the role of the NEC, we cannot see that any change is warranted to the terms of the RSS in respect of the NEC. Policy PA10 requires minor amendment to take on board the Black Country insertion in the January 2008 version of the RSS (**R5.16**).

Major Investment Sites (MIS) - Policy PA8

5.22. Very little comment was made expressly on the issue of MIS. AWM pointed out that there was now less inward investment around than in the past and that the evidence is that sites now being sought are of a significantly lesser scale than that indicated as likely in the policy. Over the last 20 years the largest inward investment had only required 20 ha. The Ericsson example of taking only part of the Ansty site, with that now regarded as a RIS rather than a MIS, was cited as a precedent. Consequently, they sought an amendment to the policy to enable the remaining Wobaston Road MIS to accommodate up to two inward investments rather than only a single investor. WMRA countered this suggestion by drawing attention to the very extensive area of the adjoining i54 RIS that is still available, where they suggested, smaller scale inward investments could readily be accommodated. We found this argument to be of compelling logic and can therefore see no justification for any amendment of the policy at this time.

Regional Logistics Sites (RLS) - Policy PA9

5.23. Of all the regional priority sites, the issue of Regional Logistics Sites attracted the greatest comment. Again there were a number of suggestions that the criteria are too rigid. These came from the development sector, planning authorities and amenity bodies. Holmes Antill and Framptons argued in relation to the operation of the Hams Hall RLS that the value of satellite sites should be expressly recognised even to the extent of providing justification in terms of very special circumstances for development in the Green Belt. CPRE and planning authorities like Staffordshire County Council also suggest that smaller inter-modal sites linked to neighbouring land could be just as valuable as a single 50 ha site. This was seen as helping to avoid or minimise use of Green Belt or greenfield land. The new Hortonwood site at Telford was cited as an example where the terminal site is under 20 ha with only about half that available for warehousing but is adjacent to the 178 ha Hortonwood Employment Park. CPRE suggested that such an approach might enable a RLS to be accommodated within the Black Country where Network Rail had drawn attention to the existence of a number of unused or under-used sidings. Others such as RPS for JG Land & Estates, championing land close to M6 Junction 11 and the prospective M6 Toll – M54 link, argued that rail connection should not be regarded as essential as it would not otherwise be possible to secure a site in southern Staffordshire in the light of their investigations (509/1 and 509/2).

5.24. Conversely, other planning authorities such as Warwickshire County Council/Coventry-Solihull-Warwickshire (CSW) Forum and North Warwickshire Borough Council sought more stringent application of criteria because of their concern that much of the traffic from Hams Hall and particularly from Birch Coppice is taken off-site to satellite sites that might be remote from the RLS such as Magna Park in Leicestershire. They were concerned over the impact on local non-trunk roads near Hams Hall and in the absence of substantial improvements being programmed along the A5 where congestion is forecast. The Highways Agency sought involvement in pre-planning to ensure that junctions on the Strategic Road Network (SRN) would cope with nearby RLS, though they were re-assuring that action could be taken if problems arose on the A5 in North Warwickshire and that measures had already been devised to address problems at Cannock. Freight on Rail were very specific that rail connection is essential to freight routes that are cleared to at least W8 loading gauge and ideally W10 and this approach was endorsed by AWM. It also seems to us to accord with DfT advice. As for the satellite issue, we can appreciate the logic of the Birch Coppice Appeal decision cited by North Warwickshire Borough Council, but cannot see how greater interference in the operation of the market could be justified. Daventry International Rail Freight Terminal (DIRFT) is actually nearer to Magna Park than Birch Coppice.

5.25. We visited Hams Hall, Birch Coppice, Hortonwood, DIRFT and the Pro-Logis rail served warehousing north of Coventry as well as viewing the Landor Street inter-modal terminal. It seems to us that it is axiomatic that an RLS should be rail-served if such facilities are to be encouraged in the interests of sustainable transport and that in relation to off-site road movements the key point to recognise is the relative lengths of travel by

the different modes. The containers to any of these Midlands inter-modal terminals are likely to have travelled long distances from ports by rail whereas any movement off-site by road is likely to be relatively short distance - even to Magna Park. Clearly, the closer that any satellite or related warehousing or industry can be to the inter-modal terminal the better, but from what we saw and heard in relation to both to Hams Hall and DIRFT as well as Birch Coppice, all operate to a degree with related or satellite facilities nearby. For example, it is only DIRFT South that has direct rail connection and the remainder of the warehousing at Hams Hall is served by road from the Associated British Ports (ABP) inland port rather than utilising the direct sidings provided. In such a context we consider that the expectation that the full suggested 50 or more ha should be on a single site is both unnecessary and unrealistic and would inhibit the proper recognition of the Hortonwood site at Telford and potential elsewhere.

5.26. Notwithstanding the above arguments, we do not consider that it would be appropriate to give specific recognition to satellite sites rather than encouraging the development of the full potential of already identified directly related land. Moreover, it would be contrary to the advice of PPG2 to seek to give prior clearance to arguments seeking to demonstrate very special circumstances as that would be tantamount to promoting allocation of Green Belt land for inappropriate development. As for the references to avoidance of over-concentration in particular localities, these seem mostly concerned with attempts to obstruct realisation of the full potential of Hams Hall and Birch Coppice which we do not accept as justifiable. With those sites fully developed and Landor Street in full operation, attention ought positively to turn to securing provision to the north of the West Midlands Conurbation. Consequently we recommend a modest refining of the requirements for RLS at **R5.14**.

5.27. Turning to the scale of outstanding requirements, WMRA had commissioned an update study from MDS Transmodal Ltd & Savills (CD258) and this May 2009 document was available at the EiP. Although WMRA were reluctant to endorse fully its conclusions, the study forecasts additional requirements over and above the scale referred to in the Preferred Option. Assuming the full development of Hams Hall, Birch Coppice and Hortonwood, there is a shortfall of between 213 and 345 ha of rail served warehousing by 2026 i.e. an additional 4-6 RLS. An analysis of the need for inter-modal terminals revealed a similar requirement with a need for 7-9 terminals with only 3 then active (Landor Street, Hams Hall and Birch Coppice), hence again 4-5 new sites would be required (with the operation of Hortonwood imminent at the time of the Examination). We endorse the new findings at **R5.14**.

5.28. At the EiP there was a fairly unedifying recital by rival promoters of all the reasons why other sites are or would be less suitable for consideration with criteria seemingly adjusted to suit their own particular characteristics. We are quite clear that whatever deficiencies there may be in terms of access, layout or space at Hams Hall and Birch Coppice that at least some are capable of being sufficiently rectified, as for example in the enhancements to the terminal layout at Hams Hall subject of a current application at the time of the Examination and in the intended completion of full W10 rail gauge access to both sites. Therefore we regard the

additional 20 ha on the B site at Hams Hall and the full potential for a further 40 ha to complete phases 1 and 2 at Birch Coppice to be part of the RSS baseline together with Hortonwood. We also do not consider that the role of DIRFT can be ignored, notwithstanding its location in the East Midlands as it immediately abuts Rugby, one of the West Midlands SSDs. Potentially, at least 4 additional RLS or inter-modal terminals may therefore be required during the plan-period.

5.29. Priority attention must therefore be directed to securing provision to the north of the conurbation to serve the Black Country and southern Staffordshire as it is that area that is identified in the Preferred Option as in most urgent need. At the outset of such consideration an attempt was made to discount Hortonwood as being only served by W6 loading gauge clearance, but Network Rail made clear that this is only a temporary situation with works committed to secure W8 clearance. Nevertheless, that site would primarily serve Telford itself together with Shropshire and be remote from some parts of the Black Country, even if a competitor for traffic for its north-western fringes. WMRA with support from the Black Country Consortium sought to narrow down the area of search to South Staffordshire rather than to southern Staffordshire, which we take to mean anywhere in the Black Country (notwithstanding the historical linkage of Dudley to Worcestershire) or in any of the districts of southern Staffordshire as far north as Stafford. As already alluded to, we consider that with due flexibility and use of one or more of the sidings identified by Network Rail possibilities in the Black Country cannot be wholly ruled out, particularly as there are modern road-based logistics depots newly constructed in the renewal areas. However, there are other reasons for resisting the narrowing of the area of search.

5.30. Firstly, looking at South Staffordshire itself, although Kilbride Properties via GVA Grimley advocated land at Four Ashes adjoining the West Coast Main Line (WCML) in the vicinity of existing industrial development and where waste facilities are under consideration, the land is within the Green Belt. Thus, there are substantive issues to be considered in terms of available area and competing uses as well as those relating to transport and Green Belt. South Staffordshire District Council have indicated that if such a development is forced upon them their preference would be to make use of the PDL partially excluded from the Green Belt and at least partly in a Regeneration Zone immediately adjoining the Wolverhampton boundary and the WCML at Brinsford. There is clearly much to be said for such a concept, but to create a sufficient site may require substantial infrastructure works that might hinder rather than facilitate the long planned strategic park and ride at Brinsford. We discount the third possibility at Hilton Park adjoining M6 junction 11 because it could not be rail-served. In short, whatever the merits of the two identified possibilities that could be rail-served within South Staffordshire District, it is by no means established that either would prove to be acceptable in overall planning terms or to be economically viable.

5.31. Turning to wider possibilities, Network Rail informed the Examination of the planned upgrading of the Walsall-Rugeley rail line through Cannock for high speed running, with re-signalling, infill electrification and W10 loading gauge enhancement (CD311A and 384/4).

Agreement exists in such a context to provide an inter-modal depot at the Maersk site at Cannock just north of the A5 where the Highways Agency indicated that a solution to road congestion is in prospect. Clearly, such a possibility warrants consideration as a potential RLS. Moreover, moving north-eastwards, although Fradley was discounted because it is not rail-connected, with the flexible approach to bundling sites it is by no means clear that an inter-modal terminal on the Lichfield-Burton freight line in the Hilliards Cross vicinity could not serve the vast warehousing areas already committed on the airfield itself. Network Rail also drew attention to another depot on the Walsall-Lichfield line that is proposed to be reopened as part of the Strategic Freight Network through to Stourbridge. Lastly, although the evidence on behalf of EoN ruled out consideration of the Drakelow site in South Derbyshire as a RLS, Network Rail did draw attention to an intended inter-modal facility at Stretton. Even if this might serve a more easterly market, it is clear that there are a number of possibilities in other Districts than South Staffordshire north of the conurbation. We conclude that there is no justification for amending the reference to southern Staffordshire in Policy PA9D final indent, though the list of potential sites should be updated in paragraph 7.46. We recommend accordingly at **R5.15**.

5.32. As far as North Staffordshire is concerned, the County Council suggested that there is no need given the availability of road-based logistics at the northern edge of Stafford and the very large Basford West warehousing development south-east of Crewe just over the regional boundary in Cheshire. This seems an unduly negative approach given the imperative of urban renaissance in the Potteries conurbation. However, the 43 ha former Meaford power station site just north of Stone on the WCML has been vacant for a lengthy period albeit that it is an awkward shape and awkward to access. It is nevertheless only just off the A34 close to the southern edge of the conurbation and there are a number of other formerly rail connected colliery and industrial sites around the conurbation that would appear capable of being developed as RLS should the demand be strong enough.

5.33. Finally, before turning to town centre uses we need to refer to the very illuminating contribution to the EiP from Oakland International, a specialist multi-temperature haulier to the retail and food trade in the West Midlands. Having been precluded to date from expansion on their own Green Belt site, they had been unable to secure funding to enable development on commercially provided estates in their area of operation. While it could be pointed out that the scale of activity sought would fit within the portfolio of sites detailed under Policy PA6/PA6A rather than the very large scale logistics operations addressed under Policy PA9, it appeared that neither the commercial property market nor attempts to seek a bespoke solution had so far answered the needs of this successful company. Having had the issues publicised we trust that AWM and the relevant planning authorities will work together with the company to solve such needs in the context of the RES. There are no doubt other Small and Medium sized Enterprises (SMEs) that may require similar assistance and not necessarily only in current economic conditions.

Town and City Centres – Policies PA11, PA12A and PA12B

5.34. The key background controversy lay over the definition of tiers for the strategic centres in Policy PA11. This and the presentation both in PA11 and in the tables attached to Policies PA12A and PA13A, with the tiers identified by number and the strategic centres listed within them alphabetically, is regarded by the Black Country Consortium and Sandwell MBC in particular as damaging to the regeneration and growth prospects for centres such as West Bromwich that are in particular need of strengthening to further urban renaissance. As drafted, the tabulations place West Bromwich last of the 25 defined Strategic Centres, although it is proposed for greater growth in comparison retail floorspace than any other centre in Tier 4 and more than many in Tier 3. The concern over the possible misunderstanding or even misuse of the hierarchy was also shared by some authorities from outside the MUAs and by other participants. Some proposed changes in categorisation, for example Goodman suggesting that Solihull might be promoted to Tier 2 to reflect recent growth rates. WMRA drew attention to the basis for the tiers in reflecting existing turnover and the policy and supporting text wordings that stress that rigid hierarchies are not intended with ability for centre roles to develop and change over time including in relation to the relative position of the centres in the network. They also confirmed that the tiers had been introduced at the request of GOWM to comply with the guidance of paragraph 2.1 of PPS6.

5.35. Notwithstanding the caveats in the policies and supporting text we share the view that the intent of the tiers is open to misunderstanding and that the presentation might not best serve the interests of the spatial priority to foster urban regeneration. The tiers seem to be merely descriptive and do not convey any particular policy towards the centres in the different tiers and their function. We also consider that the hierarchy is unduly detailed bearing in mind that it only derives from banding of existing turnover. We canvassed the possibility that a simple two-tier categorisation at the regional level, only distinguishing Birmingham as the Regional Centre from the other strategic centres, might suffice to follow the guidance of PPS6 as there would be other district and local centres including market towns that would be identified in DPDs to form further tiers. GOWM did not feel that this would comply with the spirit of the guidance as it is directed at both regional and local planning levels. The compromise which we recommend that would comply with spirit and letter of the guidance of PPS6 (and the similar guidance contained in Policy EC2 of the emerging draft PPS4) would be to have a 3-tier categorisation in the RSS. It would have tiers distinguished by functional names rather than number and within the tables the centres should be placed in order of intended retail comparison growth (or office floorspace growth in PA13A) in each tier and not simply in alphabetical order. Thus, as recommended at **R5.18** and **R5.21**, in PA11 and PA12A the hierarchy would be:

- **Regional centre:** Birmingham
- **Major sub-regional centres:** Coventry, Stoke-on-Trent, Wolverhampton, Brierley Hill

- **Other strategic sub-regional centres:** Telford, Walsall, Solihull, Worcester, Shrewsbury, West Bromwich, Burton, Hereford, Leamington Spa, Sutton Coldfield, Redditch, Stafford, Cannock, Kidderminster, Lichfield, Newcastle-under-Lyme, Nuneaton, Rugby, Stratford-upon-Avon, Tamworth

5.36. As for the concerns that there are other market towns or centres that ought to be identified, we share the view of WMRA as expressed in the Preferred Option that there are no other centres that warrant strategic categorisation, other than the promotion of Brierley Hill in lieu of Dudley (as endorsed in the Published January 2008 version of the RSS after the Phase 1 Examination). However, it should be made explicit in Policy PA12B that the non-strategic centres should be identified in Core Strategy DPDs to mirror the provision in Policy CF2 (B), that settlements for balanced sustainable development should be so identified. We recommend accordingly together with the insertion of the specific text for Brierley Hill from the January 2008 RSS at **R5.20** and **R5.23**. Redditch is deleted from the list of SSDs at **R5.19** for consistency.

5.37. A further general point arose from representations. Tesco suggested that retail convenience floorspace as well as comparison floorspace can help centres grow and develop. Redditch BC felt that as worded the RSS wrongly precludes convenience floorspace at strategic centres. WMRA confirmed our assumption that the reason that convenience floorspace is not referred to is that this is regarded as a matter for local rather than regional determination and thus a matter for Core Strategy DPDs and not the RSS. We agree with that judgement as the degree to which a strategic centre will also fulfil a convenience role will depend on the network of district and local centres in its immediate hinterland. Nevertheless, we also recognise the correctness of the point made by Tesco and consider that the reason for the non-reference to convenience floorspace in the RSS should be made explicit in the supporting text and so recommend at **R5.17**.

5.38. There remain issues over the actual retail comparison floorspace figures and the split of these figures between portions of the plan period. The figures included in the Preferred Option derive from a 2006 'Regional Centres Study' for WMRA by Roger Tym & Partners and King Sturge (CD120), updated in November 2007 after receipt of the Phase 1 Panel's comments (CD121). The update study reflected the proposed housing distribution of the Preferred Option and rolled figures forward to 2026. For the Examination WMRA commissioned a further update study which was published in May 2009 (CD257). This considers reduced growth rates consequent upon the recession, possible further variations arising from the take-up of e-retailing and other special forms of retailing and the implications were the spatial distribution to be adjusted to follow NLP scenarios. It answers a number of the questions raised by RPS on behalf of Westfield, particularly over growth in retail efficiency, though RPS still suggested that the figures produced are conservative, a point accepted by WMRA. Tables 2.5 *Growth to 2021* and 2.6 *Growth to 2026* are those which reflect potential adjustments to the figures in Policy PA12A, though expressed in net rather than gross terms. At the Panel's request WMRA converted these net figures to gross using a ratio of 75% net to gross and presented these as EXAM38. Generally the figures are around 85% of

those in the Preferred Option, though the same for Solihull as it was capped and with variations from the norm in some other instances as a result of rounding. WMRA stressed, however, that these revised figures should not be regarded as a new policy position of the Assembly but are merely presented for comparative purposes. Roger Tym's view is that although the figures are reduced from those in the Preferred Option the differences are essentially immaterial. For the period to 2021, the changes would probably mean simply that the growth might be spread out until 2023. And as far as the figures to 2026 are concerned, they would re-iterate their note of caution that as this further growth turns primarily on the cumulative effect of growth in expenditure per head, the further into the future the projection is taken, the greater the likely margin of error. While obviously different choices could have been made in respect of some of the parameters included in the calculations, they were not subject to any widespread challenge and, as the figures used represent the midpoint of variant forecasts, we can see no reason to dissent from the generality of the conclusions.

5.39. As far as the implications of any changed distribution of housing are concerned, they indicate that where figures are increased there would be an expectation of increase in the floorspace requirement and a proportionate decrease where housing provision is held steady. However, as the greater portion of the projected retail growth arises from increased expenditure per head rather than absolute changes in population, the extent of potential adjustment that might be warranted would be limited. These comments were made in the context of a possibility of a shift in emphasis of housing away from the MUAs towards the south of the region. Although we have recommended increased housing provision including in some southern districts, overall in line with our basic conclusion that the spatial strategy is sound and worthy of support, the proportion of housing attributed to the MUAs would in fact be marginally increased. As a consequence, the increased housing provision that we recommend would be a factor that might broadly offset the negative influences of the recession or at least tend in that direction. We therefore accept the WMRA argument for leaving the Preferred Option figures generally unchanged.

5.40. GOWM and others suggested that to comply with PPS6 and facilitate monitoring, the provision ought to be split into 5-yearly segments. The background workings in the Roger Tym study do involve assessing growth rates over such periods, but they do not break down recommended figures other than for 2006-21 and 2021-26. Some see merit in the greater flexibility thereby provided, though others see a risk that the 2006-21 aggregation might enable the network to become distorted by excess provision in individual centres. Others suggest that as provision at strategic centres almost always occurs in substantial increments, there will be inevitable shifts in relative size of centres over time as first one then another secures significant redevelopments and that this is the reality of the market. We tend to agree with this last understanding. Moreover, although the forecasting was undertaken in 5-yearly bands, it is clear that we are in very uncharted waters with the depth of the recession in the retail sector, the point and speed of recovery all being matters of speculation. The longer term trends seem much more

likely to be realised than those which might be forecast in any attempt to tie down expectations in the short and medium term. We therefore accept the WMRA case that the figures should not be differentiated other than between 2006-21 and 2021-26 with a note of caution over the point at which commitment would be justified to implementation of schemes designed to cater for growth in the latter period. We do not see this as inconsistent with our analysis and recommendations concerning housing trajectories. The key reason for our analysis in relation to housing provision was to assess the realism for delivery of overall figures during the plan period. In respect of retail provision at strategic centres, as we have indicated, we believe that market delivery will inevitably be 'lumpy' and all that is being asked of the LPAs is to examine ways in which the prospective growth might be accommodated were demand to be forthcoming. In contrast housing provision is required to respond to identified need as well as demand.

5.41. With regard to the concerns over the extent of flexibility mention was made of the 5,000 square metres defining significant variations from the forecast figures acceptable at strategic centres without need for impact assessment on other strategic centres referred to in paragraph 7.68. TWC contrasted this with the 10,000 square metres threshold suggested for comparison retail floorspace additions at non-strategic centres before the need for impact assessment as specified in Paragraph 7.74 and Policy PA12B. Suggestions were made for an alternative percentage flexibility, as an absolute threshold would be so small proportionately for a centre such as Birmingham. However, there were concerns by CPRE and others including some LPAs that Birmingham should not be able to swamp nearby strategic centres whose health is vital to urban renaissance across the conurbation. Conversely, a percentage flexibility margin might inhibit developer interest in smaller centres to the detriment of those requiring regeneration, a point particularly raised in respect of Cannock. The Black Country Consortium and particularly Walsall MBC were concerned that any additional growth at Cannock to secure regeneration or greater development at Telford might be at the expense of regeneration in the MUA. They considered that priority should be given to Walsall and the other MUA strategic centres before addressing the needs of local regeneration zones or growth aspirations at SSDs outside the conurbation. Clearly, there is a fine balance to be struck but it would seem to us important not to jeopardise needed local regeneration or SSD growth by a too rigid attempt to steer any prospective comparison retail growth in the wider catchment into the conurbation. On balance, as there would be the same or greater potential impact on any given strategic centre from 10,000 square metres of comparison retailing at a non-strategic centre within its catchment as from 10,000 square metres additional provision at a competing strategic centre with an overlapping hinterland, it would simplify consideration of major comparison retail schemes for a common figure of 10,000 square metres to be applied in relation to both Policy PA12A and PA12B. We recommend accordingly at **R5.22**.

5.42. This leaves the specific requests made to vary figures in Policy PA12A. Solihull sought a reduced figure on the basis of the physical constraints that exist on capacity. The Roger Tym study indicates that the

Solihull figure was already artificially capped to reflect capacity constraints and the recent growth that has taken place at that centre. Without the cap, the status quo figure even under the scaled back May 2009 update would be closer to 60,000 sq m for 2006-21 after conversion to gross. We are not therefore convinced that any further reduction beyond that specified in the Preferred Option would be warranted, but the Council would not be precluded from justifying accommodation of a lesser scale of provision in its Core Strategy DPD as paragraph 7.68 indicates that the provision figures should not normally be exceeded. Similar restraint could be exercised if justified at other strategic centres that may have historic environmental constraints such as Leamington Spa, Lichfield, Shrewsbury, Hereford or Stratford-upon-Avon, a particular concern of CPRE. The greater flexibility that we recommend generally in respect of a 10,000 sq m margin should in our view be sufficient to enable consideration of an appropriate scale of redevelopment at Cannock town centre and the aspiration for higher growth at Rugby to support SSD development. It would also address any concerns over the way that rounding has been applied, this last point being raised in respect of Brierley Hill, though the 5,000 sq m figure for flexibility would probably have sufficed to cover this last point.

5.43. Use of flexibility would not in itself address the whole of the aspirations of TWC for much higher provision for Telford town centre. In their original representations the Council sought 60,000 sq m gross for 2006-21 and a further 30,000 sq m gross for 2021-26. They supported this with an update retail study from their own consultants, White Young Green (405/8A-B). Shropshire Council, although not necessarily convinced of the justification for the increased provision, were not unduly concerned over competition with Shrewsbury given the physical constraints imposed by the historic core within the loop of the River Severn at Shrewsbury and the very different nature of retailing at Telford as compared to Shrewsbury. They would want that difference to be respected in future developments. WMRA were more concerned at such a substantial departure from the overall provision figure that had been produced on a standardised basis across the region. They feared that it might lead to adverse consequences at strategic centres within the MUA, while nevertheless recognising the imperative, as supported by AWM, to secure a re-structuring of Telford town centre so that it can function as a full town centre with all the range of uses and ancillary activities normally associated with centres and encouraged in PPS6. The greatest opposition to the TWC proposals came from the Telford Trustees owners of the main shopping centre in Telford. They argued that higher provision at Telford would not be justified and an interchange of representations continued up to and indeed beyond the relevant Examination session. The Telford Trustees nevertheless stressed that if their case were not to be accepted, there would still be no need to amend the primary shopping area as proposed by TWC in a draft town centre AAP, as the scale of development sought could be accommodated within or substantially within the existing defined area.

5.44. At the Examination, TWC put forward revised amendments that would increase the 2006-21 provision to 65,000 sq m gross with only a further 5,000 sq m gross for 2021-26. WMRA did not strongly oppose this

amendment as it would leave the overall figure for the plan period unchanged, but rather simply phase forward the provision so as to enable the radical re-shaping of the town centre sought by the Council. For our part, we agree that different assumptions could validly be made in the forecasting of the provision requirements and the localised adjustments suggested by White Young Green do not appear unreasonable. However, we are not convinced that it would be valid in statistical terms to apply different parameters for individual centres as compared to those applied generally across the remainder of the region. We are therefore happier with the revised amendments proposed, but even with these figures, the degree of phasing forward would represent a significant distortion in the overall provision. Given that we recommend greater flexibility in relation to all the figures, we recommend that the Telford 2006-21 figure should be held at 60,000 sq m gross, leaving 10,000 sq m gross for 2021-26 at **R5.21**. This would hold the medium term growth figure for Telford below that of any Major Sub-regional Centre for the period 2006-21 and down to the figure for Walsall while leaving a more typical figure for 2021-26. At the same time the flexibility recommended ought still to enable development of the scale being contemplated by TWC and AWM (or the Trustees) to be considered. We would stress that our conclusions and recommendations are in no way intended to give any view on the form or location for town centre redevelopment at Telford as that is clearly not a strategic matter for the RSS but for consideration in a local planning context.

Out of Centre Retail Development - Policy PA13

5.45. Some respondents questioned whether this policy adds anything to national guidance. This was not a view pressed by GOWM and we can see a role for the policy in making clear that no new strategic scale out-of-centre comparison retail provision is perceived to be necessary within the region. In original representations, Tesco did suggest that the definition of locations suitable for retail developments might be enlarged to encompass edge-of-centre sites and not merely locations within town and city centres. This was not pursued in further representations and we can see no justification for any departure from the sequential approach embodied in PPS6. The only recommendation that we would make therefore is that the policy should be re-numbered PA12D to group it with the other retail policies rather than with office development policies **(R5.24)**.

Office Development – Policies PA13A and PA13B

5.46. The Roger Tym update study of May 2009 (CD257) also reviewed the town centre office provision figures that are set out in Policy PA13A. The study recognises that the rate of growth of office employment might be significantly lower than that envisaged in the original West Midlands Regional Centres Study (WMRCS) (CD120) as Cambridge Econometrics anticipates that the West Midlands will emerge from recession at a slower rate than the UK as a whole. Achieving the provision figures set out in Policy PA13A would therefore be challenging. The impact of the recession might mean that realisation of some of the projected demand might not be until beyond the plan period. Nevertheless, no alternative provision figures are put forward because it is regarded as imperative to support

growth in the Financial and Business Services sector through provision of new office stock of appropriate quality. Rather the study recommends that explanatory wording is added to the supporting text to the effect that much of the demand for the period to 2026 will occur towards the middle and end of the plan period and mainly after 2016. We recommend at **R5.25** that such text be added to the end of Policy PA13A and that the number of tiers be reduced, with re-naming and citing of the centres within the tiers by scale of new provision as previously recommended in relation to comparison retail provision. This would focus attention on the centres seeking substantial office growth. As with the retail floorspace figures, GOWM suggest that there should be a breakdown of the figures into 5-yearly bands as advocated in PPS6 to assist with monitoring. Given the Roger Tym recommendation and in the light of the current recession, we do not consider that a realistic sub-division would be possible.

5.47. The only specific request for variation of the provision figures was made by Solihull MBC again citing the constraints on physical expansion of the town centre. In this case we have greater sympathy because of the existence of both BBP and BVBP within the large outstanding commitments and/or land available on which office development is regarded as acceptable for suitable occupants. These RIS provide an alternative location in the M42 corridor to accommodate some of the requirement for office development. Consequently we recommend accepting the reduced figure put forward by Solihull Council at **R5.25**. Redditch BC also queried the figures for their town centre drawing attention to an error in the background paper. However, WMRA clarified in EXAM36 that the error only arose in the background paper and was not carried through into the RSS itself.

5.48. A number of participants expressed concern that, notwithstanding the RSS policy to direct office development to town and city centres in line with PPS6 and emerging draft PPS4, only 65% of uncommitted office developments will be in-centre as cited in paragraph 7.83. From discussion it was clarified that the reference in paragraph 7.85 is more accurate in so far as this refers to 65% of such development taking place in or on the edge of strategic centres. Further office development would be expected to take place at or on the edge of other centres to be identified in Core Strategy DPDs in addition to development on RIS. Consequently the extent of new office development expected to be newly committed on other locations would be more modest. Conversely, Staffordshire CC and a number of its constituent districts and TWC pressed for greater flexibility to allow more out-of-centre office developments and this was also echoed by a number of development interests. Cannock Chase DC in particular was concerned that there is little tradition of town centre office development at Cannock whereas there had been some success in securing office developments on business parks. TWC also wished to be able to pursue mixed developments on appropriate employment sites but did not refer to any specific examples. We consider that Cannock Chase may be under-estimating the potential at their town centre if the intended rail enhancement is achieved and more generally the policy of the RSS does not rule out some further out-of-centre office provision where justified. As the policy is already more liberal than that of PPS6 in order to maximise regeneration potential, we

do not consider that any further relaxation of the sequential requirements would be warranted. Our recommended clarification is set out at **R5.26**.

5.49. More generally, GOWM suggested that the policy might have greater clarity were it expressed in three components as in the case of comparison retailing rather than two. We have considerable sympathy with this view, but the policy is more subtle than that for retailing which follows national guidance more closely. A very substantial re-writing would be involved to separate out the component strands and their supporting text while avoiding change to the substance of the policy that we consider strikes essentially a correct balance, having regard to the needs and characteristics of the region. Consequently, we simply recommend minor amendments to the supporting text to make clear the intent that if office development cannot be secured at any of the designated strategic centres or is not appropriate for location on a RIS, the expectation is that the other town centres designated in Core Strategies would be the next sequentially preferable location for such development.

5.50. Finally, although it was not a matter discussed in the EiP, we note that the section of Chapter 7 under the heading "Regional Casinos" – paragraphs 7.90 – 7.92 and Policy PA13C – is no longer relevant. It could be deleted as any D class proposals would be covered by Policies PA10 and PA11. We recommend accordingly at **R5.29**.

Recommendations

Rec Number	Recommendation
R5.1	In paragraph 7.8 replace "controlled to ensure that" by "planned so that"
R5.2	In paragraph 7.32 replace "then those should be reflected as part of the portfolio for that authority" by "the existence of these sites has been taken into account in determining the size of the general portfolio reservoir in Table 4 to Policy PA6A."
R5.3	Elevate the two footnotes on page 96 to form new paragraph after paragraph 7.34 as follows: "Employment land...areas. See also following paragraph. A site is defined as readily available if ALL the following..." [Omit footnote indications in the Policy]
R5.4	Bring forward paragraph 7.36 to follow previous insertion in the following terms: "Policies PA6, PA6A and PA6B do not cover land suitable for employment purposes within town centres. In accordance with Policy PA11 and PPS6, large scale office developments (Class B1(a)) and particularly those of a speculative nature of more than 5,000 sq m gross should normally be located in or adjacent to the strategic town and city centres. Where large scale office developments are proposed other than at strategic centres or RIS they will need to be subject of impact assessments unless the proposal has been identified in an up-to-date DPD. Other than in

Rec Number	Recommendation
	exceptional circumstances such proposals should be made explicit and justified through the development plan process."
R5.5	<p>In Policy PA6A add at the end of the first paragraph:</p> <p>"In view of the plan, monitor and manage approach and the anticipated recycling of previously developed good quality premises and land there would be no need to identify the full long-term provision in the preparation of Core Strategy DPDs in order to avoid unnecessary release of greenfield land. However, as a minimum the indicative requirement for a 10-year period should be identified in order that land or premises will always be available to top up the reservoir as it is used."</p> <p>In the second paragraph delete the second sentence and "however," from the third.</p>
R5.6	<p>In Table 4 replace all the figures in the final column by multiples of 4x those in the second column rather than 3x. Aggregate the figures for the Shropshire Districts to form a composite figure for the new Shropshire Unitary Authority.</p>
R5.7	<p>Re-locate the footnotes to Table 4 from page 97 so that they immediately follow the table amending them as follows:</p> <p>"(a) In these districts the 5-year reservoirs should be regarded as minima, in all others the figures are targets that should nevertheless be identified."</p> <p>(e) Delete footnote for <u>Warwick</u> reservoir provision but add footnotes for <u>Tamworth</u> reservoir and indicative long-term provisions stating "part of the provision may need to be located in Lichfield or North Warwickshire Districts".</p> <p>"(f) Of which 8 ha will be provided within Stratford-on-Avon District west of the A435."</p> <p>"(g) Of which at least 12 ha will be provided within Stratford-on-Avon District west of the A435 and the balance remaining out of a total of up to 37 ha will be provided in Bromsgrove District at a location or locations to be agreed in the Core Strategies for Redditch and Bromsgrove Districts."</p> <p>"(h) Of which 9 ha will be located in Malvern Hills and/or Wychavon Districts adjacent to the boundary or in the vicinity of the City"</p> <p>"(i) Of which 36 ha will be located in Malvern Hills</p>

Rec Number	Recommendation
	and/or Wychavon Districts adjacent to the boundary or in the vicinity of the City"
R5.8	<p>In Policy PA6B delete the second set of sub-paragraphs i)-iii) and replace as follows:</p> <p>"(a) identify and protect those sites most suitable for employment purposes in Core Strategy DPDs with appropriate remediation and/or infrastructure provision to ensure the provision of sub-regional employment sites (10 ha to 20 ha) or other elements of the employment land portfolio;</p> <p>(b) identify sites for transfer from employment land to mixed-use or housing developments to ensure that the housing requirements in Policy CF3 are met;</p> <p>(c) seek to ensure the balanced provision of employment and housing development."</p>
R5.9	<p>Reduce the final paragraph of Policy PA6B to the status of supporting text as new paragraph after the policy in the following terms:</p> <p>"In the event of the unexpected closure of a large employer over 10 ha, wherever possible the redevelopment of that land for non-employment uses should be provided for through the preparation of an AAP."</p>
R5.10	<p>In Policy PA7, amend sub-paragraph E to read as follows:</p> <p>"(i) South Black Country and West Birmingham RZ and (ii) Coventry and Nuneaton RZ."</p> <p>[and delete sub-paragraph F, re-numbering following sub-paragraphs and in the current sub-paragraph H, deleting "and F."]</p>
R5.11	<p>In paragraph 7.37, add new second sentence as follows:</p> <p>"Ancillary development including hotels, health and fitness leisure facilities, childcare provision, local shopping facilities, restaurants and banking facilities will also be acceptable provided that they are of a scale commensurate with primarily serving the occupiers of the RIS." Commence final sentence "Large-scale speculative..."</p>
R5.12	<p>In paragraph 7.38, delete "and" before "Coventry-Solihull-Warwickshire HTC;" and add "East Birmingham/North Solihull RZ and Birmingham to Worcestershire HTC."</p>

Rec Number	Recommendation
R5.13	In paragraph 7.39, add: "and extension" after "Birmingham Business Park"; ">Aston – E Birmingham/N Solihull RZ"; and "> Longbridge – Birmingham to Worcestershire HTC"
R5.14	<p>In Policy PA9, amend sub-paragraph B as follows:</p> <p>"RLS with existing or potential dedicated rail access to freight routes with at least W8 loading gauge and close proximity to a junction that could provide access to the SRN or other principal roads should be identified in Core Strategy DPDs. The RPB should be consulted on such proposals. Sites should also: (i) Ideally be in the order of 50 ha or more but smaller inter-modal sites may be appropriate for consideration as RLS if they can be closely associated with substantial warehousing on adjacent or closely related land..."</p> <p>amend sub-paragraph C to replace "at least 150 ha" by "at least 200-250 ha";</p> <p>amend sub-paragraph D by deleting the first two indents and replacing them by:</p> <p>">utilising the full potential for the expansion of the existing RLS at Hams Hall, Birch Coppice and Hortonwood;"</p> <p>amend the third to read:</p> <p>">securing provision of new rail-served facilities to serve...[as in submitted policy]"</p>
R5.15	Amend paragraph 7.46 by deleting the final three sentences and replacing them as follows: "Possibilities to be explored further for provision of RLS <u>include</u> Brinsford, Four Ashes, Cannock, Fradley and Meaford."
R5.16	<p>In Policy PA10 insert additional bullet:</p> <ul style="list-style-type: none"> • "Black Country Heritage attractions in particular Dudley town centre and its surroundings."
R5.17	<p>Amend paragraph 7.53 to add:</p> <p>"There is no reference to convenience retail development in the following retail policies not because such development would be inappropriate at strategic centres. It is rather because the extent of convenience retail floorspace that may be appropriate at strategic</p>

Rec Number	Recommendation
	centres is a matter for local determination in Core Strategy DPDs having regard to the network of other centres within their catchments."
R5.18	<p>In Policy PA11 in sub-paragraph A amend the Tiers, descriptions and order as follows:</p> <ul style="list-style-type: none"> • "Regional centre: Birmingham" • "Major sub-regional centres: Coventry, Stoke-on-Trent, Wolverhampton, Brierley Hill" • "Other strategic sub-regional centres: Telford, Walsall, Solihull, Worcester, Shrewsbury, West Bromwich, Burton, Hereford, Leamington Spa, Sutton Coldfield, Redditch, Stafford, Cannock, Kidderminster, Lichfield, Newcastle-under-Lyme, Nuneaton, Rugby, Stratford-upon-Avon, Tamworth"
R5.19	In paragraph 7.57 delete "Redditch" from the list of SSDs.
R5.20	<p>After paragraph 7.61 amend heading "Merry Hill" to "Strategic Centres in the Black Country" and insert paragraphs 7.64, 7.64A and 7.64B from the January 2008 RSS [with the references to Policy PA11A amended to PA12A in the last] together with Policy PA11A re-numbered as Policy PA12A. In that Policy amend sub-paragraph C to read:</p> <p>"...within the allocation of 65,000 sq m gross comparison retail for the period 2006-2021 will be..."</p>
R5.21	<p>Re-number Policy PA12A as Policy PA12B and amend the Table Tiers, descriptions and order as follows:</p> <ul style="list-style-type: none"> • "Regional centre: Birmingham" • "Major sub-regional centres: Coventry, Stoke-on-Trent, Wolverhampton, Brierley Hill" • "Other strategic sub-regional centres: Telford, Walsall, Solihull, Worcester, Shrewsbury, West Bromwich, Burton, Hereford, Leamington Spa, Sutton Coldfield, Redditch, Stafford, Cannock, Kidderminster, Lichfield, Newcastle-under-Lyme, Nuneaton, Rugby, Stratford-upon-Avon, Tamworth" with the figures for <u>Telford</u> amended to be "60,000 (2006-21)" and "10,000 (2021-2026)"
R5.22	In paragraph 7.68 replace "5,000 sq m" by "10,000 sq m"
R5.23	Re-number Policy PA12B as PA12C and in that policy amend "local authorities" to "Local Planning Authorities" and insert "in Core Strategy DPDs" after "those centres" in line

Rec Number	Recommendation
	3 and amend the reference to "Policy PA12A" to "Policy PA12B" .
R5.24	Re-number Policy PA13 as Policy PA12D .
R5.25	<p>In Policy PA13A amend the Table Tiers, descriptions and order as follows:</p> <ul style="list-style-type: none"> • "Regional centre: Birmingham" • "Major sub-regional centres: Coventry, Brierley Hill, Wolverhampton, Stoke-on-Trent." • "Other strategic sub-regional centres: Walsall, West Bromwich, Telford, Newcastle-under-Lyme, Worcester, Hereford, Leamington Spa, Redditch, Stafford, Kidderminster, Solihull, Burton, Cannock, Lichfield, Nuneaton, Rugby, Tamworth, Shrewsbury, Stratford-upon-Avon, Sutton Coldfield." • <p>with the following addition at the end of the introductory words:</p> <p>"Much of the demand for the period to 2026 will occur towards the middle and end of the plan period and mainly after 2016."</p> <p>and the figure for Solihull reduced to "35,000 sq m".</p>
R5.26	In the first indent of paragraph 7.83 replace "in-centre" by "within or on the edge of strategic town or city centres" and in paragraph 7.85 insert a new second sentence "Additional development will take place in or on the edge of other centres defined in Core Strategy DPDs.", commencing the final sentence "However, the proportions in-centre will be lower..."
R5.27	In paragraph 7.89 amend "paragraph 7.36" to the new paragraph number.
R5.28	Amend Prosperity for All map on page 120 to take account of the foregoing.
R5.29	Delete the sub-heading "Regional Casinos", paragraphs 7.90 to 7.92 and Policy PA13C.

Chapter 6: Waste Policies

Introduction

6.1. The regional waste policies are the only part of RSS Chapter 8 “Quality of the Environment” to be revised in Phase 2, the rest of Chapter 8 being left for the Phase 3 revision. New Policies W1 to W12, together with the heavily revised supporting text, replace and greatly expand upon the strategy set out in existing RSS Policies WD1 to WD3. The new policies did not attract a large number of consultation responses, and the discussion in Matter 6 of the EiP was relatively low key, with comments mainly confined to issues of emphasis and detail rather than fundamental dispute with the strategy. There was broad endorsement of the strategy, a fact which we find attributable to WMRA’s efforts to apply the approach advised in PPS10 and its Companion Guide, and the grounding of policies in the work of the Regional Technical Advisory Body (RTAB).

Regional Waste Strategy

6.2. Despite wide support for the suite of waste policies, there were suggestions for specific improvements to them. On an over-arching point, Friends of the Earth (FoE) argued that the title “Waste” should be replaced by “Resource Use” to reflect more fully the need to treat waste as a resource. We appreciate the motive for this, but while the term “waste” is in common use, and “waste planning” and “waste management” are enshrined in legislation we do not consider that using a different and less specific term in RSS will aid clarity. What will be more important is to ensure that the principle of regarding waste as a resource and managing it accordingly is fully taken forward in the policies.

6.3. Policy W1 on the general approach was criticised by West Midlands Planning and Transportation Sub-committee (WMP&TSC) for duplicating national policy and not being regionally specific, for example in references to treating waste as a resource and to the waste hierarchy. The Environment Agency (EA), however, sought a more explicit commitment to the waste hierarchy, and suggested an expanded version of the policy. This includes an explicit commitment to ensuring the West Midlands is a “zero waste growth” region. We take the view that, notwithstanding a good deal of support for the approach, a less prosaic version of Policy W1 with a clearer commitment to the key waste planning objectives would be an improvement. Our recommendation **R6.1** is generally on the lines suggested by EA, but with other changes to reflect our conclusions at 6.11 below.

Targets for Waste Management

6.4. There was considerable discussion of Policy W2 and the accompanying tables. While the approach is generally supported as sound, there were concerns among some participants that it may not be sufficiently challenging. FoE and CPRE, for example, were concerned that the amounts of waste requiring to be managed would turn out to be over-estimated, resulting in over provision of facilities in the middle of the waste hierarchy, such as waste to energy plants. Given the long term nature of contracts for waste management and disposal, this was seen as a potential disincentive to progress up the waste hierarchy towards

greater waste reduction and recycling. A number of participants drew attention to the fact that the volume of waste arising in the region has actually been going down over recent years. Despite this the projections of future arisings, do not continue to reduce over time towards 2026 but show a small increase. This was argued to be a conservative assumption, given the continuing policy commitment to avoiding and reducing waste creation, and the aspiration for the West Midlands to be a “zero waste growth region”.

6.5. Walsall MBC drew attention to more recent assessment work which showed total arisings for the Black Country lower than those assumed for the RSS. It was suggested that more recent lower figures be substituted where available. However, other Waste Planning Authorities appeared comfortable with Tables 5 and 6 as they stand. WMRA argued that it would be untenable to replace figures for one or two Waste Planning Authorities (WPAs) on the basis of more up to date information, but keep the others, making the table inconsistent. An alternative approach suggested was to make Table 5 and 6 “indicative”, leaving WPAs to take account of more recent information in their waste LDDs if available.

6.6. We see the force of WMRA’s argument. For a regional document like RSS, it is important that the factual basis on tonnages of waste and its apportionment within the region is established and agreed at regional level. While the assumptions may appear conservative, it needs to be borne in mind that more recent population and household projections, and the higher regional housing provision which we now propose, can be seen as upward influences. We note the point made by WMRA that any change in the housing provision would have implications for the waste targets. However, we do not propose any ad hoc adjustment to Tables 5 and 6 as that could only be speculative. We consider that in practice, at least for the first 10 years or so, the trajectory of housing delivery and its spatial distribution under our proposals will be relatively close to what would be expected under the Preferred Option. On that basis the implications for Tables 5 and 6 would not be major, and may be seen as a counterbalance to any tendency to under-estimate future savings in the amount of waste generated.

6.7. Whilst the targets indicated in Policy W2 and Tables 5 and 6 may not be ideal, we conclude that they provide a suitable basis for planning at the strategic level. They will not, however, apply for the whole of the plan period. In due course it will be for the RPB and the RTAB to prepare new estimates which should replace those tables, taking account of the latest monitoring data and other information, while ensuring a consistent approach across all WPAs. In the meantime, while we do not think it necessary to characterise the targets as “indicative”, they should be interpreted flexibly, in the light of the advice in PPS10 paragraph 10 that “spurious precision should be avoided”. We agree with Walsall MBC that this, and the circumstances for review could be made clearer in the RSS supporting text and this is covered in our recommendation **R6.2**.

Facilities for Waste Management

6.8. Policies W3 to W7 deal with provision for and siting of waste facilities and protection of existing facilities. Although for the most part

the WPAs were content with the approach, it was criticised for different reasons by environmental organisations and by GOWM. Natural England (NE), the EA and CPRE expressed concern about the environmental content, or lack of it, in the policies for locating waste facilities. NE argues that the policies should consider the importance of landscape, within the full range of natural and historic environment issues. They propose an "over-arching definition" referring to the importance of Annex E to PPS10 and applying the Quality of Environment policies QE1 to QE9 to all waste facilities, as well as specific additions to each of the policies W4 to W12 referring to sites of international, European or national importance and listing other environmental considerations to be taken into account. The EA takes a similar view, calling for criteria about floodplains, controlled water, groundwater protections zones and impact on flora and fauna to be added to Policy W4, and similar criteria to be applied to Policies W5, 6 and 7.

6.9. We think these concerns may in part be another reflection of the difficulties of the RSS phased review process. The "QE" environmental policies are not due for consideration and revision until Phase 3, whereas the waste policies, which stand close to them in the same Chapter of the RSS are being revised now in Phase 2. There is perhaps a temptation to try to improve on the "QE" policies and their application by making additions to the waste policies. There may also be a certain failure to understand how policies in RSS, as well as in Government planning policy guidance, actually apply in practice. As we understand it every policy applies wherever it is relevant, without the need for it to be specifically applied by being mentioned in other policies. That must be the case, otherwise every substantive policy would have to be amplified with long lists of environmental and other policy considerations which apply alongside it. The same applies to Government guidance such as PPS10, in particular paragraphs 21 and 22 and Annex E, (and the more detailed advice in the Companion Guide). That guidance is addressed directly to WPAs and applies without needing to be repeated or finessed by the RSS.

6.10. We therefore conclude that it should be unnecessary to make the various environmental "add ons" that have been suggested to policies W3 to W12, even for the avoidance of doubt. Moreover it is in our view not good practice to proceed in this way. Not only does it make for unwieldy and complex policies, it could reinforce any misapprehension that environmental factors do not need to be considered unless they are specified in the policy. The list of considerations cannot be exhaustive, and any omissions or shorthand could be given unwarranted significance. It is better in our view to rely on full application of the relevant environmental policies set out elsewhere in the RSS. Apart from that all the relevant considerations will in any case be brought to bear on proposals for waste facilities through SEA of waste LDDs and, where applicable, project level EIA. It would indeed be a cause for concern if this were not the case.

6.11. In spite of the above conclusion, the policies as drafted have clearly left sufficient concern or lack of clarity for the EA and NE to make the proposals they have. This can in our view be addressed by the other solution proposed by NE, namely a stronger link between the waste policies and the over-arching SR and QE policies, and the other

environmental considerations that should be taken into account. We conclude that it would be appropriate to do this in the strengthened version of the key waste strategy Policy W1 and in suitable references in the supporting text. This is included in our recommended changes at **R6.1** and **R6.2**.

Broad Locations for Waste Management Facilities

6.12. GOWM's criticisms of the policies seek more specific guidance to WPAs on the location and provision of waste management facilities. They say that the policies as drafted do not satisfy one of the key requirements for RSS to include *"a pattern of waste management facilities of national, regional or sub-regional significance"* (PPS10, paragraph 6). The PPS is not very specific about what is meant by a pattern in this context, but paragraph 11 says that the strategy should provide a strategic framework for the preparation of LDDs by *"identifying the waste management facilities required to satisfy any identified need and their distribution across the region"*. The context suggests this is what is meant by a pattern. Paragraph 12 goes on to say that regional planning bodies should identify in RSS *"the broad locations where the pattern of waste management facilities should be accommodated"*.

6.13. GOWM refers to the fact that since the Preferred Option was submitted in December 2007 the position regarding regionally and sub-regionally significant sites for waste management has become clearer as proposals have emerged. Reference is also made to work being undertaken by the RTAB and AWM in identifying broad locations for waste management facilities of regional and sub-regional significance. The implication is that material from some of this work should be brought into the RSS to give more specific guidance to WPAs. WMRA, however, refer to such work as background, against which it is argued that the general considerations of Policies W3 and W5, together with the references in Policies W8 to W11 to particular types of waste management facility with more stringent locational requirements, provide appropriate guidance.

6.14. The approach of the RSS waste policies includes identifying the quantities of wastes requiring treatment for each WPA in Tables 5 and 6 and the treatment gap between the treatment capacity required and the projected capacity that will be available. This "gap analysis" drawn from work by the RTAB is set out in Table 7 of the Preferred Option document, identifying seven WPAs exhibiting a treatment gap (though a table for sub-regional groupings covering all WPAs is available). We agree with GOWM that it would be helpful to include the full table, and this is included in our recommendation **R6.2**. The broad locations for the development required are stated to be "in or in close proximity to" the MUAs, SSDs and "other large settlements" which are shown on a map and indicated in a long list in the policy. The remaining policies do not identify locations but give general guidance for the location of facilities in the form of criteria, with Policy W6 referring specifically to sites outside the MUAs and other larger settlements and Policy W7 relating to open land. Policy W10 identifies the Black Country, Staffordshire and Stoke-on-Trent as places where priority should be given to identifying sites for dealing with contaminated soils.

6.15. WMRA and the WPAs generally resisted any greater specificity than this. It was argued that identifying locations would inevitably be associated with specific sites and existing or proposed facilities for specific waste streams, and that this would tend to convey a preference for specific technologies or solutions. There were calls for significant flexibility, both for the optimum locations to emerge, and for the precise choice or mix of technologies to evolve over time. One key point is that several WPAs may “share” a strategic facility for dealing with their requirements. We understand these difficulties. They are perhaps exemplified by one argument put forward in support of greater specificity. Paragraph 4 of the GOWM statement for Matter 6 refers to the need for guidance for WPAs needing to rely on facilities located outside their area, and says that the proposed energy from waste plants in Coventry and at Four Ashes in southern Staffordshire if implemented are intended to deal with waste arising from other WPA areas. But if not implemented other solutions presumably need to be found for the WPAs involved. In that context it is difficult to be both prescriptive and flexible. Specific mention of proposals in the RSS may not be as helpful as statements of the issues to be addressed. Supporting text paragraph 8.88 also gives reasons why the RSS should not give specific allocations.

6.16. In the light of these considerations, more specific guidance as to the location and type of facilities would only be possible when solutions are on the way to being delivered, which calls into question its value as guidance. During the discussion GOWM appeared to recognise some of these issues, but argued that there would still be merit in highlighting existing and committed facilities in policy and/or on the diagram “for context”. We can see that the present map on page 161 does little to fulfil its title “Broad Locations for Waste Management Facilities” as it in effect denotes every urban area of any size. Illustrating more specific existing locations could, however, give rise to issues concerning omissions from such a list or map, in that it may count against emerging proposals in new locations. Conversely there may appear to be a policy commitment to continuing existing facilities which may be due for replacement, not necessarily by the same type of facility or on the same location, during the plan period.

6.17. There are practical issues to be considered in trying to bring more specific guidance into the RSS policies. There is a certain amount of information to draw upon about locations and solutions emerging since the Preferred Option was submitted, both in the documents of the RTAB and in other material put forward. GOWM, EA and others referred to the “good work” that was proceeding. However, the level of certainty or policy commitment to the resulting information is unclear. It has not been subject to the same consultation or appraisal processes as the submitted RSS policies and the EiP discussion cannot be said to have evaluated it fully. If we were to recommend, and the Secretary of State were to adopt, changes incorporating more specific guidance about the location and type of facilities based on such information, those proposals and alternatives to them would probably need to be subject to additional SEA. Moreover the SEA process would have to be gone through all over again when those proposals or variations from them were taken forward in through waste LDDs, or in EIA of specific proposals where relevant.

6.18. In conclusion, while the level of policy guidance on type and location of facilities in Policies W3 to W12 may not be ideal in measuring up to the expectations of PPS10, we are not convinced that there is a sufficient strategic policy deficit to justify making major changes. Both GOWM and EA noted the considerable effort that is going on, through the RTAB, AWM and the work of the WPAs, to address the issues and progress appropriate solutions. We do not consider that this work will be assisted by re-circulating parts of it through the remaining stages of the RSS Phase 2 revision. We therefore do not recommend any changes to Policies W3 to W12 to provide greater specificity as to type of facility or broad locations for them.

Other Issues

6.19. A number of more detailed points were raised. Walsall MBC was concerned about the effect of Policy W10 regarding facilities for contaminated soils applying to the Black Country WPAs, in the event that they are unable to accommodate such facilities. However the policy only requires that the WPAs give priority to identifying new sites. If by doing so they do not find any appropriate sites within their area, they will have to find other ways of meeting the need, for example involving sites outside their area, but at least the issue will have been confronted. Birmingham City Council sought clarification of the time scale for the Waste Policies which in their view seem to go further than the requirement in PPS10 to demonstrate 10 years worth of capacity. Whilst the tables in the waste strategy section show needs up to 2026, which we consider important, we do not read the policies as requiring waste LDDs to make specific provision to this date. How to address long term needs is, however, something they need to be thinking about.

6.20. A number of WPAs considered that the term "urban quarries" used in Policy W9 needed to be defined. We agree, and this is covered in our recommendation **R6.2**. We consider that point 7 of that recommendation also covers Powys Council's concern over its export of waste to the West Midlands. A final point of detail was raised by Worcestershire CC regarding the wording of Policy W12. It was suggested that the words "where the geological conditions are suitable" should be moved to the beginning of the policy to make it clear that they apply to the whole issue of final disposal sites for hazardous waste. We agree and recommend this change at **R6.3**.

Recommendations

Rec Number	Recommendation
R6.1	Amend Policy W1 to read as follows: Policy W1 Waste Strategy Waste Planning Authorities in their LDDs should have regard to the following regional waste strategy principles: - delivering sustainable development through

Rec Number	Recommendation
	<p>application of the over-arching RSS Policies SR1 to SR4;</p> <ul style="list-style-type: none"> - seeking to ensure that the West Midlands becomes and remains a zero waste growth region; - promoting waste management up the waste hierarchy by maximising the reduction, re-use, recycling, composting and energy recovery and as a last resort disposal; - regarding waste as a resource; - adopting the “equivalent self-sufficiency” approach for each WPA in the region. <p>Each Waste Planning Authority should allocate sufficient land or facilities to manage an equivalent tonnage of waste to that arising from all waste streams within its boundary, taking into account the waste hierarchy. LDDs should include policies to secure timely provision of facilities capable of dealing with the tonnages required close to the source of the waste produced, and taking account of cross-boundary flows of particular waste streams. In addition to facilities to reprocess, re-use, recycle and recover energy from waste, provision will need to be made for the transfer and transport of waste and where appropriate for landfill.</p>
<p>R6.2</p>	<p>Revise the supporting text to Policies W1 to W12 to bring out the following issues:</p> <ol style="list-style-type: none"> 1. The need to have regard to the relevant national guidance in PPS10, notably the locational criteria in Annex E as well as other policies of the RSS. 2. In supporting text to Policy W1, mention the Region’s need to reduce its reliance on methods of waste management that are towards the bottom of the waste hierarchy, such as waste disposal and energy recovery. Waste Planning Authorities should therefore encourage proposals that are likely to reduce waste and make more efficient use of resources. 3. Relationship to the “QE” policies of the RSS, and importance of criteria including local landscape character, sites within flood plains, in proximity to controlled waters, groundwater protection zones and impact of flora and fauna. 4. Flexible interpretation of the targets in Tables 5, 6 and 7 in the light of the latest and best available monitoring information. 5. The need to keep Tables 5 and 6 under review having regard to monitoring, and to produce new information on a

Rec Number	Recommendation
	<p>consistent basis for the whole region in time for the review of the RSS in the context of the new SIRS, with a view to setting new targets as necessary at that stage.</p> <p>6. Replace Table 7 with a complete version showing the “gap analysis” for all the Waste Planning Authorities or sub-regional groupings in the region.</p> <p>7. Recognise that, within the concept of “equivalent self-sufficiency”, sharing of facilities and movement of particular waste streams across Waste Planning Authority boundaries may have an important role to play.</p> <p>8. Include a definition of the term “urban quarries” in the supporting text to Policy W9.</p>
R6.3	<p>Revise Policy W12 to read as follows:</p> <p>Policy W12 Hazardous Waste – Final Disposal Sites</p> <p>Where the geological conditions are suitable Waste Development Documents outside the MUAs should identify final disposal sites for Hazardous Waste, including where necessary encouraging the creation of separate appropriately engineered cells in landfills for Stabilised Non-reactive Hazardous Waste.</p>

Chapter 7: Transport and Accessibility

General Issues – The Strategic Context for Transport

7.1. Prior to the EiP we received a number of requests that earlier parts of the Transport and Accessibility Chapter and Policies T1-T5 as well as certain other policies not proposed for revision should be a matter for examination because although the policies are not proposed for amendment in the Preferred Option, WMRA had put forward substantial revisions to the supporting text. We considered this to be a logical response to the way in which the Phase 2 Revision had been put forward and agreed that these over-arching policies could be considered at the EiP. We were therefore somewhat surprised to find very little controversy over these parts of the RSS at the EiP. Participants generally expressed satisfaction with the RSS approach which for the most part was still regarded as up to date and providing an appropriate strategy for securing sustainable transport. The West Midlands Business Council pressed for a full revision of the transport strategy, but for the most part the wide-ranging suggestions they put forward for improvements in both rail and road infrastructure and rail and bus services appear detailed matters for discussion with infrastructure providers and operators.

7.2. The Highways Agency (HA) highlighted the November 2008 publication of the DfT's Consultation on Delivering a Sustainable Transport System (DaSTS) (CD259 Consultation Document and CD260 Main Report). They suggested that reference should be made to DaSTS and the principles of the approach embodied within it in the supporting text of the RSS. The goals set out in DaSTS are to **support the national economy** by delivering reliable and efficient transport networks; to reduce emissions of CO₂ and other greenhouse gases to **tackle climate change**; to **contribute to better safety, security and health** by reducing risks arising from transport and promoting more healthy travel modes; to **promote greater equality of opportunity** for all citizens to achieve a fairer society; to **improve quality of life and a healthy natural environment** for both transport and non-transport users. GOWM agreed that reference should be made to these goals and this was accepted by WMRA. We recommend accordingly at the end of this chapter at **R7.1**. Further minor updating would also be required within the supporting text.

7.3. Railfuture and Worcester Diocesan Board of Finance drew attention to the absence of reference to the Cotswold railway line that serves Worcester and Hereford in the supporting text and Figure 7: Key Transport Corridors. WMRA pointed out that this was partly administrative, because much of the line lay outside the region and partly because there is no high capacity road in the Strategic Road Network (SRN) along this corridor. It is regarded as more of a regional rather than national strategic corridor. While we can understand the presentational issue and appreciate that this corridor is of lesser significance than the others shown, for completeness and recognition of the transport needs of the relatively remote south west part of the region it would be desirable to make an addition to Figure 7 and we so recommend at **R7.2**. There are also issues in respect of Figure 9 as Policy T9 is described as "The

Management of National and Regional Transport Networks” and does contain policies relating to the rail network, but Figure 9 and Section A of the Policy misleadingly refer solely to roads as being the Primary Route Network. While we appreciate that this terminology has long been in use by the Highways Agency and Highway Authorities, it is misleading in a DaSTS context. Railways are also poorly shown on the Transport and Accessibility map on page 196 where they have less prominence than a cycle route. Section A of the Policy and Figure 9 ought to be amended to refer to the rail network and that should be shown on Figure 9 (or for clarity on a separate Figure) as we recommend at **R7.3** together with updating and correction of Figure 10 to show the strategic rail freight proposal for the Stourbridge-Walsall-Lichfield line (CD311A, 384/4 and CD322).

7.4. A number of participants, such as CPRE and FoE suggested that while they are happy with the approach of updating the supporting text to refer to DaSTS and indeed support the overall Transport Strategy of the RSS, they consider that the principles have not been carried through into more specific policies including those for park and ride, over which they have reservations, and more particularly those for Airports (T11) and Transport spending priorities (T12). Railfuture share some of the concerns over particular park and ride suggestions and generally argue that smaller park and ride proposals would be preferable. The RSS is concerned with the strategic transport network and it seems to us that the generality of the points made by Railfuture, including references to cycle parking, would be better directed to DPD preparation. Various additional references to the value of rail electrification were also suggested. However, while Network Rail did refer to the possibility of infill electrification schemes between Nuneaton-Coventry, Nuneaton-Birmingham and Walsall-Rugeley and the possibility that others might be considered such as the Shrewsbury-Telford-Wolverhampton and Sutton Park sections of line, the overall extent of electrification is a national issue. DfT have recently announced intentions to proceed with further major extensions of electrification and to study further possibilities. None of these affect the West Midlands so we consider that it is better to leave references to electrification as incidental to Policy T12.

7.5. Worcestershire County Council argued that there should be greater emphasis on public transport priority for the SSDs. Their solution would be amendment of Policy T5 (C). However, that sub-policy applies to MUAs. We propose a minor amendment to Policy T5 (D) instead at **R7.4**. They also suggest an addition to Policy T8 (B) to sanction re-allocation of highway space for cycling and walking, a point also made by CSW. We agree and recommend accordingly at **R7.4**. A number of other respondents suggested detailed wording changes, but we see no reason to prefer such amendments to the text of the Preferred Option.

Park & Ride and Car Parking – Policies T6 and T7

7.6. The CPRE and FoE case was that the park and ride policy was not well thought out and that a number of the proposals could involve a net increase in travel by non-sustainable means, if stations are relocated to out-of-town sites or if passengers are encouraged to drive to strategic sites when they could have walked or cycled to local stations which need

regular frequent rail services. Particular concern was expressed over the longstanding strategic park and ride proposals for Brinsford and Norton junction (Worcester) in these respects. Otherwise the comment was made that the list largely appears to comprise stations at which Centro seek to provide improved car parking, which was not necessarily opposed. Worcestershire CC and WMRA indicated that they accept the Worcester proposal would be long-term. Network Rail and Centro indicated that current proposals for securing high speed running on the Bristol-Birmingham line past Worcester would not fit easily with the concept and that the current proposals for restoring twin-tracking on the Cotswold line do not as yet include the Pershore-Norton Junction section (CD323). This would appear to confirm that such provision could not be an early priority. Worcestershire CC argued that the policy should enable the alternative of coach-based provision.

7.7. The HA suggested that additional criteria should be added to Policy T6 (A) to require there to be no adverse affect on the SRN and that the HA and Network Rail should be involved in agreeing the scope of transport assessments. While valid points, we consider that such matters are implicit in the Policy.

7.8. Centro put forward proposals for four additional sites – Kidderminster, Redditch, Tamworth and Castle Bromwich, the last where a new station would be able to serve urban renewal and pick up intended augmented services from both Tamworth and Nuneaton. Birmingham City Council supports the majority of these additional proposals. WMRA, while not strongly opposed to Centro's suggestions, queried whether they were all strategic in nature as opposed to serving local functions. CSW cautioned over seeking to establish competing sites close by to existing sites as this could dilute custom, a park and ride having just been established at Hams Hall/Coleshill Parkway on the Nuneaton line, a station that also facilitates connection from the East Midlands to Birmingham International Airport (BIA).

7.9. Wyre Forest Council expressed concern if the intention were to replace the Kidderminster town centre station by new provision in the Green Belt, a matter also of concern to CPRE. However, Centro confirmed that this is not the current intention even if options for relocation had been considered in the past. Conversely in response to concerns of Railfuture, the Tamworth and Redditch proposals do not necessarily relate to existing stations but include the possibility of new stations, that at north Redditch being a fairly well developed proposal. Hockley Heath Parish Council questioned the proposal for a site in the vicinity of the M40/M42 as too vague to be meaningful and suggested that if use of Earlswood station on the North Warwickshire line was meant the description should be narrowed down to "in the vicinity of M42 junction 3". WMRA were willing to accept this suggestion in the absence of any alternative proposal.

7.10. For our part we consider that the supporting text to Policy T6, such as paragraph 9.73, rightly draws attention to the kinds of factors that need to be taken into account by promoters to ensure that strategic park and ride proposals do contribute towards the creation of a sustainable transport network. Consequently we consider that Policy T6

(A) is consistent with Government guidance including the DaSTS approach. However, we are less convinced that it is appropriate to distinguish the two categories of identified and potential locations under parts (B) and (C) of the policy. The two identified sites at Brinsford and Worcester appear to have more fundamental issues to resolve in terms of the operation of the rail network and viability than many of the sites listed only as having potential. Some of these appear to be subject of active developer and Network Rail/Centro project planning (CD311A and 384/4). While we understand the concern of CSW over duplication of Coleshill Parkway, the Castle Bromwich proposal appears part of wider renewal and transport network plans and as a consequence we do not consider that this proposal need be excluded from a combined list of potential sites.

7.11. More generally, we cannot see why the additional sites put forward by Centro should be regarded as any less strategic than many already listed. We visited Earlswood and saw that the road access to Junction 3 on the M42/A435 is broadly satisfactory, though that there would be significant issues to resolve to achieve the requisite parking at the station. Nevertheless, we are persuaded that narrowing down the potential location as sought by Hockley Heath Parish Council is justified as the wider description in the Preferred Option is, we agree, so vague as to be meaningless. We therefore recommend a combined list of potential strategic locations with this clarification and addition of the additional Centro proposals at **R7.5**. References to use of bus or coach travel as well as rail are already contained in paragraphs 9.68 and 9.73 and Policy T6 only refers to Strategic Park and Ride although sites listed under Policy T6 are generally at railway stations. Thus, we consider that the Worcestershire County Council point is already covered.

7.12. On wider parking issues, the Black Country Consortium and WMP&TSC stress their support for the comments that seek to ensure that local authorities outside the MUAs do not undermine urban renaissance by adopting more liberal parking policies in the surrounding localities. Policy T7 and its supporting text are designed to achieve this objective in line with national guidance as contained in PPG13. The Consortium suggests that there should nevertheless be more flexibility, with parking standards for example to be set in AAPs rather than at sub-regional level. We are not convinced that it would be appropriate for the RSS to go into such detail. This could be the conclusion of sub-regional studies but if the overall objective is to be realised the standards need to be considered on more than a wholly localised basis. We do not propose any amendment.

Airports – Policy T11

7.13. Some of the sharpest disagreements arose over the policies for airports. CPRE, FoE and a number of more localised amenity bodies considered that the 2003 Future of Air Transport White Paper (FATWP) (CD206) was out of date in a current carbon-reduction context, notwithstanding the more recent December 2006 Progress Report (CD219) that had re-iterated the substance of the earlier White Paper. We had to point out that an RSS is required to have regard to the content of Government policy statements and the provisions of extant statements could only be tempered by reference to changes in local circumstances as national policy is set by Parliament. While this was accepted, some

participants still took the opportunity to re-state their opposition to the extension of the main runway at BIA, notwithstanding that Solihull MBC were able to report that the Secretary of State had declined to call-in the then current planning application that the Council was minded to approve. Moreover, both BIA and the Council stated that all the terms of the required Section 106 agreement were agreed in detail as well as substance and that the planning permission should therefore be issued during summer 2009.

7.14. It was pointed out by those hostile to airport expansion and by CSW that the provisions of the draft Section 106 agreement required more stringent targets for modal shift in relation to surface transport than those specified in the Preferred Option Policy T11(C). They sought to introduce those targets into the RSS. It was also pointed out that the public transport share includes passengers arriving by bus from remote car parks. BIA and WMRA confirmed the latter definitional point, but suggested this is normal practice in relation to other airports and that anything else would be difficult to monitor. We were disappointed that this definition would mean that the public transport figure would be inflated as compared to the actual primary access mode used. We are sceptical of the argument that the proportions would not be capable of monitoring under a more transparent definition. However, we accept that a basis for comparative purposes needs to be established nationally and that provided that the definition used locally is clear to all concerned, monitoring will be possible as required by the policy. With regard to the actual targets, BIA pointed out that the Section 106 has much more complex provisions that relate the targets to other parameters in terms of airport activity and not merely to the passage of time, with caveats providing relaxations in certain circumstances. The whole of these provisions would need to be imported into the RSS if the headline indicators were to be changed in line with the Section 106 agreement. Moreover, Centro agreed that funding was not yet assured for the proposed Metro line along the A45 to BIA and hopefully thence into the North Solihull regeneration zone, although the A45 diversion and bridge works that are part of the runway extension proposal make provision for the line whether as Light Rapid Transport (LRT) or guided busway. WMRA and the Council indicated that they are satisfied that the RSS Policy as it stands correctly specifies challenging targets and should not be altered. We were not persuaded otherwise.

7.15. The position with regard to the proposed second runway is less clear-cut. FATWP endorsed provision of a second 'short' 2000 metre wide-spaced runway, suggesting that it might be needed around 2016. The Progress Report noted that the draft Airport masterplan indicated that it would not be needed before 2020. The current view of BIA is that it may not be required until after 2030 and, as a consequence, it is not included in the finalised masterplan to 2030 (212/1), although the position would be kept under review. While this view is consistent with the wording of the RSS that such a runway may be necessary beyond the period of this RSS, CPRE, FoE and the Hampton-in-Arden Society suggested that all reference should therefore be excluded from the RSS. There is logic in this suggestion but it would result in all reference to this proposal that is still current Government policy being lost from the RSS. Moreover,

because the proposal is not included in the airport masterplan, there would be no other obvious peg on which it might be acknowledged in LDDs prepared by Solihull MBC, given the now outdated references in the Air Transport White Papers. On balance we believe that it would be more transparent in the public interest for the current RSS reference to be retained as it puts all readers on notice that in future reviews of the strategy such a proposal might be brought forward. However, as it is not policy for the RSS, but only information it should only be referred to in the supporting text. We recommend accordingly at **R7.6**, together with the reference to the position being kept under review as sought by BIA.

7.16. This naturally leads on to the smaller airports and airfields in the region and the unsatisfactory nature of T11 (A) as this simply states that the roles of BIA, Coventry and Wolverhampton Business Airport (WBA) are outlined in the FATWP without expressly endorsing or updating those roles. RAF Cosford was also covered in FATWP and events have moved on with respect to all these airports/airfields.

7.17. It was accepted by WMRA and Coventry City Council that the position at Coventry requires updating in the light of the Secretary of State's decision after two Public Inquiries into passenger terminals. We were hampered by the non-appearance of West Midlands International Airport Ltd, the operator of that airport, after it had been put into administration following the suspension of scheduled passenger services. Coventry City Council as the owner of the airport could only indicate that new lessees were being sought and that the airport remained in operation. Some such as CPRE sought to suggest that the decisions imposed a ceiling on the passenger throughput of the airport which ought to be embodied in policy. This appears to misconstrue the development management process as decisions can only be made on proposals put before a LPA or the Secretary of State. The decision (442/15) to reject the 2m ppa terminal proposal was taken on balance weighing a number of environmental and accessibility factors against the economic and other potential benefits, as was the earlier decision to approve the approximately 1m ppa terminal. This does not mean that an express limitation has been imposed at this lower level. We consider that there is a need to relegate Policy T11 (A) to supporting text as an updated paragraph describing the current position and role of Coventry Airport which could then form the background for a slightly amended version of the current Policy T11 (D). We recommend accordingly in **R7.6**.

7.18. Events have also moved on in relation to WBA and RAF Cosford. The RSS references to WBA were particularly controversial with the WBA Action Group and a number of Parish Councils around the Halfpenny Green airfield pressing for the reinstatement of the references in the Spatial Options document for the RSS. This approach is supported by South Staffordshire District Council. The difference is essentially whether limited scale commercial air transport services might be countenanced under local determination, notwithstanding the absence of strategic road access, as this is what is stated within paragraph 9.30 of FATWP. In the RSS Spatial Options document references were rather to continued use for business and general aviation. The latter is defined as including all non-scheduled commercial movements within which business aviation is comprised of air taxi and corporate aircraft operations. General aviation

would also encompass private aircraft operations and flying training and related sales and maintenance activity. The local residents wish to exclude implied strategic acceptance of commercial air transport services. Although the current airport owners/operators missed their opportunity to attend the EiP, they provided a written statement that makes clear that they have no current aspirations for handling any commercial air transport services but rather simply seek a supportive planning policy context for the agreed general aviation activities. Given current and reasonably foreseeable circumstances in the aviation industry, there seems little point in the RSS referring to possibilities not currently envisaged rather than clearly identifying the actual and desired role of WBA. As for RAF Cosford, although by prior notice it can be available for civilian movements, Defence Estates notified the EiP that as the MoD site at Cosford has an enduring military future the runway will not be available for commercial air transport services over the RSS period. We propose inclusion of further updated text to cover the position of these two airfields at **R7.6**.

7.19. WBA consider that it would be preferable for there to be different policies for Coventry and WBA as the airports are of different scale and they also consider that Policy T11 (D) is insufficiently supportive as compared to FATWP and supporting text within the RSS such as 9.106. We agree that Coventry has wider roles but with our recommended changes at **R7.6**, we consider that the different roles will be distinguished and that taken in the context of its supporting text the amended policy will provide an appropriate balance between economic, social and environmental considerations.

7.20. The remaining airfield to attract attention at the EiP was Tatenhill between Burton on Trent and Uttoxeter. The owners of the airfield, the Duchy of Lancaster, sought express inclusion of reference to the airfield on the basis that it serves an essentially comparable role to WBA for the north-east of the region. Conversely, the Tatenhill Action Group sought to ensure that the RSS does not encourage development beyond its present activities. Planning permission had been granted on appeal for various upgrading and enhancement works to support its general aviation role, though not to the full extent of hangar provision sought. However, this permission had been quashed by the High Court. We established that the reasons for setting aside the decision do not go to the substance of the decision but essentially relate to the nature of the process followed over the imposition of the conditions on the split decision. From all the evidence put before us, it appears to us that the roles fulfilled at Tatenhill are essentially similar to those at WBA and that thus, the airfield should be referred to in similar terms in the RSS. We recommend accordingly at **R7.6**. We would stress, however, that this conclusion is in no way intended as a comment on the particular development proposals referred to which will need to be resolved locally or through a further appeal determination. Nor does it indicate any particular view on the appropriate scale of operations for Tatenhill.

7.21. Finally, there are a couple of remaining points raised primarily by BIA. They would like all airport/airfield operators to be required to prepare masterplans so that there is a level playing field. While we can appreciate the reasoning behind this request, we do not think that it would be reasonably possible to go beyond the references in the RSS to

encouraging other airport operators to produce such plans as the Government have only required such action of BIA. The supporting text at paragraph 9.104 indicates that the RPB will encourage the preparation of plans appropriate to the scale of development and activity concerned at all West Midland airports. It will clearly be in the interests of the airport operators/owners to agree such plans with the relevant LPAs to avoid the planning by appeal that has been evident in recent years at Coventry and Tatenhill. The supporting text as drafted in our view recognises these realities.

7.22. Finally, BIA are concerned over the wording of Policy T11 (E), fearing that it could be unrealistic in respect of some developments to expect to achieve carbon neutrality and that the policy could put BIA at a competitive disadvantage with other airports. Taking the latter point first, it is a policy that would apply throughout the West Midlands. We would anticipate more stringent policies being applied in other regions in future even if there may be no comparable policies at present. There is significant public concern over the carbon emissions of the aviation industry as a whole. While it is Government policy that the emissions generated through air transport operations are dealt with by internationally agreed mechanisms such as carbon-trading, it is clearly desirable that the ground development that supports such operations is undertaken in as green a way as possible. We therefore endorse the principle of the policy and recommend at **R7.6** merely a minor variation to make explicit that the policy is intended only to secure carbon neutrality of the development on the ground and to recognise that full carbon neutrality may not always be realistically possible.

Priorities for Investment – Policy T12

7.23. WMRA recognised that the priorities set out in Policy T12 in the Preferred Option needed updating as a consequence of the Secretary of State's decisions on Phase 1 with regard to the Black Country and also as a consequence of the submission of Regional Funding Advice (RFA) to ministers in February 2009 by the West Midlands Shadow Joint Strategy and Investment Board. This comprises Council leaders, AWM Board Members and regional partners. Although this document (CD241) had not been formally approved at the time of the EiP it represents the most up to date statement of regional funding priorities.

7.24. In the light of these matters, WMRA put forward an update of Policy T12 (CD280) intended to bring the RSS up to date. The table reflects the fact that some infrastructure works are funded out of national programmes (such as Highways Agency and Network Rail national programmes). For the most part we were satisfied as were other participants that the revised table is a proper reflection of regional priorities and of the spatial strategy of the RSS. One glaring omission was the actual proposal to extend the main runway at BIA and the related diversion of the A45, notwithstanding the heavy AWM investment in the project and its key role in supporting the global city role of Birmingham embodied in Policy PA12. It was agreed that this should be rectified and we do so in our recommendation to substitute the revised table in **R7.6**.

7.25. More generally there were concerns from CPRE, FoE and others that the priorities appeared to include a significant proportion of highway

expenditure which was argued to be contrary to the principle of securing a sustainable transport network and the DaSTS process. In particular, CPRE opposed the degree of road construction perceived as likely to support SSD development such as at Shrewsbury, Stafford, Worcester and Hereford. WMRA countered by suggesting that the policy itself only refers to improvements to transport networks and not just to highway construction. We feel that this response is somewhat disingenuous since although strictly accurate, the supporting material in the revised Draft Implementation Plan (CD233) makes clear that in most of the SSDs, significant highway schemes are under consideration. Indeed, although Shropshire were able to indicate that New Growth Point (NGP) commitments could be met without a north-west relief road and there are directions of growth at Stafford that would involve only limited highway works, the most beneficial works in terms of overall accessibility at Stafford might well involve substantial highway expenditure. At Hereford, the Council is convinced that a relief road and new Wye crossing will be required to support the NGP aspirations. Similarly, at Worcester although early action is intended on a public transport package, the South Worcestershire Authorities and Worcestershire County Council are convinced that substantial highway infrastructure will be required to support the urban extensions envisaged, albeit that a number of additional rail stations are also proposed. In all the circumstances we are satisfied that the reference to improvements to transport networks to support the SSDs under the relevant item of the updated Policy T12 is appropriate.

7.26. We are also satisfied that there is a reasonable balance of highway, rail and other public transport expenditure within the priorities notwithstanding the degree to which this is masked in the presentation adopted. For example, the largest single expenditure proposed is the reconstruction of Birmingham New Street rail station but this only occurs as an item entitled passenger capacity enhancement. Similarly, motorway schemes are set out in great detail and with some duplication whereas most of the rail enhancement schemes are wholly contained in a single item entitled West Midlands Rail capacity and performance enhancement. Yet this item includes for example capacity enhancement at the southern end of the cross-city line (in particular electrification to and a new station for Bromsgrove and some twin tracking and frequency enhancement to Redditch), NUCKLE Phase One and Phase Two rail enhancements between Nuneaton-Coventry and Coventry-Leamington again involving new stations and new sections of twin track. Infill electrification, capacity enhancement and, as part of the strategic freight network, the reinstatement of the Stourbridge-Walsall-Lichfield line would also be covered all under this single item. In our recommendation **R7.7** we suggest some expansion of the rail item and conversely some consolidation of the motorway measures to portray the priorities in a more balanced manner, together with a reordering to reflect the timings envisaged.

7.27. Centro, the Black Country Consortium and other Metropolitan Authorities flagged up concerns at the rate of progress on key infrastructure works necessary to support urban renaissance. We share these concerns. The Wednesbury-Brierley Hill Metro extension is flagged

up in policy terms as of crucial significance after the Phase 1 Revision but was stated still to be at the stage of a revised business case. We can appreciate that tram-train technology, as being piloted on the Stourbridge junction-Stourbridge Town line, may now need to be considered given the intended reinstatement of the Stourbridge-Walsall-Lichfield line for freight traffic. However, whether LRT or tram-train, such a proposal warrants the highest priority as a symbol of the regeneration programme that is at the heart of the spatial strategy. Again in terms of sustainable transport, the ability for New Street, Snow Hill and Moor Street stations to operate as a single interchange is crucial so that the extension of the LRT line 1 at least as far as New Street appears essential as does the line to BIA and East Birmingham/North Solihull. We recommend adjustments to Policy T12 and its supporting text in **R7.7**.

7.28. Worcestershire County Council sought addition of five schemes within the County to the list in Policy T12. Four appear already included within more generalised items already in that policy. The remaining item concerning Evesham Bridge does not appear to fit within the overall priorities for National networks, MUAs and SSDs, but might still be covered by general item No.28 in the revised T12. We do not consider that these schemes warrant individual identification in Policy T12.

7.29. Finally, Powys County Council sought priority for transport links between Wales and the West Midlands. While we can appreciate the concern, the main strategic link with Wales through the West Midlands passes to the north of Powys and this is under consideration for possible enhancements, rail and road. Some rail service enhancements are also stated to be under consideration on the Aberystwyth/ Cambrian Coast line that runs through Powys west of Shrewsbury. However generally cross-border flows through Powys whether by road or rail are much more modest than in the areas identified for transport infra-structure priority funding in Policy T12. If we were to recommend additional priorities then we heard evidence that would lead us to conclude that works to support development at Redditch, which we propose should no longer be designated as a SSD, Stratford-upon-Avon, Lichfield and Tamworth would warrant higher priority than those to facilitate cross-boundary movements. As it is, since we heard many expressions of concern that there would be insufficient funding for the priorities already identified whether from CPRE, Worcestershire, Shropshire or other authorities, we do not recommend any additions to the priorities identified, merely better description in a number of instances. These are set out in **R7.7**.

Recommendations

Rec Number	Recommendation
R7.1	Update paragraph 9.7 to refer to the "Local Transport Act 2008" and the "Planning Act 2008". Add new paragraph after 9.7 as follows: "Most recently, the Department for Transport has published 'Delivering a Sustainable Transport System'. This sets out the

Rec Number	Recommendation
	<p>following goals for the transport system:</p> <ul style="list-style-type: none"> • to support the national economy by delivering reliable and efficient transport networks; • to reduce emissions of CO₂ and other greenhouse gases to tackle climate change; • to contribute to better safety, security and health by reducing risks arising from transport and promoting more healthy travel modes; • to promote greater equality of opportunity for all citizens to achieve a fairer society; and • to improve quality of life and a healthy natural environment for both transport and non-transport users. <p>The objectives set for the RTS seek to reflect these goals."</p> <p>The text in paragraphs 9.85 and 9.87 should also be updated to reflect the current legislative position.</p>
R7.2	<p>Add "Oxford – Worcester – Hereford" as an additional corridor across the lower part of Figure 7 with in its box "The Cotswold Rail line", with appropriate supporting text after paragraph 9.33.</p> <p>For completeness it would also be desirable to include reference to Stansted and the East Coast Ports in the East of England/Europe Box; Heathrow and the South Coast Ports in the London/SE/Europe Box; and Bristol to the reference to the rail line in the SW/South Wales Box as Gloucester, like Worcester, lies off the main high speed line.</p>
R7.3	<p>Add to Policy T9 (A) "and the Strategic Rail network as identified in Figure 9" (or in an additional Figure for greater clarity);</p> <p>Update Figure 10 to reflect the current position on inter-modal freight terminals by including Birch Coppice and Hortonwood and more clearly representing the proposed reinstatement of the Stourbridge-Walsall-Lichfield line as part of the Strategic Rail Freight network.</p>
R7.4	<p>Add in Policy T5 (D) after "...urban areas," "in particular the SSDs". Add at end of Policy T8 (B) ", cycling and walking".</p>
R7.5	<p>Combine Sections B and C of Policy T6 as follows:</p> <p>"Potential Strategic locations have been identified at:</p>

Rec Number	Recommendation
	<ul style="list-style-type: none"> • Brinsford, north of Wolverhampton • Worcester Parkway at the crossing of the Worcester/Oxford and Birmingham/Bristol railways • Bromsgrove • In the vicinity of M42 Junction 3 • East of Shrewsbury • Longbridge (Birmingham) • In the vicinity of M5 Junction 3 • North of Stratford-upon-Avon • Telford • In the vicinity of Lichfield Trent Valley station • In the vicinity of Stoke on Trent station • In the vicinity of Kidderminster station • North Redditch • Tamworth • Castle Bromwich <p>Update Figure 8 to reflect these changes (and to correct rail line omissions).</p>
R7.6	<p>Amend paragraph 9.99 by amending the final sentence to delete "the" and omitting "as follows" and the three quoted paragraphs from FATWP.</p> <p>Add at the end of paragraph 9.101:</p> <p>" , though the position will be kept under review."</p> <p>Relegate Policy T11 (A) to a paragraph of supporting text immediately ahead of the Policy replacing paragraph 9.108 with the remaining Policy Sections renumbered.</p> <p>Amend the new paragraph 9.108 to read:</p> <p>"The roles of Birmingham International Airport, Coventry Airport, Wolverhampton Business Airport and RAF Cosford were outlined in the 2003 Air Transport White Paper. The BIA role is set out in paragraphs 9.101 and 9.102 above. Coventry Airport currently serves a specialist role within the region catering for business/general aviation, air mail and bulk freight and other niche functions. It has planning permission for a passenger terminal with a throughput of around 1 million passengers per year. Wolverhampton Business Airport also serves a business/general aviation role for the north-west of the region and Tatenhill airfield performs a similar role for the north-east of the region. Although considered to have potential as it is a rail-served airfield, the Ministry of Defence have indicated that RAF Cosford near Telford will not be available for commercial air transport services during this RSS period in view of its</p>

Rec Number	Recommendation
	<p>continuing military role."</p> <p>Amend existing Policy T11 (B) by replacing "facilities" by "development including diversion of the A45 and additional terminal facilities" and deleting the sentence: "Beyond the period of this WMRSS it may be...second shorter runway.";</p> <p>In existing Policy T11 (C) add "surface access" before "minimum modal share";</p> <p>Amend existing Policy T11D to commence:</p> <p>"The further development of Coventry Airport, Wolverhampton Business Airport, Tatenhill airfield and other airfields in the region should be in accordance with the roles set out in paragraph 9.108 and complement the role of BIA as the region's principal passenger airport. Development Plans..."</p> <p>and adding "surface access" before "mode share";</p> <p>In existing Policy T11 (E) add at the end "in respect of surface construction wherever realistically possible."</p>

R7.7

Amend paragraphs 9.109- 9.112 as follows:

in paragraph 9.109 delete "Draft" before "Implementation Plan";

in Paragraph 9.110 replace the end of the paragraph by "...(2007) and the Regional Funding Advice submitted to Government in February 2009.";

in paragraph 9.111 add at the end "and the rail enhancements, those identified by Network Rail in collaboration with Centro to the strategic Rail network."

Substitute the following for Policy T12:

National/Regional Network Priorities								
Scheme	Key Policy Links	Status as of March 2009	Delivery Mechanism	Key Delivery Role	Support Delivery	Implementation Period		
						2007/2010	2011/2015	Post 2015
1. Measures aimed at achieving behavioural change	T1, T2, T3, T4, T5, UR2, RR2, PA11	Various	LTP, Operators, Developers, HABP	LA, operators, HA	Other agencies			
2. Active Traffic Management for M5/M6 Junctions 5-13/M42 motorway box & north of Birmingham	T9	C	HABP/PTIF	HA				
3. West Midlands Rail capacity and performance enhancement including cross-city line Redditch & Bromsgrove, NUCKLE Phases 1 & 2, and Stourbridge-Walsall-Lichfield Freight line	T5, T9, T10, UR, RR2, CF2	Various	HLOS/NRBP / RFA/ LTP	NR, LA, TOCs	Centro			
4. West Coast Mainline Strategy	T5, T9, T10	C	DfT West Coast Mainline Strategy	NR	Operators			
5. M40 J15 Longbridge	T9	C	HABP	HA				
6. Upgrading rail freight	T10	C	PTIF	NR				

	route to Felixstowe and Southampton								
	7. A45/A46 Tollbar End	T9	C	HABP	HA				
	8. Passenger capacity enhancement Birmingham New Street Rail station	T5, T6, T9, T10, UR1, UR2, UR3, PA1, PA2, PA10, PA11, PA12	C	DfT/NRBP/ RFA/LTP	NR	AWM/ Birmingham City Council/ Centro/ Private Sector			
	9. BIA, runway extension/A45 diversion/additional terminal facilities and development of services and improved surface access, especially by public transport	T11, PA12	Various	HABP/NRBP/ RFA/LTP/ ADZ/Private Sector	AWM, BIA, LA, Centro,	HA/NR/ National Exhibition Centre			
	10. M42-improvements J3-7	T9, T11	UI	HABP	HA				
	11. M54 – M6/M6 Toll link	T9, PA3	FA	HABP	HA and private sector				
	12. A38 Streethay – A50 improvements	T9	FA	HABP	HA				
	13. M6 improvements J11a – J19	T9	FA	HABP	HA				
Sub-regional Priorities in support of MUAs									
West Midlands MUA									
	14. Quality bus networks including Bus Rapid Transit in appropriate key corridors	T5, UR2, PA2	Various	RFA/LTP	Centro and LA	Operators			
	15. Red Route network Development	T5, T8, T9, UR2, PA2	Various	RFA/LTP	LA				
	16. Improved transport networks to facilitate access to centres of Walsall, West Bromwich, Wolverhampton and Brierley Hill	T5, UR1, UR2	Various	RFA/ LTP/Private Sector/ Centro/CIF/ADZ	Centro, LA	Operators			
	17. Improved transport networks to facilitate	T5, UR1	Various	RFA/LTP/ Private Sector/	Centro, LA	Operators			

	improved access to the four employment land investment corridors (Black Country North, Central, East and West)			Centro/CIF/ADZ					
	18. Metro extension Birmingham City Centre to New Street Station and Five Ways	T5, T9, UR1, UR2, PA12	FA	RFA/LTP/ Private Sector	Centro	LA, Operators			
	19. Metro/tram-train extension Wednesbury to Brierley Hill	T5, UR1, UR2	FA	RFA/LTP/ Private Sector Centro/ADZ	Centro	LA, Operators			
	20. Further Metro extensions in Birmingham/ Solihull/Black Country conurbation including to BIA	T5, UR2, PA12	FA	LTP/RFA/ Centro/ Private Sector/ADZ	Centro	LA, Operators, Developers			
	21. Strategic Park and Ride - Brinsford	T5, T6, T7, PA3	FA	RFA/LTP Private Sector	Centro and LA	NR, Operators			
	22. Strategic Park and Ride – other sites	T5, T6, T7,	UI	RFA/ LTP/ Private Sector	Centro and LA	NR, Operators			
	23. M5 Junction 1-2 improvement	UR1	UI	HABP	HA/LA				
	24. M6 Junction 9-10 improvement	UR1	UI	HABP/ADZ	HA/LA				
North Staffordshire MUA									
	25. Improved public transport network in North Staffordshire	T5, UR2, PA2	Various	RFA/LTP/ AWM/ Private Sector	LA, Operators				
	26. Improved access to regeneration sites, and growth areas	PA7, PA8, PA9	Various	RFA/ Private Sector/LTP/ Growth Points/AWM/CIF/ADZ	LA	Centro			
Sub-regional Priorities outside MUAs									
	27. Enhancement & development of rural public & community transport particularly links between market	T5, RR2, CF2	Various	AWM/LTP	RASP, LA	Operators			

towns & their hinterlands									
28. Development of improved road network management and prioritisation, including between nodes of High Technology Corridors	T9, PA3	Various	RFA/LTP/HABP	LA, HA	AWM				
29. Improved access to regeneration sites	PA7, PA8, PA9	Various	RFA/ Private Sector/LTP	LA, Developers	AWM				
30. Improvements to the transport networks in Settlements of Significant Development to support their growth i.e. Burton upon Trent, Hereford, Nuneaton/ Bedworth, Rugby, Shrewsbury, Stafford, Telford, Warwick/ Leamington and Worcester	CF2	Various	RFA/LTP/ Private Sector/ Growth Points/CIF	LA, Developers					
31. Worcester Parkway Strategic Park and Ride	T1, T5, T6, T7, T9, UR2	UI	NRBP/RFA/ LTP/ Private Sector	NR, LA	DfT, Operators				

Status

C (Committed) – Schemes approved by the Secretary of State for Transport and included in the relevant programme, although the powers may still be required.

FA (Further Appraisal Work Needed) – Schemes identified in a MMA or relevant Business Plan but requiring further appraisal work.

UI (Under Investigation) – Appraisal work is underway.

Various – Combination of the above due to long term programme.

Organisations

AWM – Advantage West Midlands (Regional Development Agency)

Centro – West Midlands Passenger Transport Authority/Executive

DfT – Department for Transport

HA – Highways Agency

	<p>LA – Local Transport Authorities NR – Network Rail</p> <p><u>Delivery</u> HABP – HA Business Plan NRBP – NR Business Plan LTP – Local Transport Plan RASP – Rural Access to Services Partnership RFA – Regional Funding Allocation PTIF – Productivity Transport Innovation Fund ADZ – Accelerated Development Zone CIF – Community Infrastructure Fund</p>
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Chapter 8: Sub-regional Strategy

Preliminary Matters

8.1. The Panel devoted a considerable amount of the EIP to sub-regional considerations, over 40% of its sessions. This was both to ensure that there was full evaluation of the deliverability of the thematic strategic policies, in particular the housing provision requirements and variations proposed, but also because of the perceived lack of clarity over the policy intent for some of the sub-regional aspects of the Regional Spatial Strategy.

8.2. The phased revision process has resulted in a differential approach to sub-regional policy in so far as explicit sub-regional policies have been introduced for the Black Country in the post Phase 1 version of the RSS, which was published in January 2008. Some of these have been located in *Chapter 4: Urban Renaissance* and the *Quality of the Environment* part of Chapter 8 which are not explicitly under revision in Phase 2, but the revised thematic strategic policies in the Preferred Option would modify at least some of these newly introduced sub-regional policies, for example by new policies within *Chapter 7: Prosperity for All*. WMRA provided guidance to the EIP on how to achieve a reconciliation of Phase 2 with the published Phase 1 policies in Panel Briefing Note No. 1 (CD 222). However, this does not address the sub-regional policy deficit that many saw as applying across the remainder of the region and the confusion that exists between what is policy and what merely explanatory material in the lengthy new supporting text that has been introduced into *RSS Chapter 3: The Spatial Strategy for the Development of the West Midlands*, to address sub-regional issues. Moreover, the difficulty is compounded in so far as in *Chapter 6: Communities for the Future*, there is also new supporting text that contains policy not always wholly consistently phrased to that in Chapter 3. In short, aspects of sub-regional policy would, unless the RSS is modified, be found in several separate chapters, in some instances in policy format but in others requiring distillation out of supporting text.

8.3. A number of authorities, primarily those in the Coventry-Solihull-Warwickshire (CSW) Sub-region, but also including others such as the South Worcestershire Authorities sought elevation of sections of the supporting text to policy status or amendment of that text to guide policy. This approach was endorsed by a number of development interests though some sought radical changes, for example to endorse urban extensions more widely. CPRE also endorsed the principle of a need for clarification, but were specifically unhappy over a number of the text references, particularly those relating to Green Belt release and sought to remove conflicting sentiments between Chapters 3 and 6. GOWM indicated that all Green Belt alterations above a threshold of significance ought to be regarded as of strategic significance and should therefore be explicitly referred to in the RSS. WMRA had argued that only instances where the spatial strategy requires Green Belt alteration to address regional development requirements need to be referred to in the RSS as strategic requirements, whereas alterations that local planning authorities might wish to propose in Core Strategy DPDs in order to pursue what they

perceive to be the most sustainable patterns of development need not be referred to but could simply be covered by the permissive phraseology of paragraph 6.25 of the Preferred Option.

8.4. For our part, we consider that the approach of GOWM is a more accurate reflection of the guidance contained in PPG2 paragraphs 2.2 and 2.7 as amended by the 2004 Act and PPS11. We accept that the threshold of significance must be a matter of fact and degree in particular circumstances, below which a local planning authority might pursue minor boundary alterations where exceptional circumstances are considered to warrant such an approach. We have identified all those localities where we consider that a Green Belt alteration is required or may be an appropriate response to seeking the most sustainable development patterns and such developments would involve at least 200 dwellings or an equivalent land take. We recommend at **R8.2** an amendment making this approach explicit. As a consequence, in paragraph 3.90 of Chapter 3 we also recommend the deletion of Paragraph 6.25 of the RSS as that paragraph lacks clarity. Guidance on all strategic Green Belt alteration requirements or options will be given in the sub-regional section of the Strategy. Any additional minor adjustments below a threshold of strategic significance would be for local planning authorities to justify in their Core Strategies in the light of the guidance in PPG2.

8.5. Other participants on behalf of promoters of new settlements (GVA Grimley for QinetiQ, Barton Willmore for St Modwen & Bird and RPS for the Curborough Consortium) sought exclusion of references from the supporting text that would prevent consideration of new settlements. The general consideration of this issue of principle is set out in Chapter 2 of our report where we conclude that there is no justification for the RSS to preclude consideration of new settlements where they would be at least as sustainable as alternative development options. We address specific examples placed before us in the relevant sub-regional section of this chapter. Certain strategic infrastructure requirements were also canvassed as requiring reference in these sections or, conversely, opposed and we also address such considerations in these sections as well as in Chapters 7.

Sub-regional Structure

8.6. WMRA explained the absence of sub-regional policies in contrast to those found in some other RSS, as arising from the spatial structure of the West Midlands in which the central metropolitan core with its centre in Birmingham dominates so much of the region. Thus, although the strength of that dominance diminishes with distance, leaving some parts of southern Warwickshire and Worcestershire with linkages to the South East and South West, only in the north and west of the region can two sub-regions be distinguished that are relatively self-contained, namely *North Staffordshire*, centred on the Potteries conurbation, and the *Rural West* covering Herefordshire and most of Shropshire. Herefordshire particularly stressed its isolation as the only Section 4(4) authority without a direct link by road or rail* to the West Midlands conurbation or indeed to any other regional centre. In the east of the region there is another fairly

* Though it is possible to get a through train from Hereford to both Birmingham and London without changing trains at Worcester.

well defined sub-region centred on Coventry, but there are clearly overlapping hinterlands for Coventry and Birmingham/Solihull. Moreover, the coherence of the Coventry/Warwickshire sub-region is not helped in statistical terms by Coventry as a metropolitan authority and thus part of the MUA being grouped in tabulations with the six other metropolitan authorities that make up the central core of the West Midlands Conurbation. Inclusion of Solihull in the CSW grouping also seems reflective of the old administrative county surrounding Coventry prior to Solihull becoming a County Borough rather than the reality of and strong policy emphasis on the importance of the Meriden Gap in keeping Birmingham/Solihull and Coventry apart.

8.7. In our deliberations we have sought to take account of the geographical realities of the region, but for the convenience of participants we conducted the EIP sessions based on groupings of Section 4(4) authorities. In this way numbers of participants at particular sessions were manageable, although in localities where issues were of greatest controversy it was still necessary to sub-divide those sessions in order that the matters could be fully discussed by representatives reflecting viewpoints in the locality. A number of development interests, for example those represented by Pegasus Planning, argued that sub-regions should be redefined as the groupings that make up the Strategic Housing Market Areas (SHMAs) referred to in the Preferred Option are not truly reflective of market hinterlands and realities of travel to work areas. There is undoubtedly strength in such arguments, but sub-dividing local planning authority areas would make analysis, implementation and monitoring more difficult. In our deliberations we concluded that it was not necessary to come to a view on such matters as the SHMA studies were completed too late to have had a significant influence on the spatial distribution of development in the region and were in nature more relevant to the affordable component of housing provision rather than to its overall scale. In addition, as in our recommendations we have sought to ensure consistency in specifying cross-boundary development requirements in relation to the urban centre to which they relate, we believe that issues relating to hinterland and spatial linkages will have been adequately considered.

8.8. Our sub-regional findings are therefore grouped as follows:

- (a) *The Central Core of the West Midlands Conurbation - Birmingham, Solihull and the Black Country***
- (b) *Coventry and Warwickshire***
- (c) *The remaining surrounds of the West Midlands Conurbation – Worcestershire, Southern & Eastern Staffordshire and Telford & Wrekin***
- (d) *North Staffordshire***
- (e) *The Rural West – Shropshire and Herefordshire***

Inevitably there are some localities that do not fall easily into groupings, particularly Telford and Stafford. Telford, although geographically within Shropshire, has an industrial heritage common with the southern Staffordshire coalfield areas and is envisaged as continuing to perform an overspill function for the West Midland Conurbation in its Settlement of

Significant Development (SSD) role, as it did previously as a New Town. Thus, it seems logical to consider it with the southern Staffordshire authorities. Stafford as a town sits on the divide between the hinterlands of the Black Country and the Potteries and its administrative area stretches north towards the fringes of the North Staffordshire Conurbation. An argument could therefore be made for considering it with North Staffordshire, but in terms of substantial development, its linkages appear more with Southern Staffordshire. We have therefore considered Stafford with Southern Staffordshire and Telford. Finally, the Eco-town proposal at Middle Quinton straddles the boundary of Stratford-on-Avon District in Warwickshire and Wychavon District in Worcestershire, but for simplicity it is considered with Warwickshire.

8.9. In the sub-regional sessions we have had regard to the findings of the NLP Study for GOWM - *Development Options for the West Midlands RSS in response to the NHPAU Report (CD178)*. Our inquisitorial approach ensured that the NLP suggestions for additional housing provision in certain local authority areas were explored in terms of feasibility and deliverability and environmental implications. Possibilities for additional provision were also assessed in other localities in the light of the NHPAU supply range advice to the Minister (CD175). Indeed regard was had to the NHPAU suggestion of a possible distribution of their upper range figure that was contained in their submission to the EiP (1001/1). We did not consider the particular NLP scenarios as such, as we regarded these as merely shorthand for choice of particular combinations of changes. We evaluated all possible changes individually having regard to the objectives of the spatial strategy that, as we indicate in Chapter 2 of our report, we consider to be fundamentally sound.

8.10. In terms of SA/SEA we noted the widespread concerns as to the adequacy of the additional work undertaken on such matters to justify the particular NLP suggestions. We would stress that in putting forward recommendations for some increases in provision in particular localities we are not relying on that particular Sustainability Appraisal (SA) work (even where any of our recommendations coincide with the suggestions of NLP). There is relevant SA/SEA work being undertaken by the local planning authorities in the context of their emerging core strategies or on rolling forward proposals in previously adopted development plans that have been through appropriate scrutiny in the past. We are satisfied therefore that the recommendations that we make should be able to meet the requirements of the Directive and Regulations with limited additional work. Whether any further SA/SEA is necessary, and if so what studies may be required to take the RSS to its final publication will be a matter for consideration by GOWM at the Proposed Changes stage.

8.11. GOWM and development interests represented by Pegasus Planning offered re-writes of the sub-regional section of the RSS. Both appear to make significant changes to the spatial strategy. In the GOWM offering we consider that some important elements of sub-regional strategic context and guidance would be lost in the summarised version. Consequently, we offer our own recommendations for limited changes to the Preferred Option text based on our analysis of the sub-regional circumstances placed before us. For the most part these will concentrate on housing provision issues as there was little dispute over employment

provision, but where necessary reference will be made to particular employment issues and to specific infrastructure concerns or requirements.

8.12. Finally, there are aspects of our approach to the sub-regional evidence base that we should make clear. The SA set out detailed information in relation to each area, from which we highlighted issues in our Panel Notes for each sub-regional session. We also draw upon material in Core Strategy documents, both "Issues and Options" and "Preferred Option", and in SHLAAs. We have sought to use these, not to pre-empt policy decisions that are properly for the local level, but to ensure that local factors are duly considered in making strategic judgements. In the same vein, we refer in places to sub-regional figures from the 2006 household projections or other related calculations of local need. We would emphasise that we do so simply as a reference point, and not with any presumption that trend projections disaggregated to this level should determine the distribution of provision for additional housing.

(a) The Central Core of the West Midlands Conurbation - Birmingham, Solihull and the Black Country

8.13. This area contains many of the key locations where the approved strategy for securing urban renaissance is of such importance. We were heartened by the commitment to its success demonstrated not only by WMRA and the authorities themselves, but by all the statutory agencies necessary to support them including the Regional Development Agency (AWM), the Homes and Communities Agency (HCA), the Highways Agency (HA), Network Rail, Centro, the Environment Agency (EA) and Severn-Trent Water. The recession is clearly having a negative effect on the progress of regeneration but the various funding agencies, including central government itself as represented by GOWM, made clear that funds are available in the short-term to address blockages that might otherwise obstruct the achievement of urban renaissance across the conurbation. Clarification of the geography of the conurbation and its hinterland is recommended at **R8.4-5**.

Birmingham

8.14. All participants acknowledged that Birmingham is the authority with the largest potential shortfall between capacity and need in whatever way that may be calculated. The Preferred Option figure of 50,600 (including 700 within the Longbridge AAP in Bromsgrove District) is 35,600 below the NHPAU upper range suggestion and still 31,100 below the main CCHPR 2006-based need calculation (a figure that does make allowance for vacancies and second homes, though not for backlog which is taken account of in the NHPAU figure). Also, it is worth mentioning that the SA identifies a shortfall of 60,000 against "locally generated needs", although as we note in Paragraph 3.56 above, the basis of that assessment is problematic. The Preferred Option does stress that the Birmingham provision figure and those for all MUA authorities should be treated as absolute minima with every effort put into exceeding them, but nevertheless NLP suggested an increased provision of 10,000 dwellings. Some development interests recommended higher figures still and GOWM suggested that there might be an urban extension into Bromsgrove District. Development interests generally endorsed the case for urban

extension(s) suggesting that without such development even the RSS Preferred Option figure might be unachievable given the current collapse of the market for small flatted 'City Living' developments in the central area, particularly as a result of the drying-up of the buy-to-let market.

8.15. Birmingham City Council helpfully explained the latest thinking on the preparation of their Core Strategy (676/2). The Issues and Options paper (676/1) had put forward three possible levels of growth: 1. at the RSS Preferred Option figure; 2. maximising development without urban extensions to produce 55-60,000 dwellings; and 3. including an urban extension to raise the provision to around 65,000 dwellings. The last had been rejected as inconsistent with the RSS strategy and achievement of urban renaissance and in working up a DPD Preferred Option the Council now accepted that there could be an increase over the RSS Preferred Option figure of some 5,000, i.e. to around the lower end of Option 2. The City Council stressed that the Preferred Option figure was already 20% higher than that of the adopted RSS and would achieve higher rates of development than seen at any time since the 1970s when there was major public sector construction (676/3). The reason given for not going to the maximum of Option 2 was that with the temporary hiatus in 'City Living' development in the city centre, emphasis would be switched to achieving family housing in the East Birmingham/North Solihull Renewal area and when buoyancy returned to the 'City Living' market lower densities may be required to enable family housing to be provided, albeit still at high densities, in the city centre and adjoining inner areas. Such a strategy would be consistent with the oft-repeated stress from FoE on considering modern day 'Georgian Squares' to achieve high density urban family housing. While we endorse the reasoning behind this conceptual approach, which would see Birmingham having its share of developments on the Thames Gateway model illustrated in PPS3, as already piloted in Brierley Hill and Walsall, we think that it is likely that in due course there will be a resumption of interest in 'City Living' and indeed buy-to-let. The types of households requiring such accommodation have not disappeared, and the city centre ambience is more obviously a suitable place for small households without children, whether young or old. Thus, the City Council suggestion at the bottom of the Option 2 range may be unduly pessimistic in terms of numerical output. We consider that from what was put to us, that the emerging Core Strategy might reasonably be able to accommodate some 57,500 additional dwellings, i.e. the midpoint of the range identified, without recourse to urban extensions.

8.16. The case for specific urban extensions within Birmingham or directly attached to its boundary in Bromsgrove was only advanced by a limited number of participants and mostly related to the eastern edges of Sutton Coldfield, east of the A38. A number of developers have interests in this locality e.g. Miller Homes, Barratt Strategic Land and clients of Barton Willmore. It was suggested that greenfield development in this general area would be reasonably well located in relation to Sutton Coldfield Town Centre, one of the designated strategic centres, and to its railway station on the electrified cross-city line. There was some dispute between the developer representatives (569/1) and CPRE (442/16), over the relative merits of accessibility conferred by access to that line as compared to that from Walsall town centre, which passes employment and

activity centres like the University of Central England en route to Birmingham New Street. A key issue in terms of sustainable transport from any such urban extensions is whether it would be realistic to regard them as within walking distance or at worst cycling distance to Sutton Coldfield town centre and station. The former would seem unlikely, the latter possible from some localities, but the developers have referred to their aspirations to extend bus services into the suggested new development areas. In our judgement, it would be unlikely that a significant proportion of new residents would generally be willing to use two public transport modes for their journeys-to-work or indeed other trips to Birmingham city centre. In that context and given the relatively good access to the SRN we are not convinced that substantial urban extensions in such a location would not be primarily car-orientated, and therefore perhaps not as sustainable as claimed.

8.17. In the Longbridge area, St Modwen canvassed the possibility of extending the developments now accepted on PDL in the jointly prepared Longbridge AAP, which has successfully passed through its own Examination, onto adjoining greenfield land in Bromsgrove District. The planning authorities indicated that this had been considered during the preparation of the AAP and not pursued. We can see no merit in reopening issues in such a recently approved AAP where in the short-term the onus should be on securing implementation. But in the longer-term as referred to in paragraph 8.87 below such a possibility might have merit. Finally, the possibility of an urban extension south of The Maypole in Bromsgrove District as referred to in the City Council's Option 3 was not championed at the EiP to any great extent, though Barton Willmore referred to client land holdings at Druids Heath. Nevertheless, we visited the locality on our Panel tour. Such an extension would appear only capable of bus-based public transport. It would not seem particularly accessible either to the city centre or other strategic or employment centres in the south of the conurbation.

8.18. All in all, our conclusions for Birmingham reflect the view we have taken that the basic spatial strategy of the RSS with its focus on urban renaissance is sound and warrants continued strong support. We see no justification for significant urban extensions in any of the canvassed localities in the short-term while urban renaissance still needs to be carried through so that it is fully embedded across the whole of the conurbation. Moreover, we reach this conclusion against the background that our proposed housing provision of 57,500, which can be accommodated without recourse to such urban extensions, already represents a very significant and challenging housing increase for the conurbation. We recommend accordingly at the end of this chapter and in the Recommendation for Table 1 to Policy CF3 in Chapter 3. Acceptance of the strategy for Birmingham means no change to paragraph 3.10 (e) of the RSS Preferred Option. The sub-regional strategy for Birmingham is endorsed at **R8.6**.

Solihull

8.19. Solihull, although part of the CSW Forum, is indivisible from Birmingham. It contains a number of key economic assets that are often assumed to be in Birmingham such as Birmingham International Airport

(BIA) and the related station/public transport interchange, the National Exhibition Centre (NEC) and Birmingham Business Park. In addition there is a joint regeneration zone stretching from East Birmingham across into North Solihull (Chelmsley Wood), the pursuit of which is at the heart of the New Growth Point (NGP) status accorded to both authorities.

8.20. Like Birmingham it also has a housing provision in the RSS Preferred Option substantially below estimates of its need, at least on the basis of trend projections. For example, the 2006-based projection anticipates a growth of some 16,000 households, but the Preferred Option figure is only 7,600. The NHPAU upper range suggested distribution figure is 8,000 above the Preferred Option and the CCHPR figure is 7,300 above. Solihull MBC drew attention to the step-change required to stem outward migration from the MUA in order to secure urban renaissance and how research studies have indicated that most of the occupants of new development on greenfield sites in Solihull originate in Birmingham or the Black Country. The Council also stressed the very much higher gross completion rate implicit in the RSS Preferred Option (around 12,000) which arises from the extent of demolitions envisaged in North Solihull. In their view these factors would justify not fully accommodating trend-based projections. Nevertheless, NLP suggested that additional provision in a range between 5-13,000 additional dwellings might be made in Solihull both to avoid any under-provision against need in Solihull itself but also to contribute to the inevitable shortfall in Birmingham. They suggested an urban extension or new settlement should be considered. Development interests backed calls for substantial increases in the dwelling provision for Solihull and GOWM also suggested consideration of an urban extension.

8.21. We welcome the way in which the Council recognised in working up their Core Strategy DPD, that higher net housing provision would be desirable. The Council indicated that provided it is recognised that Green Belt adjustments would be *required* to secure the full potential of North Solihull regeneration at Chelmsley Wood, but working within established policy elsewhere within the Borough, they now consider that provision of 10,000 dwellings could be achieved over the plan period. Developer partners such as Bellway Homes endorsed the Council's position over North Solihull, though others stressed that Solihull should utilise *all* its safeguarded land (ADRs) in view of the perceived housing need. Still others such as Gallagher Developments and Catesby Properties canvassed the merits of Green Belt release to expand settlements such as Balsall Common or to build on the success of previous new settlements like the award winning Dickens Heath, through expanding those settlements. The Council indicated that it had indeed reviewed all the ADRs and was proposing development of around two thirds of that land, including the areas within the main built-up area such as at Solihull Lodge or within the main detached settlement within the Green Belt of Knowle/Dorridge, as advocated by development interests. They had also canvassed options involving greater and lesser extent of Green Belt release not just at Balsall Common or other settlements in the Meriden Gap but also both within the main built up area west of the M42 and out beyond the current main urban boundary south of Shirley and west of the A34.

8.22. The view of the Council is that development of ADR or significant Green Belt release outside the built-up area boundary could not be justified at localities in the Meriden Gap such as Balsall Common in order to maintain the integrity of the Meriden Gap in separating Birmingham/Solihull and Coventry. They consider that the same applies in relation to the surrounds of previous new settlements like Dickens Heath and Cheswick Green. Notwithstanding the recognition given to the urban form and design quality achieved at Dickens Heath, and the proposed re-location of the turn-round of the high frequency Centro rail services south from Shirley to Whitlock's End which is closer to Dickens Heath, the Council now saw piecemeal additions of housing in this locality to be unsustainable and likely to generate substantial additional car-borne traffic. The Council also urged caution over physical capacity to achieve significant additional town centre development, a matter discussed more fully in Chapter 5, and over assumptions concerning potential intensification of development in suburban areas as there is a need to maintain the character of the Borough.

8.23. The HA, while maintaining their overall stance that there are "no show-stoppers" and that solutions to predicted or observed congestion on the M42 or at its junctions would need to emerge from the DaSTS process, nevertheless expressed some concern over location of substantial new development that might increase traffic on the M42. They indicated that there would be a likelihood of increased congestion because the main capacity enhancement available in terms of Active Traffic Management (ATM)/Hard Shoulder Running (HSR) was already in place from the M40 junction northwards to the M6. As a consequence there could be a requirement for demand management measures that could mean greater congestion on local roads. Centro/Network Rail did not offer any significant further short-term potential public transport relief in the southern part of the Borough beyond the service enhancements to Whitlock's End, as the service beyond that station would need to rely on the overall enhancement work to the North Warwickshire line. In the short-term these measures are only likely to be sufficient to enable a "fast" additional hourly service to Stratford-upon-Avon. To take the turn-round further out from Birmingham would involve a need for additional rolling stock. In the northern part of the Borough, significant enhancement was unlikely prior to 2016 as the proposed metro line to BIA and North Solihull whether in Light Rapid Transit (LRT) or guided busway form would be unlikely to be achievable until after that date.

8.24. Developer interests argued for additional housing provision to support the key economic assets in the locality, which they saw to be justified by the conclusions of the SQW and Arup studies for AWM. However, AWM did not agree and drew attention to a specific study commissioned from Ecotec (CD313 – *The M42 study*). This cautions over seeking substantial increases in housing in the Solihull area. It argues that increased congestion or environmental deterioration would undermine the attributes regarded as crucial in the Solihull executive housing market for supporting these economic assets. In effect the study supports the Council's view of "not over-cooking the goose that lays the golden eggs". The owners of the two RIS business parks, and particularly the owners of Blythe Valley Business Park (BVBP), suggested that there would be merit

in accepting executive housing on the business parks to help reduce isolation and could minimise commuting by co-locating jobs and housing. Both the Council and AWM expressed scepticism over the reality of such precise matching being achievable with market housing. They foresee instead increased car-borne traffic movements as most workers would still commute into BVBP by car and most new residents would be likely to commute elsewhere by car, given the skeletal nature of bus services.

8.25. For our part we consider that it would be contrary to the long-established strategy of maintaining the separation of Birmingham/Solihull and Coventry to contemplate the release of development land that is clearly within the Meriden Gap. We learnt at the EiP that there is no precise definition of this gap but we accept that north of Solihull town centre it would involve any land east of the current built-up area. Thus, apart from the area of North Solihull, north of the A45 as re-aligned to accommodate the runway extension at BIA, where Green Belt review is required to facilitate urban regeneration, there should be no new land releases in the gap. Such an approach would have the incidental benefit of safeguarding the land on which any second runway for BIA might be built, if required, post-2030. Having visited Dickens Heath, Cheswick Green, Major's Green, Whitlock's End and Earlswood stations and the BVBP and M42 Junction 4, we can appreciate the concern of the Council and transport operators that piecemeal urban additions, whether as urban extensions or additions to existing new settlements or business parks, would be likely to be unsustainable, a view also shared by Hockley Heath Parish Council and CPRE.

8.26. We therefore concur with the Council view and that of AWM that there should not be any attempt to match trend projections slavishly in the short to medium term but that the advantages conferred on the region by the character and environment of Solihull should be conserved. We do consider that the Council may be unduly pessimistic over the capacity for further town centre development and that therefore there may be increased potential for town centre housing over the plan period. Similarly, although we are conscious of the study being undertaken by CLG into garden development, we do not necessarily consider that every intensification within leafy suburbs or tidying up of urban boundaries around public transport nodes would necessarily threaten the character and attractiveness of the borough. Thus, we consider that there may well be a little flexibility above the Council's suggested capacity of 10,000 dwellings based on full renewal of North Solihull without development in the Meriden Gap, without risking an unsustainable short-term urban extension south of Shirley and without risking any more generalised threat to the environment of the Borough. In short we consider that the housing provision figure should be 10,500.

8.27. In the longer term there may be an argument for considering a more comprehensive urban extension structured around the North Warwickshire line south of Shirley where it would not be intruding into the Meriden Gap. However, such a possibility might only be required if the prospective growth of households is continued beyond the plan period and, having established urban renaissance right across the conurbation, the urban capacity is then still insufficient to meet needs and maintain/improve affordability. Moreover, SA/SEA analysis would be

required to demonstrate the sustainability of such an option, whether in transport terms or more widely. In our view this would be a matter that should be considered at the next review of the Regional Strategy through the SIRS process rather than as part of this revision.

8.28. Before leaving Solihull there is a detail concerning Birmingham Business Park (BBP). Goodman drew to our attention a decision of the Secretary of State to dismiss an appeal to extend BBP onto Green Belt land. The only reason for dismissing the appeal was that the case for very special circumstances was not considered strong enough as development capacity is still available within the business park (and at BVBP) notwithstanding the regeneration, economic development and transport benefits identified and the fact that the Secretary of State considered the area of Green Belt in the locality to have already been so compromised by the economic developments undertaken to date that it no longer served any appropriate Green Belt function (496/1). However, it was considered that the RSS should be the proper vehicle for withdrawing the remaining Green Belt designation from the locality. The Council suggested that a distinction could be drawn between the *requirement* to review the Green Belt in order to further the general regeneration of North Solihull and the fact that it *may be appropriate* to review this particular piece of Green Belt to facilitate the development proposed by Goodman. Given the views already expressed by the Secretary of State, we do not accept that there would be any merit in drawing such a fine distinction and consider that the requirement to review the Green Belt should apply throughout the area north of the A45 as proposed to be re-aligned and west of the M42/M6. The sub-regional strategy for Solihull is recommended at **R8.7-10** together with an amendment for consistency to paragraph 6.13.

The Black Country

8.29. As the strategy for these four Metropolitan Boroughs had been examined so recently in the Phase 1 revision and the outcome incorporated in the published January 2008 version of the RSS, we did not have a great deal to investigate in relation to the Black Country. There were some issues with regard to the retail hierarchy and Regional Logistic Sites but these are addressed in Chapter 5. There were also some comments from individual Boroughs on the reconciliation Paper presented by the WMRA (CD222) on the amendment necessary to the January 2008 RSS to take account of the Phase 2 Revision proposals for the Black Country. However, we can see no reason to depart from the recently approved text as updated by WMRA and our recommendations incorporate these amendments.

8.30. As for the general issue of housing and employment provision in the context of urban renaissance, we were very encouraged by the descriptions of the progress being achieved that were relayed by the Black Country Consortium and the West Midlands Planning & Transportation Sub-Committee as well as by individual authorities. Despite the effects of the economic downturn on the Black Country, as elsewhere, we can see no reason to depart from the conclusion of the Panel who examined the Phase 1 revision, namely that the strategy to secure urban renaissance is of crucial importance to the future of the sub-region and indeed the region as a whole and warrants full support. Stemming the outward flow of

people and jobs is key to regeneration of the area and reducing the productivity gap between the West Midlands and the UK average. We do not accept the argument put forward by some development sector participants that these outward flows reflect aspirations that should be met by more development outside the Black Country.

8.31. It is in this context that we address the actual provision figure for housing. In contrast to the situation in Birmingham and Solihull, the RSS Preferred Option figure at 61,200 remains above the 2006-based household projection (58,000) and even marginally above the NHPAU suggested distribution of their upper range figure (61,100) and well above the most recent CCHPR need figure of 51,000. The Consortium indicated that the emerging Joint Core Strategy DPD work (530/2) was throwing up a capacity figure of 63,000 dwellings, some 1,800 higher than the Preferred Option. The Consortium did not suggest substituting this higher figure given the RSS requirement to treat provision figures within the MUA as minima to be exceeded if possible and the recognition of the challenge to achieve the Preferred Option figure alongside the impact of the recession.

8.32. There was little developer pressure to suggest a figure higher than the Preferred Option and NLP did not do so. There were only limited suggestions for urban extensions or other developments within the surrounding Green Belt in southern Staffordshire such as from Pegasus Planning, given the recent decisions by the Secretary of State to reject four appeals in order to safeguard the process of urban renaissance within the Black Country. The details of these appeals were submitted by South Staffordshire District Council drawing particular attention to evidence submitted by Wolverhampton MBC. Although RPS did seek to argue on behalf of developer interests that the recession warrants a review of the approach taken by the Secretary of State, the advice of the funding agencies already referred to on short-term measures to maintain the momentum of urban renaissance does not appear to warrant such action. £400m 'Kickstart' funding allocated in the Budget was referred to, a sum that has been subsequently doubled as part of a national investment of £1.5bn to deliver 20,000 affordable homes and create 45,000 jobs in construction and related sectors over 2 years. Conversely, CPRE advocated a lower figure, as did FoE, to ensure that open space requirements are not compromised. This point was also made by TCPA, but CPRE indicated that they would be content with the Preferred Option figure or indeed higher figure in relation to the MUAs provided that such requirements are taken on board.

8.33. Our judgement is therefore that as in Birmingham and Solihull, it is appropriate to take account of the fruits of emerging Core Strategy DPD work and propose a figure of 63,000 for the Black Country. We recognise that the 61,200 figure was a challenging target but do not consider that the challenge would be materially different at 63,000. We do not consider that there ought to be any threat to retention and indeed creation of appropriate levels of open space as such aspirations are central to the urban renaissance approach, and strongly supported by the Black Country environment Policy QE10 that was introduced in the 2008 RSS following the Phase 1 Revision. This policy should be relocated into Chapter 3 of the Phase 2 Revision to become one of the Black Country sub-regional

policies. These are recommended for consolidation in RSS Chapter 3 at **R8.11-14**.

8.34. Overall, our conclusion on housing provision for the central core of the West Midlands Conurbation is that there should be increases in planned provision in/at Birmingham from 50,600 to 57,500, in Solihull from 7,600 to 10,500 and in the Black Country from 61,200 to 63,000. This would mean a revised total provision of some 131,000, 11,600 above the Preferred Option figure. We regard this increased figure, which should still be exceeded if possible, to be squarely in line with the overall strategy of the RSS Phase 2 Revision. It would still be some 30,000 below the 2006-based household projection and 16,600 below the latest CCHPR need figure. If the need is as high as either of these two figures in reality, or even higher as some would argue, the gap would need to be filled in surrounding areas including at the SSDs. However, the indications from CLG are that changing international migration flows might reduce the overall projection downwards to a level closer to the 2004-based projections and that any such reduction would be likely to be heavily concentrated in the MUAs as the initial receptors of the majority of such migration. Thus, on the basis of the best currently available information, we would regard this indication of the scale of the gap to be bridged if affordability is not to be worsened as likely to be the maximum of the task to be confronted.

(b) Coventry and Warwickshire

8.35. This brings us to the first of the surrounding areas but one which contains an outlier of the West Midlands conurbation in Coventry MUA to which the policy of urban renaissance equally applies, as it does within Nuneaton & Bedworth with its local regeneration zone designation to the north. WMRA stressed the "bespoke" nature of the Sub-regional Strategy that has been devised through the CSW Forum. This is very much a growth strategy on a north-south axis centred on Coventry, which through protection of the Meriden Gap (largely though not wholly within the area of Solihull MBC) keeps that axis wholly separate from Solihull with its inter-relationship with Birmingham. It is for this reason that we have considered Solihull as part of the central core of the West Midlands conurbation rather than with the remainder of the CSW Sub-region.

8.36. Considering **Coventry** first as the MUA core of the sub-region, the housing provision figure of 33,500 was not challenged in an upward direction as it had been significantly increased during the preparation of the RSS Preferred Option when Coventry was accorded NGP Status. Moreover, the RSS acknowledges that the provision figure is likely to exceed the physical capacity of the City over the plan period necessitating cross-boundary development to the north in Nuneaton & Bedworth Borough and to the south in Warwick District. The Provision figure is 16,700 over the NHPAU suggested distribution of their upper range figure and 11,900 over the latest CCHPR need figure. Even allowing for the prospective cross-boundary provision it is clear therefore that Coventry taken in isolation would be providing a reservoir of capacity to meet the shortfall in the core of the West Midlands Conurbation and/or elsewhere in the CSW sub-region. Perhaps unsurprisingly NLP did not suggest any additional provision.

8.37. In terms of the scale and distribution of any cross-boundary provision it was immensely helpful that there was clear agreement between the three local planning authorities that there should be 3,500 dwellings to serve Coventry immediately to the north of its boundary in Nuneaton & Bedworth district and 3,500 to serve Coventry immediately to the south of its boundary in Warwick District. Although there were issues raised over the release or non-release of Green Belt land within Coventry itself, we can see no reason to dissent from this agreed distribution and will recommend accordingly. CPRE argued that the Coventry figure should be reduced if the City is not capable of meeting its needs without recourse to cross-boundary development or indeed to Green Belt release within the City limits which was contrasted with the strategy applied to the central MUA core. Development interests also highlighted this difference in strategy but with essentially the opposite intent of seeking to justify urban extensions to the central core. We probed the justification for the difference and concluded that it was based upon the differential nature of the regeneration sought in Coventry and Nuneaton & Bedworth where many of the areas of PDL are peripheral as a consequence of recent mining and manufacturing history, and the bespoke strategy of seeking growth at least in the northern part of the sub-region on a north-south axis.

8.38. We found intense hostility from the Keresley Parish Council to the City Council's Core Strategy DPD proposal for an urban extension into the Green Belt at Keresley on Green Belt and other grounds including concerns over traffic/access and pressure on community facilities. The City Council proposals and enlargements of them were, however, supported by development interests. We visited the locality and saw both the degraded rural landscape that formerly adjoined Coventry Colliery and its associated industrial complex and the new rail-connected Pro-Logis Warehouse Park on that site with its road access to the regeneration area in the vicinity of the new Ricoh stadium. This is close to the point at which the A444 has its junction with the M6 and the Nuneaton-Coventry Railway line which is intended to be the spine of the north-south development axis. We can see the logic of comprehensively planned cross-boundary development in this general locality, and note the selective approach to Green Belt release that is being considered. Given the agreement of the authorities on the strategic distribution of the Coventry development provision we see no reason why the acceptability or otherwise of particular proposals cannot be left for consideration in relation to the Coventry Core Strategy DPD that is to be examined shortly and to the subsequent Nuneaton & Bedworth Core Strategy DPD.

8.39. The Allesley/Eastern Green Residents Association welcomed the judgement of the City Council to exclude consideration of a parcel of land adjoining the south side of the A45 on the western edge of Coventry. This followed the most recent comprehensive Green Belt study, notwithstanding its identification in earlier studies. The reason given, but disputed by Parkridge, is that the land forms part of the Meriden Gap, a matter regarded as of crucial significance by CPRE. In line with our conclusions on Solihull, we can understand why that judgement is now made and the land is also clearly outside any north-south axis of development. While again this is primarily a matter for the Core Strategy

DPD, because of the strategic significance of the east-west Meriden Gap our recommendations in relation to areas *requiring* consideration of Green Belt release focus explicitly on the north-south axis.

8.40. On the southern edge of the City, Warwick District Council canvassed three prospective locations for the Coventry-related requirement at their Core Strategy Issues and Options stage, one to the southwest in the vicinity of Kirby Corner in the Westwood Heath area, another to the south-east in the vicinity of Baginton and finally one in the Gibbet Hill/King's Hill/Finham area. We received representations from the University of Warwick, which is located in the general vicinity of the first of these options, that land for its expansion should be withdrawn from the Green Belt, a point agreed by the planning authorities. It is therefore perhaps unsurprising that additional general housing development in that locality did not make its way into the Preferred Option of the Warwick Core Strategy. Development interests canvassed the merits of land in the vicinity of Baginton, but the particular area explicitly highlighted (455/2) is very close to the Public Safety Zone at the south-west end of Coventry Airport's runway. Again we can understand, given the controversies over the environmental impact of that airport, why the Baginton locality has not been taken forward. This leaves the central Gibbet Hill/Finham area. It was strongly opposed at the EIP by the Finham Residents Association but, we can see the strategic value in development in this locality on the north-south axis where it can be served by the upgraded Coventry-Kenilworth-Leamington rail line and would be well placed in relation to the University. Like the Keresley controversy, the detail of any such development should be for consideration in the relevant Core Strategy DPD.

8.41. In conclusion we endorse the Preferred Option proposal of 33,500 and the approach to its distribution. Before turning to consider the surrounding Districts more fully, two points need to be made. The first concerns employment provision. The City Council and AWM drew attention to the success in getting the Ansty RIS (formerly MIS) site underway with a development for Ericsson and at the same time securing Severn Trent Water and QCA offices in City Centre redevelopment. This is seen as evidence of success of the urban renaissance strategy for Coventry. However, there was nothing new to report on the possible need for a further RIS to support the regeneration in the Coventry-Bedworth-Nuneaton corridor so that the unspecific current reference in the Preferred Option to a possible need will have to remain.

8.42. The second point is in relation to phasing. We can appreciate the logic of seeking to develop PDL in advance of greenfield sites as a general principle and therefore why there are such references in the CSW section of sub-regional text. However, this is a general point applicable throughout the region, and is covered in Chapter 4 in our recommended approach to Policy CF4 and CF10. We are concerned that to elevate such phasing to sub-regional policy would be too rigid. The urban extensions should be linked to relevant infrastructure provision. Such provision often requires long-lead times both to carry through relevant consent procedures and to secure hybrid sources of funding. Thus, commitment to such extensions cannot necessarily be held back long into the plan period if the extensions are to contribute delivery at all in the plan period.

Moreover, given the strategy for growth on a north-south axis, it is by no means obvious that any urban extensions wholly within Coventry will be more sustainable, and therefore deserving of higher priority, than those involving cross-boundary development. As we see it, a northern urban extension into Nuneaton and Bedworth would relate well in the first half of the plan period to the first phase of the rail enhancement programme with its new stations at Ricoh and Bermuda, while that to the south might fit well with later implementation of the second phase of those works with new stations at Gibbet Hill and Kenilworth in the second half of the plan period.

8.43. In relationship to **Nuneaton & Bedworth Borough** as a whole, the Preferred Option proposes provision for 10,800 dwellings over and above cross-boundary provision for Coventry. This is 700 more than the CCHPR need figure and 1,200 more than the NHPAU suggested distribution figure. These figures are clearly consistent with the SSD status accorded to Nuneaton and Bedworth under the bespoke CSW strategy and again NLP make no suggestion for any increased figure. Barton Willmore for development interests did suggest that there is scope for more development beyond the Green Belt, north of Nuneaton. However, the most keenly contested issue at the EiP was whether an area known as Bedworth Woodlands should or should not be within the Green Belt. Bedworth Woodlands Action Group made the case that although the land had originally been taken out of the Green Belt for development, it had been accepted by successive Inspectors considering an appeal, the previous Local Plan and modifications thereto, that the land is not appropriate for development. However, it had been concluded that without Structure Plan or RSS sanction for changing Green Belt boundaries, the area in question would have to remain as safeguarded land, therefore possibly open to future development proposals. CPRE furnished copies of the relevant documents (442/17) and the Council confirmed the accuracy of the past history. However, during the EiP the Council published its Core Strategy DPD Issues and Options paper. The various options for meeting the provision requirements for Nuneaton & Bedworth and the 3,500 dwellings for Coventry could involve land at Bedworth Woodlands. The options involve not only the possibility of Green Belt adjustment in the Keresley area south of the M6 to meet the Coventry requirement, but also wider options for Green Belt adjustment as well as use of safeguarded land and land beyond the Green Belt in order to select the most sustainable development options for both housing and employment provision.

8.44. In the circumstances, we do not consider that it would be appropriate to give any direction explicitly in respect of Bedworth Woodlands. However, we make clear in our recommendations that not only are Green Belt adjustments *required* to facilitate the 3,500 cross-boundary provision for Coventry but that they *may also be appropriate* to guide the location of the most sustainable long-term development throughout Nuneaton & Bedworth district. Clearly, where adjustments are considered within the terms of the guidance of PPG2, land could be taken into as well as out of the Green Belt. Thus if the Council should decide that Bedworth Woodlands does not need to be allocated for development, the RSS would support its return to the Green Belt, given that it has been

argued to meet the criteria for inclusion. Overall, our recommendation in terms of housing provision is that the number should simply be rounded to 11,000 to remove any unwarranted precision in strategic terms.

8.45. No increase was suggested by NLP for **North Warwickshire Borough** despite in this case the provision in the Preferred Option at 3,000 being 2,000 below the latest CCHPR figure and 1,800 below the NHPAU suggested upper range distribution. The Council pointed out that the Borough has no major towns and that much of it is constrained by Green Belt in the south and the need to avoid sterilising mineral resources, including coal, elsewhere for example in the vicinity of Dordon. Options had been published as part of Core Strategy DPD work on how the provision might be accommodated and also how any provision for Tamworth, which would be over and above the district's own provision, might be accommodated. We can see no reason for RSS to give strategic direction in this process though we would take any discouragement of development for Tamworth being in its immediate locality to be applicable to land on the east side of the M42 which clearly is a major barrier. We accept that development to its east would neither be well integrated with Tamworth nor well-related to other settlements in North Warwickshire. We make no recommendations for changed provision, recognising that any shortfall in housing provision could be offset in Nuneaton & Bedworth or in Coventry.

8.46. Issues were raised as to the adequacy of employment provision within the Borough, particularly though not exclusively, in relation to the two RLS or aspiring RLS, but these are addressed in Chapter 5.

8.47. For **Rugby Borough**, NLP did suggest an increase of 3-5,000 dwellings over and above the Preferred Option, despite this figure already being some 1,800 above the latest CCHPR need figure and 1,200 above the NHPAU suggested distribution of their upper range. That the Preferred Option is higher than a zero net migration based view of locally generated need or that arising on the basis of past trends is consistent with the status of Rugby as a SSD. Both the Council and CSW suggested that the Preferred Option figure was already challenging and that market conditions and the nature of the local economy would not support further significant increases. CPRE argued that cross-regional influences from Northamptonshire and Milton Keynes if not inhibiting the growth sought might reduce Rugby to being only a dormitory town. They therefore sought lower provision. Development interests suggested that the cross-boundary provision for Coventry might also involve Rugby district and not just Nuneaton & Bedworth and Warwick districts. We were not persuaded to follow this latter suggestion as the north-south axis for development is integral to the CSW sub-regional strategy.

8.48. Some development interests also queried both the split between the figure indicated for Rugby town itself as opposed to the remainder of the borough and whether acceptance of substantial development on the Rugby Radio Station site to the east of the town centre might curtail development to the north, which is already underway with AWM support, or to the south-west. With regard to the former point, an example given on behalf of SJS Property Management was that of land formerly used for car storage at the former Peugeot site at Ryton-on-Dunsmore. This land is

outside the permission granted for new employment development of the former car plant and adjoins the village. The Council indicated that such a site could be considered within the remainder of the Borough allocation and argued that the provision for the remainder of the Borough is sufficient. As for the position at Rugby itself, the merits of the Rugby Radio site were championed by David Lock Associates. They pointed out that the scale of that site would enable a mixed development to be achieved that would essentially be able to support its own infrastructure requirements. It would also be well-located in related to the DIRFT multi-modal and rail-served warehousing complex immediately across the regional boundary to the East. The Council and Warwickshire CC did not dissent and suggested that the provision level would be sufficient to support continuing development to the north as well as that on the Radio Station Site to the east during the plan period, even if substantial development to the south-west of the town might be regarded as having longer term potential. We can see no reason to impose any strategic requirements on the Core Strategy DPD but our recommended rounding up of the provision figure would provide a little more flexibility as well as avoiding any sense of false strategic precision. As throughout the region where figures are given for a SSD set within a wider authority, as advocated by GOWM, we would regard the town figure as indicative. Given the concerns expressed over the remainder of the Borough figure, we do not recommend a comparable rounding up for the Rugby town figure to match that for the Borough. However, as the figure would be indicative, there would be no reason why this should not be the outcome of the Core Strategy process if considered appropriate.

8.49. To complete the circumnavigation of Coventry, we now turn to **Warwick District**. We have already addressed the issue of the cross-boundary 3,500 dwellings to be located south of the City in the Gibbet Hill/Finham locality and the need to make provision for the further development of the key economic asset of Warwick University by withdrawing the land for its expansion from the Green Belt. Textual amendments are also recommended in Chapter 5 to remove the inference that the development would be for business purposes rather than institutional development. With regard to the District's own provision, this is the first authority in Warwickshire where a significant shortfall in proposed provision in the Preferred Option is indicated. The provision figure of 10,800 is 7,400 below the latest 2006 based CCHPR need figure. It is only half the NHPAU upper range suggested distribution figure. Perhaps unsurprisingly NLP recommended a substantial increase of some 5-10,000 dwellings and GOWM suggested an urban extension on the southern edge of Coventry. In effect the latter has been accepted by the authorities in the location proposed for 3,500 dwellings of the Coventry provision so that the Preferred Option would in fact be making provision for 14,300 dwellings in Warwick District.

8.50. Development interests supported increases in provision arguing that the buoyant economy of the area warranted higher provision. In some instances they sought support from the SQW and Arup studies for AWM. We pressed AWM to explain the benefit in GVA terms indicated in the Arup study from higher housing provision in the south of the region, a point of even greater significance for Stratford-on-Avon District and some

Districts further west. It seemed to us that all that the analysis was saying is that if you assume that future residents will have similar employment profiles to existing residents then these benefits will accrue. Large-scale employers were not necessarily being indicated that might be inhibited as a result of labour shortages. In the case of Warwick District there are specific high tech employment spin-offs from the University of Warwick and other sites on the fringes of Coventry and related to main towns. For the most part, however, AWM confirmed that in the southern Districts it is the residence of economically active persons who either commute long-distances or the home base of people in roles that may be nationwide or even worldwide that forms the basis for the assumed benefits. Such households are attracted by the environment and accessibility of these Districts and are not necessarily related to local employment.

8.51. For Warwick District, the conclusion is that economic factors as well as past trends would indicate an upward pressure on provision and probably one of a significant degree. Conversely, however, the bespoke strategy of the CSW sub-region as well as the overall urban renaissance objective of the spatial strategy embodies a desired step-change in direction to accommodate more of Warwickshire's requirements to the north of the County in and around Coventry. In the view of WMRA, CSW and the Council this justifies a lower provision in Warwick District than might otherwise have been anticipated in the light of past trends and economic buoyancy. With the University of Warwick straddling the Coventry City boundary and the Stoneleigh facilities near Kenilworth, it is evident that significant sources of the economic buoyancy of the locality do have roots towards the north of the District so that the strategy is not without a rationale over and above the desirability of securing renewal and renaissance of the urban fabric of Coventry and the more northerly towns. The journey to work pattern shows a complexity of movements, particularly into and out of Coventry.

8.52. The District Council has taken its Core Strategy DPD work through to publication of a Preferred Option that would accommodate the RSS Phase 2 Preferred Option provision in addition to the 3,500 agreed provision for Coventry adjacent to its boundary that has already been detailed. The options considered elsewhere in the District included urban extensions south of Kenilworth as well as to its east within the Green Belt and options for urban extensions on almost all sides of Warwick/Leamington, a designated SSD under the Phase 2 strategy. Some of these, including land north of Milverton, would also be in the Green Belt, though most would be to its south. We received strong representations at the EiP from the Kenilworth Town Council against its outward expansion into the Green Belt as this would tend towards coalescence either with Coventry as proposed to be extended to the north or with Warwick/Leamington. Likewise we received representations from Warwick Society and Bishop's Tachbrook Parish Council over the need to avoid swamping the historic town of Warwick and to avoid coalescence with nearby villages. The merits of various urban extensions to Warwick and Leamington were canvassed including those of land north of Milverton by Taylor Wimpey and land at Gallows Hill and more generally to the south of Leamington on behalf of clients of DLP, Barton Willmore and RPS.

8.53. In total, the options that the Council canvassed would have provided for a higher total than sought under the Phase 2 Preferred Option. However, we would be cautious about the desirability of seeking to take all the option capacity into the RSS provision. The reasons given by the Council for discounting some sites in the Green Belt to avoid coalescence on the north-south axis of development and for not seeking the maximum possible from PDL within Warwick/Leamington in order to safeguard good quality employment land (in accordance with the views of AWM and as embodied in Policy PA6B) appear rational and not easy to disregard. Consequently, we recommend simply rounding up the required provision to 11,000 for the same reasons as at Nuneaton & Bedworth and Rugby. It needs to be remembered that this means that the actual provision required in the District would be 14,500, inclusive of the 3,500 for Coventry. We further recommend endorsing the *requirement* for Green Belt review to provide for the 3,500 dwellings adjacent to Coventry and for the expansion of the University of Warwick and indicating that further review of the Green Belt *may be appropriate* to enable the most sustainable form of development to be considered at Kenilworth and Warwick/Leamington in the Core Strategy DPD. The HA indicated that with the current improvement works at the M40 Longbridge Junction (15) and the possibility of junction improvements at other M40 and A46 junctions, such levels of development ought to be capable of realisation provided that local planning is appropriate and public transport improvements are carried through as proposed.

8.54. Overall, the housing provision on the basis of our conclusions in the northern and central parts of Warwickshire would be 69,500. This compares to a 67,000 projected increase in households under the 2006-based projections, a 64,000 figure for need from the latest CCHPR study and a figure of 62,400 for the NHPAU suggested distribution of their upper range. Bearing in mind that a low international migration assumption would reduce the 2006-based projections, with in this locality probably the greatest reduction for Coventry and the main urban areas, the implication is that our recommendations for these authorities would more than meet the needs of the greater part of this sub-region and make some contribution towards addressing the shortfall for the central conurbation core.

8.55. This leaves **Stratford-on-Avon District** which in many ways appears anomalous. The RSS Preferred Option figure for the District is only 5,600 as compared to the 2006-based CCHPR demand and need figure of 13,600 and the NHPAU suggested distribution of their upper range of 14,400. This is a greater proportionate gap between provision and different expressions of need or demand than found almost anywhere else in the region. NLP suggested adding additional provision for 4,500 dwellings and various development interests canvassed comparable or higher figures. Particular attention was drawn by the development interests to the reference in the District's Core Strategy Issues and Options Paper to local needs equating to a requirement for 9,500 dwellings and to the fact that at recent rates of development the RSS provision figure would be likely to be achieved very early in the Plan period.

8.56. The only defence of the 9,500 reference from the Council was that it was given in error before the local needs situation had been fully researched and it was now clear that on a Zero Net Migration (ZNM) basis locally generated household growth in the district at 4,400 would be more than covered by the RSS Preferred Option provision. This was not disputed even by those representing development interests such as DLP who had undertaken considerable analysis of household growth and distribution in the region including on a ZNM basis. However they pointed out that ZNM plus inter-regional migration would give a figure of 7,900. Moreover, the point was made that as the region as a whole is almost self-contained on a ZNM basis with modest net inflows from the South-East broadly offset by outflows to the South-West and elsewhere, there is little value in such analysis at a localised level. Providing only at a ZNM level wherever it would produce a lower figure than trend growth would result in a very large regional shortfall. Moreover, there is no effective way to stop in-migration from the South-East, as there are no planning controls against second homes and footloose home-workers or long-distance commuters are likely to be able to outbid most locally generated households. Nevertheless, a step-change away from simply addressing trend growth is clearly an integral part of the overall spatial strategy for the region. The question to be answered is how far is it reasonable to assume that the trend can be deflected without adverse implications on levels of affordability, on actual provision of affordable housing and on the economy.

8.57. The district is one of two halves. The northern portion within the West Midlands Green Belt does abut the central conurbation and in this part of the district it would be understandable to seek to constrain development to stem outward migration. However, this was not in dispute as the particular administrative boundaries of the District mean that the localities where urban extensions of the conurbation or enlargement of previous new settlements close to its margin are being canvassed are either in Bromsgrove District or in Solihull. Within this northern portion of the District, leaving aside Redditch related issues, no significant challenge was suggested to the District Core Strategy Preferred Option of simply making provision for limited development at Henley-in-Arden. The issue is rather how much development should be provided for in the extensive southern part of the District that is outside the Green Belt.

8.58. In the southern area, Stratford-upon-Avon is by far the largest settlement. It lies at what would be the southern end of the north-south axis of development that extends from Nuneaton to Warwick/Leamington, but although linked by the A46 to Warwick/Leamington and a rail line to that centre, Stratford-upon-Avon has not been designated as a SSD unlike Nuneaton/Bedworth and Warwick/Leamington. The reason given for this is partly because of its small size with a population of only some 23,000, not much over half that of the smallest SSD actually designated. It is also because of concerns as to whether growth at Stratford by the amount of development that would be warranted to fit such a designation might harm the character of the town and its world tourism status, a status recognised by AWM in the RES. This concern to avoid excessive growth engulfing Stratford's character was strongly articulated at the EiP by the

Stratford Voice and also by Residents Against Shotton Expansion, though the latter appeared to be seeking to overthrow a proposal for a westward urban extension of Stratford that had already been embodied in the approved Local Plan following consideration and recommendation by the Inspector after the last Stratford Local Plan Inquiry.

8.59. The Preferred Option for the Core Strategy DPD identifies provision for almost 5,800 dwellings in a strategy for distributing growth to the main settlements in the District, which on a proportionate basis means the bulk of the provision would be at Stratford as most of the other settlements are very small. The draft Strategy indicates that it is flexible and would be able to cater for increased provision levels if required as a consequence of the RSS Examination with 500 additional dwellings indicated as possible at Stratford and more at the other service centres. Overall it is suggested that if the provision were to be increased by more than 1,000, the draft strategy might need to be reviewed and at that stage the possible need for a new settlement would need to be considered. The Council however stressed that even if a new settlement were to be considered as an appropriate solution at that stage, all options would then need to be evaluated rather than simply accepting the one that had been canvassed through the Eco-town consultation process as it may not be the most sustainable possibility.

8.60. On the issue of stemming migration into the area, it was common ground between the planning authorities and development interests that the propensity for intra-regional migration reduces with distance as most house moves are localised. Thus, in the southern part of Stratford-on-Avon District although there is evidence of some migration from the MUA – both Birmingham/Solihull and Coventry – it is relatively modest and some of the in-migration is from the South-East, a factor that is unlikely to disappear given the continuing under-provision of housing in the South East region. This implies that there is less risk to the urban renaissance strategy of the Phase 2 Preferred Option from increasing the housing provision in Stratford-on-Avon district than there is of worsening affordability by artificially constraining provision to an unreasonable degree. As for the economic implications, although there is some high-tech employment at locations in the rural area such as at Wellesbourne and Gaydon and on a small-scale in towns like Stratford, the main sources of employment other than in local services are in the cultural and tourism industries centred on Stratford, which are by no means highly paid. The GVA benefit point is therefore one primarily related to housing footloose long-distance commuters or home-workers. A more significant justification for higher housing provision would be to seek to address the current very unsustainable commuting pattern that sees out-commuting to well-paid jobs and in-commuting to lower paid jobs at Stratford and the local service centres, this being inevitably related in-part to need for the provision of affordable housing, but it is also a locational issue. However, Warwickshire CC used this lack of self-containment in commuting terms as an argument against providing more housing.

8.61. The Panel had to consider what evidence there is to support higher levels of provision in terms of broad sustainability and wider or more specific environmental considerations. Certainly, we heard no compelling evidence to re-open the suitability of the Shotton

development area, the early release of which was championed by DLP on behalf of Bloor Homes and Hallam Land Management. It was clear from the evidence that the perimeter development access road would produce immediate benefits to enable the redistribution of traffic between the A46 and B439 roads without involving traffic through the town centre or through residential areas even if with that road alone and no other measures, anticipated traffic flows might still be higher in the medium term on Clopton Bridge than now. RPS drew attention to their client's proposals for the land to the north of the town that is already excluded from the Green Belt and within the A46 bypass. RPS suggest that some 700 dwellings could be accommodated (505/5) at a location where it might assist in facilitating the proposed north Stratford parkway railway station adjoining the existing park & ride car park.

8.62. While in no way pre-judging the Core Strategy DPD Examination, in the light of the foregoing it would seem that the comments in the draft Core Strategy Preferred Option may be somewhat pessimistic and that a figure of at least 7,000 dwellings for the District can be discerned as feasible on the basis of evidence presented. The HA indicated that with junction improvements development at this scale ought not to harm the operation of the Strategic Road Network (SRN). In addition, we learned in the context of the discussion of various proposals that have been advanced on the Long Marston depot site as alternatives to the specific Middle Quinton Eco-town proposal, that there are permissive policies in the approved local plan for various rural PDL sites that might facilitate additional development. Thus, the current application for a 500 dwelling leisure-based scheme may not be ruled out under the terms of policies in the most recent local plan. Again, without in any way pre-judging consideration of that application, as there are a number of such sites identified across the District, it would seem that a figure of 7,500 dwellings could be justified as backed by sustainability appraisals already undertaken or by local plan policies previously adopted.

8.63. The question remaining is whether a higher figure could be evidentially justified. On the basis of seeking to minimise worsening affordability, enabling flexible provision of affordable housing while at the same time taking a reasonable step towards curbing past migration trends, we conclude that there is a strong case in this instance for the District figure to be increased by something like the NLP suggestion, that is to a figure of between 10-11,000 – say 10,500. We see the force of the Council's argument, however, that simply making incremental further additions to all the service centres in the District, however desirable that may be in terms of widely distributing affordable housing, cannot be established as feasible in sustainability terms on the basis of SA work undertaken to date.

8.64. The alternatives, if this cannot be demonstrated, would appear to be a major additional expansion of Stratford-upon-Avon, perhaps with SSD and possibly Growth Point status to help secure infrastructure costs, or consideration of a new settlement. With regard to the former there appeared confusion between the Shottery development access road that is an integral part of the already adopted housing scheme championed by DLP and what was described as the "western relief road". No plans were available of this more comprehensive concept that would entail collecting

all the western approach roads and either linking them to the recently-built A4390 southern bridge over the Avon or even constructing a further bridge. Consequently, costings, feasibility and, indeed, the desirability or otherwise of such a concept were not able to be subject of rational debate. Neither were any possible related additional areas for development canvassed to enable assessment of whether further urban extensions might be able to be provided in a way that would not prejudice the historic character of central Stratford or its approaches from historic Warwick nor interfere with functional flood plain or involve other flooding risks that were highlighted as needing careful consideration by EA. All that can reasonably be said is that Stratford would represent the optimum location for substantial volumes of additional affordable housing to address the local shortage of workers in the tourism, cultural and local service sectors.

8.65. Consideration naturally turns therefore to the Middle Quinton Eco-town proposal as a possible means of bridging the gap between what may be a desirable level of housing provision in the District and what may currently be identified as feasible in sustainability terms. CLG particularly asked the Panel to consider the possibility of incorporating the Eco-town proposal into the RSS. The Department agreed, however, that our remit was confined to considering the proposal in terms of its strategic fit with the strategy and requirements of the RSS and not to considering either details of the particular proposal nor the terms of the draft PPS on Eco-towns. That has been subject to separate consultation. In order to fulfil this remit we set aside a whole session to consider the strategic fit of the Eco-town proposal over and above the time that we had allocated to CSW and Stratford-on-Avon District in particular. On the principle of considering new settlements having a role in the West Midlands RSS, we have already concluded in Chapter 2, that consistent with PPS3, new settlements should not be ruled out of consideration, but should only form part of the spatial distribution if they can be demonstrated to be at least as sustainable as alternative development patterns such as urban extensions.

8.66. The Eco-town proposal (688/1 and 688/2) is located mainly on the former Long Marston MoD depot and adjoining land that includes a waste re-cycling centre. It is located approximately 9½ km south of Stratford and is promoted by the joint owners St Modwen and the Bird Group. A key attribute is that most if not all of the land involved would be PDL. The local action group against the proposal, Better Accessible Responsible Development (BARD), disputes this fact, drawing attention to the open grassed areas and woodland within the boundaries and indeed arguing that they form a majority of the area. However, in terms of the definition within PPS3, we consider that the promoters are correct in stressing the use of PDL to further this concept. The Eco-town proposal itself is for some 6,000 dwellings, 4,500 of which would be within Stratford-on-Avon District and 1,500 within Wychavon District. Added to the means of provision that has been identified within Stratford-on-Avon District, which we have referred to in preceding paragraphs, in theory inclusion of the Eco-town proposal would mean that a higher provision level would be achieved than we have concluded would be desirable. However, from what we heard in other sessions of the long lead-times for new settlements or urban extensions, we consider that such a settlement

would be unlikely to contribute dwellings until the second half of the plan period and might therefore carry on contributing dwellings beyond the plan period. Scale in relation to the overall provision for Stratford-on-Avon District (or Wychavon) would not therefore seem a sufficient reason for rejecting the potential role of such a settlement. However, as the housing would be delivered at or after 2016, this means that the advantages in terms of green construction would not be greater than those that will be deliverable in any new settlement or urban extension. All will be required to be eco-suburbs or developments by that time under the Government's timetable for achieving the more sustainable homes, zero carbon development being required by 2016. St Modwen has recently advanced a smaller new settlement proposal of only 2,500 dwellings wholly on their land (i.e. below the Eco-town threshold). Whether this is purely to simplify development by avoiding land acquisition or to fit within assumed requirements within the plan period, we do not know, but save in relation to transport links, we will not comment further on this possibility as it does not raise issues beyond those needing to be addressed in respect of the full Eco-town proposal.

8.67. The promoters argue that in an Eco-town/new settlement development it will be possible to secure a substantial number of affordable homes, but the Council, BARD and others in opposition to the proposal argue that the affordable housing is required right across the District, particularly at the existing settlements, and that it would be very difficult to make sensible use of a large affordable housing content at a single remote location. We can see the strength of this argument, though it would not seem to apply to the very much smaller current proposal for only 500 dwellings in a leisure-based scheme as the number of affordable homes secured would therefore be more commensurate with needs in the immediate locality. All the relevant local authorities, including Warwickshire and Worcestershire County Councils, advanced a common opposition to the Eco-town proposal attacking both the viability of the proposal and its sustainability. In terms of viability, the assessment conducted for CLG by PricewaterhouseCoopers as part of the short-listing process for Eco-town proposals (CD229) suggested that Middle Quinton had the potential to be viable after meeting its infrastructure costs. Conversely, a further viability study by CB Richard Ellis undertaken for the joint authorities (300/3) concluded that the development would have no reasonable expectation of covering its costs and would require public subsidy or input, a matter of concern to Centro and the West Midlands Business Council in case it might draw away resources from infrastructure investment required elsewhere to support urban renaissance or the development of the SSDs.

8.68. We sought assistance from AWM to cut through this apparent contradiction. Helpfully, they pointed out that both studies were based on a number of assumptions and both incomplete in certain respects. The CLG assessment might be unduly optimistic and the local authorities' assessment unduly pessimistic. Their own conclusions would perhaps have been somewhere in between so that viability was neither proven nor disproven. AWM also consider that study undertaken by Entec for them (451/1) is neutral with regard to the economic benefit of the Middle Quinton proposal. The advantages cited are general advantages that

would apply to any new settlement in the southern part of the region while the drawbacks identified are locationally specific to the particular proposal.

8.69. As for SEA or EIA considerations, BARD had advanced a substantial critique of the SA produced for CLG in the context of the short-listing process (CD156 and 695/1). It is not necessary to go into the details, but from what we heard from EA and other statutory consultees, we are very doubtful whether there would be any fundamental issue in terms of flooding or other water-related issues, or in relation to protected species or habitats, though we would accept that a sustainability assessment has not been undertaken of this option on a common basis with that for the remainder of the region for the Phase 2 Revision nor to that for Stratford-on-Avon district in relation to the preparation of its Core Strategy.

8.70. The key issue in relation to sustainability appears to turn on the principle of the location and whether the Eco-town/new settlement can be deemed linked to a major centre, which is one of the criteria for suitability in the Eco-town PPS, by sustainable transport means both at inception and thereafter. Attention has already been drawn to the remote location 9½ km south of Stratford. This is compounded by the B4632 road link now only being of secondary status. South of the Middle Quinton site this road branches at Mickleton with the B4632 going on to Broadway and the B4081 proceeding via Chipping Campden to the A44 some 14 km east of Evesham.

8.71. Initially there were suggestions by the promoters that the rail line from Honeybourne could be reopened to passenger traffic and extended northwards along its former track to Stratford-upon-Avon station. The line is currently open for freight purposes or other use in servicing the rail heritage businesses on the Long Marston site. AWM confirmed that their studies had indicated that the latter was a collection of niche businesses generating modest employment that might be expected to continue. The track formation north of the Middle Quinton site is now used as a long distance walkway and cycle-track as far as the A4390 within Stratford where it is thence occupied for about ½ km by a newly constructed main distributor road. The feasibility of re-opening the route to through rail passenger traffic appears extremely doubtful and Network Rail confirmed that they had no aspiration to achieve such a link. The current approach is therefore to promote the concept of a guided busway along the route of the former line to Stratford and its station. Southward links would either be provided alongside the freight railway line or otherwise to Honeybourne station on the Cotswold line and to Evesham. Warwickshire County Council pointed out their ownership of the 'Greenway' on the former rail track formation to Stratford and its appreciation by walkers and cyclists. We were not convinced that this ownership would represent an insuperable difficulty should the overall concept of an Eco-town/ new settlement at Long Marston and its linkages be agreed. Nor did we think that devising the precise means of ensuring linkage of such a concept to Stratford station would be an insuperable problem. What is of more concern are the prospects for such a link being viable in the long-term without public subsidy. Although Middle Quinton would be the second largest settlement in the district on completion of the full scheme

proposed, and even if the promoters met all costs during the development phase and some period thereafter, doubts were expressed about whether the number of households that would be served would generate viability for such a service. There is little or no pre-existing movement in the corridor to be served that could be attracted onto a quality service. From our knowledge of other guided busway proposals elsewhere in England, including that in Cambridgeshire, we would share these doubts. The potential problem would be likely to be greater with the scaled-back 2,500 dwelling new settlement concept.

8.72. More generally in relation to transport links, the highway authorities had not concluded on what the implications would be for traffic in Stratford and thus, notwithstanding any quality bus links, guided or otherwise, whether the same kinds of relief road measures might be required at Stratford as would be involved in any major urban expansions of the town. This is primarily a matter for Warwickshire County Council given the remoteness of the site from the SRN and the need to use county roads to access the A46 which forms the northern bypass of Stratford. Much turns on the realism of the assumptions of the volume of home-working that would take place in any Eco-town/new settlement and the degree to which the proposed new on-site employment would be taken-up by on-site residents. While the former assumptions may not be unreasonable, AWM expressed scepticism here, as elsewhere in the region, over attempts to secure exact matching of housing and workplaces over the long-term. Substantial two way commuting flows were therefore considered inevitable together with necessary access for high level services in Stratford or further afield. Should the Middle Quinton proposal require the same kind of highway infrastructure at Stratford as would be required for major expansion at Stratford, the case against the Middle Quinton proposal would be strengthened. In this consideration, the scaled back suggestion may have lesser implications, notwithstanding the likely greater difficulty in achieving long-term viability for public transport links.

8.73. Our provisional conclusion is that notwithstanding the virtue of utilising PDL, the location of this proposed Eco-town would render it of very doubtful sustainability. Moreover, despite not being able to identify the means to raise the level of housing provision in Stratford district to the level that we consider is warranted, we are not currently convinced that the Middle Quinton proposal would represent the least worst option for securing additional provision, though we cannot rule out that possibility. Other new settlement possibilities were canvassed with greater or lesser rigour. That promoted by QinetiQ at Throckmorton Airfield near Pershore is considered in relation to southern Worcestershire later in this chapter. Harbury Estate suggested that a new settlement would be possible on their land-holdings east of Leamington and submitted drawings and timetable diagrams showing how it could be served by a new station on the existing Chiltern line between Leamington and Banbury – an existing corridor of movement. However, this suggestion was not linked to any particular settlement proposal. The two areas of PDL that were cited by BARD and others, namely Bishop's Itchington and Southam Cement works sites, do not immediately abut the illustrated site for a station and it was not made clear how use of those sites might be taken forward either independently or linked in some way

to nearby existing settlements. Thus, it was by no means clear that there are potentially realistic and preferable alternative new settlement options, but we agree with the Council that such possibilities should not be ruled out by any premature conclusion on Middle Quinton. The fact that the submission Phase 2 Revision Preferred Option expressly ruled out consideration of new settlements may well have discouraged promotion of other possible proposals.

8.74. Our overall conclusion for Stratford-on-Avon District is therefore that in the short-term the required dwelling provision should be set at 7,500 in order that this RSS Phase 2 Revision can be finalised expeditiously as sought by the WMRA. We recognise however that this level is unlikely to meet all the unavoidable housing pressures on the District in the period to 2026 and may result in the CSW sub-region having a deficit rather than a surplus in the long-term. We would therefore add a rider that this provision is likely to need to be increased for the period beyond 2021, and that the current Core Strategy DPD should be drawn up on this basis. At the next review of the regional strategy under the SIRS approach and in any related review of the Core Strategy, the region and the District should consider the options available to add provision for around a further 2,500-3,000 dwellings by 2026, be that through a continuation of the current Core Strategy Preferred Option of additional development at all the significant services centres including primarily Stratford; for major development focussed on Stratford; selection of the most sustainable new settlement proposal or some other alternative or combination. This should be reflected in the trajectory for the district which may avoid the likelihood of moratoria arising.

8.75. The sub-regional strategy for Coventry and Warwickshire as a whole is recommended at **R8.16-19** together with amendments required for consistency to paragraph 6.14.

(c) The remaining surrounds of the West Midlands Conurbation – Worcestershire, Southern & Eastern Staffordshire and Telford & Wrekin

Worcestershire

8.76. As in southern Warwickshire the levels of provision and its distribution were of substantial controversy in Worcestershire. Looking first at northern Worcestershire, the locality closest to the West Midlands conurbation, the key issues were how the provision for Redditch should be split between that authority and neighbouring districts and what the level of provision should be to meet local needs in Bromsgrove and Wyre Forest Districts.

8.77. In relation to **Redditch**, it was universally recognised that the Borough does not have sufficient development land within its boundary to meet locally generated needs for either housing or employment given the particular characteristics of its population as a former new town. As a consequence and also because of its location relatively close to the MUA where migration might be expected to be encouraged from availability of new development contrary to the urban renaissance strategy, the provision is intended to be purely to meet these locally generated needs rather than the wider needs of the region. This was regarded by

Worcestershire County Council, Redditch and Bromsgrove Councils and others as calling into question the designation of Redditch as a SSD. The designation was not thought appropriate simply on the basis of the scale of the required provision, particularly if even in its service centre role, there would be difficulty in developing this independently in relation to centres within the MUA and other designated SSDs. In Chapter 2 we accept the logic of these arguments and recommend removal of SSD status from Redditch, though with a rider that this should not preclude infrastructure funding necessary to sustain development to meet its local needs. This conclusion is reflected in our recommendation **R8.3**.

8.78. As for the provision level itself, the RSS Preferred Option proposes 6,600 dwellings for Redditch. This accords closely to the 6,900 need figure calculated by CCHPR and above the NHPAU suggested figure of 6,000 for distribution of their upper range. Roger Tym on behalf of Gallagher Estates argued for a higher figure based on calculations related to employment. Given the constraints imposed by the local authority boundary we did not consider it to be appropriate to pursue consideration of larger housing allocations and the local travel to work area clearly overlaps with that of the MUA. The Preferred Option suggests splitting the provision figure half within Redditch with the remainder in Bromsgrove District and/or Stratford-on-Avon District on a basis to be agreed, with Green Belt review being *required* to facilitate this development. A portion of the employment land requirement is also proposed to be subject of cross-boundary provision.

8.79. The problem is that unlike the co-operative working around Coventry within the CSW framework, this disposition has not been agreed between the three Districts and the respective County Councils. A consultant study commissioned by the authorities from White Young Green (WYG) that was intended to resolve the distribution has not done so. Although the Stage 1 study (CD167) was agreed, the Stage 2 study (653/1) has led to even greater differences between the Districts. Contrary to conclusions of a previous housing land availability and Green Belt review that was produced for Redditch Borough Council as recently as October 2008, which drew upon previous Inspectors' findings on the suitability of the ADRs for development (653/2), the second WYG study suggests that the ADRs within Redditch should not be developed. This and certain other assumptions concerning density and retention of quality employment land reduces the capacity of Redditch to only some 2,430 dwellings requiring 4,170 to be provided in cross-boundary extensions in the Green Belt all of which are recommended to be in Bromsgrove District in the Bordesley Park locality. This is opposed by Bromsgrove District Council, Alvechurch Parish Council and a very substantial body of local residents including the local MP, but perhaps unsurprisingly accepted by Stratford-on-Avon District Council. The study also recommended that a significant portion of the cross-boundary employment provision should be provided at Winyates Triangle on the eastern edge of Redditch in Stratford-on-Avon District where there is ADR land. This recommendation has been accepted by Stratford-on-Avon District Council and provision has been made for some 12 ha of employment land in that locality in its draft Core Strategy. However, this provision is accompanied by proposals to

extend the Green Belt over the A435 elsewhere to take in previous ADR land right up to the Redditch Borough boundary.

8.80. It was stressed at the EIP that the authorities and GOWM wanted the Panel to give clear direction on the distribution of the development for Redditch, albeit that Bromsgrove District wished to retain flexibility as to where the provision should be made on the edge of Redditch for whatever level of provision may be determined. In view of the controversy, we paid greater attention to the potential development areas in and around Redditch on our tours of the region than to any other locality. We viewed all the significant ADRs within the Borough and also looked at the Green Belt fringes within Stratford-on-Avon District and not just those within Bromsgrove District. We can understand the case advanced in the WYG study that it would perhaps be easiest to develop a single major urban extension in infrastructure terms, essentially as proposed at Bordesley Park, rather than pursuing a number of urban extensions and that there might be flexibility to add additional provision for Birmingham as suggested by NLP. However, we rejected the approach of making additional provision for Birmingham in Bromsgrove District when considering the central core of the conurbation in order to maintain the principles of the urban renaissance Strategy. It would be perverse to make such provision on the edge of Redditch as that would entail longer distance commuting. Moreover, a greater flexibility in terms of achieving and maintaining housing output could be argued to be provided through parallel pursuit of a number of developments.

8.81. In terms of infrastructure provision, although the WYG Study had implied that certain developments would be more readily able to be served than others, this was not confirmed by the statutory consultees. Apart from agreeing that it would be desirable to avoid pumping foul sewage wherever possible, though this was not considered a significant general issue given the down-stream locations of Waste Water Treatment Works, Severn Trent Water indicated that they had no particular preferences in terms of location. They suggested that references to the absence of financial provision for necessary works were based on misunderstandings as there is contingency provision in their financial programmes. Specific provision could not be made until the locations for development have been resolved. It would neither be financially prudent nor sustainable to commit resources to infrastructure provision ahead of requirement.

8.82. In landscape terms we can appreciate that when looking north from Redditch the greater part of the Bordesley Park area would be contained within ridge lines while some of the areas in and adjacent to ADRs would be on or close to ridge lines. However, the situation is not as clear-cut as that as, from some view points nearer to Alvechurch, parts of the suggested Bordesley Park land would be in clear view and, conversely, there are some areas of ADR and adjacent land that appear well contained in landscape terms. Moreover, although summarily rejected in the WYG Study on grounds of coalescence, we consider that development between Redditch and Studley might have the least impact on rural character. The summary rejection of that land sat in somewhat strange contrast to the recommended lessening of the arguably more significant gap towards Alvechurch in relation to the purposes of the West Midlands Green Belt in

containing the West Midlands conurbation. Taken overall, we can see no good reason to reverse the conclusions of the October 2008 Study which identified potential use of parts or all of the various ADRs in Redditch and gave a housing capacity of over 4,300. Certainly, we cannot see any new exceptional circumstances in PPG2 terms to justify now deciding to put the ADRs into the Green Belt. We agree, however, that it would be prudent not to rely on density assumptions that might not be able to be realised and, in line with Policy PA6B, to assume retention of good quality employment land. Nevertheless, we consider that the provision within Redditch should therefore be for at least 4,000 dwellings.

8.83. There remains the question of how much development should be provided for within neighbouring Districts and within which of those Districts. Overall, in line with our general approach we would suggest rounding up the overall provision for Redditch to 7,000 dwellings which would broadly match local need. Thus, the requirement would be for around 3,000 in neighbouring districts. As indicated, in terms of landscape and character we would have favoured development between Redditch and Studley and such a location would seem optimal to serve the local needs of Redditch rather than one to the north of the town. There, and particularly if north of the proposed Redditch north station or remote from it, development would be most obviously located to serve commuters, and probably car-borne commuters, to Birmingham and the Black Country. The problem is that it is difficult to conceive of development adjacent to Studley or elsewhere on the eastern fringe of Redditch served off the A435 unless there are clearly defined and funded proposals for solving the traffic problems along the constricted section north of Alcester up to the junction with the Redditch town centre link road where the road becomes a high grade dual-carriageway towards Birmingham. We were told that the congestion on this section of the road causes there to be an Air Quality Management Area in Studley. However, nothing is in prospect, previous improvement schemes having been abandoned. Having de-trunked this section of road, the HA indicated that it was not a concern in relation to the SRN. And, situated in Warwickshire, although Redditch is in Worcestershire, Warwickshire indicated that it is not a transport priority for them as it is away from the north-south Nuneaton-Coventry-Warwick/Leamington development axis.

8.84. We reluctantly conclude that it would be inappropriate to recommend development within the Studley area in such circumstances. As any development in Stratford District west of the A435 accessed via Redditch ADR land would have such modest capacity that it would not be significant in strategic terms, we must conclude that provision should be made for around 3,000 dwellings for Redditch in Bromsgrove District. We agree, however, with Bromsgrove Council that the choice of locality around the boundary of Redditch should be locally determined whether at or adjacent to the Webheath/Foxlydiate or Brockhill ADRs or in the Bordesley Park area or in some combination of these possibilities or elsewhere. Once the volume of development and its location has been defined it will be essential for the authorities to work together on cross-boundary implementation. We welcome the indications from the authorities that this would be the case. As for the cross-boundary employment provision, that portion which cannot be accommodated west

of the A435 on the Stratford fringes of Redditch would need to be provided for within the development or developments agreed within Bromsgrove District. To enable the promised co-operation after the finalisation of the RSS, it will be important for the Core Strategies of the three Districts and particularly those of Redditch and Bromsgrove to be closely aligned in terms of their timetables and for there to be coordinated Examination of relevant aspects. We ascertained during the EIP that the Planning Inspectorate would seek to facilitate such action. In the longer term at the next review of the regional strategy under the SIRS provisions, we consider that the issue of the A435 to the south-east of Redditch should be given proper consideration so the merits or otherwise of development for Redditch in the Studley area can be assessed. In such a context, we consider that it would be entirely inappropriate for the Green Belt in Stratford-on-Avon District to be extended onto ADR land west of the A435 as canvassed in the draft Stratford-on-Avon Core Strategy.

8.85. Turning to the needs of **Bromsgrove District** itself, there was widespread agreement that the Preferred Option approach of only making provision for some 2,100 dwellings was wholly insufficient in terms of meeting local needs. Indeed there was essentially common cause between the District Council, the local MP and development interests that a significantly higher figure would be warranted provided that it is spread around ADR land at Bromsgrove town, Catshill, Wythall and other settlements in the district and not required to be located as urban extensions of either Birmingham or Redditch as suggested in NLP's options for some 5-7,500 additional dwellings. The Preferred Option figure compares to the 2006-based CCHPR need calculation of 9,900 and the NHPAU suggested distribution of their upper range figure of 9,600, meaning as at Stratford that there would be a very high apparent proportionate shortfall.

8.86. The Council considered that it could accommodate 4,000 dwellings without requiring significant Green Belt alterations through use of ADR land and use of rural exceptions policies for affordable housing at smaller settlements. The latter approach was endorsed by Alvechurch Parish Council, though Hagley Parish Council doubted whether there was really a case for recognising locally generated need. The overall provision sought by the District Council was not opposed by Worcestershire County Council and even accepted by CPRE. However, WMRA cautioned against making provision that would encourage migration from the MUA. The District Council argued that by careful targeting of housing provision requirements to the house types and sizes that would address locally generated need for small low cost houses rather than accepting market led executive housing, they could address this issue. Past evidence to the contrary arose from building-out old permissions. Such careful targeting is encouraged in PPS3. As a consequence, although there may be some doubt whether such an approach would be wholly effective in stemming migration and securing the extent of affordability sought, even taken with more strictly defined categories of affordable housing, we consider that the approach should be applauded and used more widely to address the issue of seeking to meet local needs. Consequently, we endorse the District Council's recommendation of provision for 4,000 dwellings at

locally determined locations in addition to the 3,000 dwelling provision needed to meet the needs of Redditch adjoining the town's boundary where Green Belt adjustment would be *required*.

8.87. The resulting figure would still be very far below the apparent need/demand. Tetlow King on behalf of Bromsgrove District Housing Trust, to whom the Council's social stock has been transferred, argued for the provision to be 7,100. In the circumstances we suggest that, as in Stratford-on-Avon District, the provision should be treated as requiring further review for the period beyond 2021 and the current Core Strategy completed on this basis. In the next SIRS Review of the RSS and a related review of the District Core Strategy, the region and the District should explore whether a further 2-3,000 dwellings could be sustainably accommodated within the District in the period 2021-2026 even if Green Belt review were then to be required. Such might be achieved through review and extension of the Longbridge AAP, further development on the edge of Redditch or a continuation of the strategy of additions to the main settlements in the District or elsewhere or a combination of such approaches.

8.88. The situation in **Wyre Forest District** has some affinities with that in Bromsgrove. The RSS Preferred Option figure is 3,400 compared to 8,100 CCHPR calculated need and the 7,200 NHPAU suggested distribution of their upper range. Again the Council argued that the provision figure should be raised to enable local need to be met more adequately and again such an increase was not opposed by Worcestershire County Council. The increase suggested was, however, only 400 dwellings, the same as suggested by NLP, with caution being expressed over significantly larger figures because of migration from the MUA.

8.89. At the District Council's Issues and Options stage in developing their Core Strategy DPD various options that in total might provide for higher numbers have been assessed. A reason for caution is uncertainty over the make-up of an envisaged mixed development on PDL at Kidderminster – the former British Sugar factory - and over the extent of housing that may be achieved on former employment sites after relocation to new employment areas. As a consequence, while we feel confident in following our normal approach of rounding up the provision in an area such as this to 4,000 dwellings, still with an evident substantial shortfall in relation to demographic need or demand, we were not presented with evidence to justify a substantially increased figure without the sustainability implications having been assessed. The modest uplift should help provide greater flexibility to secure affordable housing.

8.90. In summary, in North Worcestershire the increased provision that we recommend would amount to 15,000 as compared to projections of need/demand assessed in the ways indicated for previous sub-regions or areas which would range from 22,800 to 25,000. Clearly, on this basis even with the increases that we recommend, North Worcestershire would not be providing for migration from the MUA on the scale of past trends.

8.91. In southern Worcestershire, the situation around Worcester, designated as a SSD and a New Growth Point, is another variant from that at either Coventry or Redditch. Like these other towns, Worcester cannot

accommodate the proposed level of growth within its administrative boundaries. In this instance the three authorities concerned, **Worcester City Council, Malvern Hills and Wychavon District Councils** have agreed to prepare a Joint Core Strategy DPD. They were represented jointly at the EIP as the **South Worcestershire Authorities**. Although Worcestershire County Council drew attention to the informal basis of the joint Core Strategy agreement, they did not suggest that it would not be carried through. However, unlike in the case of Coventry where there was a clear agreement on the extent of cross-boundary housing provision to be made in two adjoining Districts, the disposition of the provision has not yet been agreed between the authorities. The authorities therefore pressed for the RSS to set the provision figure to be accommodated within the City but to leave the disposition of the cross-boundary developments for the Joint Core Strategy. The Preferred Option has provision figures of 10,500 (including cross boundary provision), 4,900 and 9,100 in the three authorities, i.e. a total of 24,500. This compares to indications of need/demand on the basis referred to in other areas ranging from 25,600 to 27,600.

8.92. Development interests suggested that higher provision would be possible within the City than the 3,200 referred to in the Preferred Option for reasons including a recent appeal decision on PDL and because there are areas of existing Green Belt in the north of the City that could be considered for development under the terms of the Preferred Option and which would not need to involve substantial infrastructure works. There would also be a City component in any south-eastern urban extension towards Norton junction on the Bristol-Birmingham railway where the authorities favour a strategic park & ride. Clearly in a RSS context, it would be inappropriate to consider such matters in detail but we note that the draft Joint Core Strategy Preferred Option indicates a capacity in Worcester of over 3,500 so we recommend that at least that number should be the required provision for that authority.

8.93. In terms of cross-boundary developments to serve Worcester, the draft Joint Core Strategy indicates expectations of a 3,500 dwelling urban extension to the west of the City in Malvern Hills District, a 3,000 dwelling urban extension to the south-east that would be partly within Malvern Hills, but also partly within the City and partly within Wychavon District and 500 dwellings at Fernhill Heath on non-Green Belt land to the north in Wychavon District. DLP for Bloor Homes and Hallam Land Management, prospective developers for the envisaged western urban extension, indicated that they considered that the full capacity for such an urban extension might be 5,000 dwellings and that a first phase of some 500 dwellings could be got underway at an early date as it was regarded as capable of being served with the public transport improvement scheme already programmed and funded (661/1). The full scheme would involve provision of a western distributor road and contributions to secure relevant infrastructure, social as well as transport, but would not fund the whole cost of transport infrastructure envisaged as necessary including an additional river crossing. A WYG study had concluded that a western extension of the City would be most sustainable and best in landscape terms.

8.94. Worcestershire County Council confirmed the initial 500 dwelling assumption, though because they consider that there is an infrastructure funding gap, pointed out that if this could not be bridged then development might need to be halted at that point. The County Council submitted a study detailing the make up of the perceived infrastructure funding gap (117/3 and 117/4). We pressed GOWM over the issue of infrastructure funding. Although accepting that the funding position was tight and would remain so, GOWM were confident that funding sources would be forthcoming for necessary transport infrastructure bearing in mind that part of the 'gap' derives from social infrastructure that is not needed up front but rather in parallel with development. Lower Broadheath Parish Council expressed concern over the western extension plans as they would diminish the gap towards the village contrary to existing local plan Policy DS17, though the South Worcestershire Authorities pointed out that the relevant policies contained a caveat concerning not precluding the strategic expansion needs of the City. At the EiP, the Parish Council stressed the traffic congestion caused by inadequate river crossings and the concentration of employment sources on the east bank of the River Severn. In their representations the Parish Council pressed for any urban extension to be confined to 500 dwellings. DLP drew attention to land acquisition by the University of Worcester in the locality of the western urban extension, though it was suggested by the Parish Council that this was simply a long-term contingency reserve.

8.95. To the south-east little detail was available of the actual form of development envisaged. The authorities accepted that the strategic park and ride station at Norton junction was a long-term aspiration but suggested that the urban extension might be accompanied by a local station closer in to the City. Other infrastructure requirements were also envisaged as the locality is close to the current single carriageway southern relief road bridge over the River Severn. This is said to require dualling for either or both the western and south-eastern urban extensions.

8.96. To the north, Sir Bert Millichip Sport Limited illustrated a much larger sports and leisure based development at Fernhill Heath (144/3). This would provide for up to 2,650 dwellings together with transport infrastructure but would involve use of Green Belt land for some 650 of the dwellings. The current Core Strategy Preferred Option does not include Green Belt release, despite the permissive stance of the RSS Preferred Option. Although there are some key land-owners, substantial land assembly is indicated as being involved. The consequence of all the issues related to the prospective urban expansions for Worcester is that the South Worcestershire Authorities suggest that their housing trajectory would need to provide for the major developments coming forward in the latter part of the plan period. We would simply comment that, as elsewhere, relatively early commitment for some or all of the urban extensions canvassed may be necessary to enable pre-planning of up-front infrastructure works, consent procedures to be carried through and funding streams identified so that actual delivery is achieved within the plan period.

8.97. Further afield, the draft Joint Core Strategy indicates intentions to provide for development at main settlements such as Malvern, Evesham,

Droitwich and Pershore. Again there were suggestions that late phasing might be required to allow for as yet not wholly funded infrastructure, although this was disputed by development interests whose aspirations otherwise appeared largely reflected in the draft proposals. At Droitwich attention was drawn by Crest Strategic Projects to the possibility of a larger urban extension involving Green Belt as well as safeguarded land. However, even use of the safeguarded land was strongly opposed in some local representations. Use of employment land at Droitwich was also canvassed, but none of these matters appeared of regional significance and can be safely left to the Core Strategy. There were developer-led suggestions for higher provision in general on grounds similar to those advanced in relation to the southern Warwickshire authorities. But, again it would seem the GVA argument relates essentially to footloose long-distance commuters or home-workers rather than particular employer needs. The key QinetiQ research centre at Malvern appeared not necessarily to be likely to experience job growth and overall, if taken together, from evidence provided by Worcestershire County Council the economically active/jobs balance in the three authorities appears essentially neutral. The authorities stressed the low-level of locally generated housing demand and the extent of long-distance retirement migration, which does include a significant component from the MUAs as well as from further afield. However, as in respect of Stratford-on-Avon District, a ZNM-based approach would not necessarily deflect demand.

8.98. One specific suggestion for either increasing overall provision or as a sustainable means of addressing that contained in the Preferred Option is that put forward by GVA Grimley on behalf of QinetiQ of a new settlement on Throckmorton Airfield near Pershore (401/1). Although initially put into the Eco-town consultation, with an intended size of only 2,500-3,000 it is below the 5,000 home minimum threshold level in the PPS so was not taken forward. However, the option of a new settlement was canvassed at the Issues and Options stage for the Joint Core Strategy and seemingly rejected primarily because of the hostile phraseology in the RSS at paragraph 5.17 which was reinforced in the conformity advice from WMRA. In our recommendation in Chapter 2 we recommend amendment to the supporting text that would enable the principle of new settlements to be considered where they would be at least as sustainable as other forms of development.

8.99. In such a context, as at Middle Quinton the PDL does not appear particularly "brown". However, the site is likely to fall with the PPS3 definition of brownfield land. In favour of Throckmorton is that it is reasonably closely related to one of the main settlements in Wychavon district, namely Pershore. Although it would be unlikely to meet the Eco-towns PPS transport criteria of *homes being within 10 minutes' walk of frequent public transport* many would be within 2 km of Pershore station and the Councils are pressing Network Rail to extend the re-twin tracking of the Cotswold line over the Pershore to Norton Junction section to facilitate more frequent services. However, if seen as an urban extension of Pershore it would mean that settlement, which is already widely spread from river to rail-station, would be further attenuated. The sustainability of such a concept in comparison with more compact urban extensions, particularly those around Worcester, is not proven. As a consequence, we

do not consider that it would be justifiable to increase the provision to make explicit allowance for the Throckmorton development, but it may be an option that would warrant consideration, particularly if one or more of the urban extensions under consideration at Worcester proved not to be feasible.

8.100. The general concern of the South Worcestershire authorities over need to include an allowance for windfalls in their housing provision is another reason for being cautious over significantly raising the overall provision level. This issue arose in other localities, but as we conclude in Chapter 4 we do not believe that there is justification for the RSS to create a general exemption from the advice of PPS3. This clearly states that explicit inclusion of windfall allowance in provision figures can only be sanctioned at the DPD stage where justified by evidence. However, as explained in Chapter 4, we do believe that authorities have misunderstood the import of the PPS3 provisions. They do not require the identification of all sites for the full 20 year plan period, but only for 10 years, and windfall completions will be counted in progress on securing implementation of housing trajectories. Nevertheless, higher overall provision would of course require larger areas of land to be explicitly identified.

8.101. We note that in the draft Joint Core Strategy Preferred Option not only have Worcester City identified a higher figure than that specified in the RSS Preferred Option, but that the other two Districts have also identified means of achieving slightly higher provision. Thus, we consider that those components should be rounded up so that the Worcester figure becomes 11,000 and those for the other two districts are also rounded up to 5,000 and 9,500 respectively to give an overall total for the South Worcestershire Authorities of 25,500. This would be broadly in balance with the need/demand, and no more radical increases should be sought while there remain unresolved infrastructure funding issues. CPRE highlighted the high risk of a strategy of focussing development on Worcester. Given that Fernhill Heath where part of the Worcester City development is already contemplated is not contiguous with the built-up area of the City, the references to the cross-boundary provision in Table 1 of Policy CF1 and Table 4 to Policy PA6A should be in terms of *“adjacent to or in the vicinity of the City of Worcester”* for both housing and employment provision. This would convey the indicative intent but give some flexibility to respond to issues in working-up the various possibilities. For the same reason, although we note that the current draft Joint Core Strategy does not involve use of Green Belt land, we consider that the option for use of Green Belt land to secure the most sustainable form of development should be retained as in the RSS Preferred Option. Given the extent of opposition to different elements of the emerging Core Strategy, we are concerned that there could be delay to agreement on any direction of growth, thereby delaying the sought for action on infrastructure provision. Thus we feel it necessary to give a limited steer to provide a minimum of guidance for working up the Joint Core Strategy. As indicated we propose requiring a minimum of 3,500 dwellings in the City. Beyond this we propose not less than 3,500 dwellings in Malvern Hills District to enable a start to be made on a western urban extension with the remainder of the provision for Worcester (4,000 dwellings) to be

distributed between the City, Malvern Hills and Wychavon Districts in accordance with the Joint Core Strategy. Such requirement would not predetermine the size of a western urban extension and would still provide considerable flexibility as to whether there would be two or three significant urban extensions to the City.

8.102. We note the request of the South Worcestershire Authorities for the reference to Green Belt review in the supporting text to authorise extension of the Green Belt around Worcester, a request supported by the CPRE and others, but we are not convinced that this would be justified. The Green Belt between Droitwich and Worcester already extends further from the metropolitan conurbation margin than is generally the case to the south-west. To impose a Green Belt around Worcester with boundaries simply reflecting development needs until 2026 as perceived in 2009 or 2010 would be building unnecessary policy inflexibility into consideration of future needs or responding to infrastructure issues. To us it would be contrary to the spirit of the New Growth Point designation.

8.103. As a detail on housing provision, RPS representing the North Tewkesbury Land Consortium, prospective developers in the Mitton Bank area, advocated adding a caveat to the provision for Wychavon to the effect that it does not include cross-boundary provision for Tewkesbury which should be seen as additional. The general point was also made that as Tewkesbury HMA overlaps into Wychavon, it would also be legitimate to make provision for its needs in the West Midlands. However, Gloucestershire County Council argued against encouragement of development in this locality and a number of nearby parish councils also expressed concern over potential traffic implications (450/1 and 577/1). It seems to us that this is essentially a local planning or even development control issue. If such development were to be granted planning permission we can understand the logic of the RPS case, but this appears by no means assured. Consequently, all that we can recommend is that authorities co-operate on cross-boundary issues in the Tewkesbury area to facilitate the most sustainable provision to meet Tewkesbury's housing need, much as we subsequently advocate in the Burton/Swadlincote area.

8.104. One final point requires addressing in relation to South Worcestershire. This is the policy backing required for the proposed relocation and expansion of Worcester Bosch from a 7 ha site in Worcester to a 30 ha site east of M5 Junction 6 in Wychavon District. AWM strongly supports this move as it would not only preserve 1,200 jobs but open up the prospect of 1,900 additional jobs in the developing Green Technology manufacturing sector that they wish to promote. Originally it was suggested that the proposed site would be a RIS in the HTC, but in order to avoid competition with the proposed Longbridge RIS, which has already been approved in the Longbridge AAP, it is now suggested that it should be regarded as a sub-regional employment site. These are not normally explicitly named in RSS. CPRE and others indicated their opposition to development across the M5 from Worcester, suggesting instead use of the PDL land at Kidderminster (the former sugar beet factory) already referred to as intended for mixed development. AWM argued that this would not be acceptable as the local labour-force is at Worcester. Thus, we consider that explicit reference to the proposal in the RSS would

exceptionally be justified. Our sub-regional recommendations for Worcestershire are set out as **R8.20**.

8.105. Development interests further argued that the 5-year employment land reservoir would need adjusting to reflect the net consequences of this re-location since otherwise there could be a dearth of employment land for other purposes. It was agreed by the South Worcestershire Authorities that this relocation was not taken account of in the figures and there was general agreement that a development on this scale should not just be regarded as an exception in development plan terms. However, WMRA suggested that the solution would be to add a footnote to the 5-year employment land reservoir figures for the relevant authorities to indicate that this relocation has not been factored into these figures as it would create a short-term distortion in overall requirements. Thus, implementation would still leave the required reservoir unchanged for general purposes and in the long-term the grossed up figure should still be broadly accurate as it would contain periods of both high and low take-up. We conclude that a reference in the RSS in these terms is also justified and we recommend accordingly in Chapter 5.

Southern & Eastern Staffordshire

8.106. This section completes the circumnavigation of the West Midlands conurbation. For the most part the issues were not as keenly contested as those on the southern fringes of the conurbation. The aggregate housing provision, even as proposed in the Preferred Option at 69,750, exceeds the indications of need/demand that we have been considering in relation to the sub-regions, which range from 66,800 to 68,400.

8.107. In relation to **South Staffordshire** District, where the Preferred Option provision is for 3,500 dwellings against a need/demand figure of 6,000 dwellings, there was some development interest in advocating higher provision. However, WMRA, the Council and the Black Country Consortium regarded the Secretary of State's recent decisions on four appeals for developments on Green Belt land or other edge of settlement land, in some cases with specific policy provision in the former Staffordshire & Stoke Structure Plan, as conclusive evidence that the urban renaissance strategy of the RSS, and particularly that for the Black Country as endorsed after the Phase 1 Revision in January 2008, should not be challenged through additional provision in the adjoining areas. The evidence of Wolverhampton MBC to those Inquiries on the reality and adverse consequences of short range migration was cited as compelling justification for continuing to stand firm against such developments beyond the conurbation boundary. As the Council were satisfied that local affordable housing needs would be able to be met within Green Belt settlements, through rural exception policies or by development beyond the Green Belt, we can see no basis for departing from such recently expressed views of the Secretary of State. We therefore make no recommendations for any change in respect of provision in this District. We note the arguments concerning RLS provision but address these in Chapter 5.

8.108. The situation with regard to **Cannock Chase** district is very similar. In this case again the Preferred Option figure of 5,800 is well short of the estimates of need/demand used for comparative purposes,

which in this instance all show 9,000. The authorities indicated that a joint study had been commissioned by the three authorities around Cannock Chase SAC with Staffordshire County Council to establish whether the Preferred Option provision proposals would have any adverse effect on the integrity of the European site under requirements of the Habitats Directive. The potential adverse effects concerned air quality, the water environment and visitor pressures. A precautionary approach, pending clearance from such a HRA, and to ensure full compliance with the SEA Directive has led to our recommendation in Chapter 1 for incorporating a revised Policy SR4 into the RSS. This would enable reduction of provision targets if no other means of securing avoidance of such effects after allowing for mitigation could be devised including by adjusting the figures between districts. St Modwen pressed the merits of safeguarded land west of Pye Green Road and indicated that they had carried out a HRA assessment themselves (454/1). The Council pointed out that such an assessment can only be undertaken by the competent authority, but nevertheless indicated that the land in question is included in their SHLAA with an expectation that it will be included in their Core Strategy DPD as a development site to make up part of the RSS provision.

8.109. Gough Planning on behalf of KGL Estates canvassed the merits of land adjoining a business park that had been developed near the A5 to co-locate jobs and housing. However, regardless of the merits of that argument, the land is in the Green Belt and in the light of the Secretary of State's conclusions concerning the sites in South Staffordshire nearby, we can see no justification for considering additional provision on Green Belt land. Moreover, given the terms of Policy SR4 as revised, we do not consider that it would even be appropriate to round up the Preferred Option figure since it could prove necessary for that figure to be reduced.

8.110. The only reason to change the Cannock Chase figure would be to make a technical alteration to introduce consistency in the treatment of cross-boundary provision. Generally the footnotes to Table 1/Policy CF3 allocate the provision to the District/town from which it derives. However, in the case of Rugeley in Cannock Chase District, the reference to provision being possibly required after the outcome of further studies is known is made in relation to Lichfield District. At the EiP we explored the scale of development required for the cross-boundary provision to meet Rugeley's needs. It was agreed between Cannock Chase and Lichfield District Council that provision was being made in the draft Lichfield Core Strategy DPD for some 1,060 dwellings, including commitments, adjacent to the District boundary at Rugeley. For consistency we therefore recommended that the Cannock Chase District provision figure should be increased by 1,000 with a note that of the new total, 1,000 will be provided within Lichfield District adjacent to the boundary at Rugeley. Other issues were raised relating to employment provision – business, retail and logistics but these are addressed in Chapter 5.

8.111. A similar caveat is expressed for **Tamworth Borough**, namely that cross-boundary provision in Lichfield District may possibly be required to meet the needs of the town after the outcome of further studies is known. The Phase 2 Preferred Option only indicates provision for 2,900 dwellings for Tamworth because of the very tight boundaries of the

Borough, although the need/demand on the same basis as indicated for other localities would be around twice that level.

8.112. The Issues and Options stage for the Tamworth Core Strategy DPD indicates various options for meeting the Phase 2 figure (385/1-2). These indicate that provided that the long-intended Anker Valley development just to the north of the town centre can be realised, the Preferred Option figure can be comfortably achieved. However, there are heavy infrastructure costs including a new crossing of the West Coast Main Line (WCML) which could render the development non-viable. Barton Willmore on behalf of the prospective developers argued that the development can be viable provided that artificial constraints are not imposed on the capacity of the site, as has been the case in the past when higher numbers were identified on PDL. Boyer Planning on behalf of Taylor Wimpey controlling land to the north of Tamworth in Lichfield District, where the former Staffordshire & Stoke Structure Plan made provision for 1,000 dwellings, argued the merits of that land. What seemed lacking was a comprehensive approach to the development of land to the north of Tamworth involving both that within the Borough and that within Lichfield District, bearing in mind that the development areas could be contiguous. Unlike in the case of Rugeley and the cross-boundary provision for Cannock Chase District, Lichfield District Council has not made any provision to serve Tamworth, not even carrying Structure Plan provision forward. At the EiP Lichfield District Council stated that the 400 dwellings indicated at Fazeley to the south-west of Tamworth are to serve the local needs of Fazeley.

8.113. The Preferred Option simply indicates that the issue of providing sufficient housing for Tamworth should be settled by a joint study involving Tamworth, Lichfield and North Warwickshire Borough councils. It is argued that as any provision is anticipated as being long-term, it could be met from flexibility within the Core Strategy. Given the state of play on the preparation of Core Strategy DPDs for the three authorities, this seems most unsatisfactory as there is no guidance for the completion of the Core Strategies in terms of cross-boundary provision. The North Warwickshire Issues and Options Core Strategy consultation does raise the issue of a possible need to make provision for housing for Tamworth within that District. However, leaving aside the small numbers that might be accommodated west of the M42 as an extension of the existing built-up area (numbers that would not be significant in strategic terms), the document is drafted in a manner that discourages consideration of housing for Tamworth on the east side of the M42. Comment is made that this would not be well related either to Tamworth because of the barrier of the M42, or to settlements within North Warwickshire. This is consistent with the representations of North Warwickshire Borough Council on the Preferred Option that a failure to realise the Anker Valley development would lead to pressure for additional development in North Warwickshire.

8.114. The Tamworth Issues and Options document indicates that without the Anker Valley development, consideration could be given to Green Belt land further from the town centre to the south in the Dosthill and Hockley areas. It suggests that if all greenfield and Green Belt land were to be developed together with increased densities throughout the

Borough through urban renewal, a theoretical maximum capacity would be 5,500 dwellings. GOWM urged the Panel to give clear indications of cross-boundary provision to guide DPD production. On the basis of the evidence before us, as there are so many imponderables that make realisation of the theoretical maximum capacity unlikely, we can only suggest rounding-up the Tamworth figure to 3,000 and indicating that this should be a *not less than* expectation in order to facilitate the viability of the Anker Valley development. Barton Willmore indicates that this development has been considered for up to 1,400 dwellings. Beyond this, in line with the previous adopted Staffordshire and Stoke Structure Plan proposal, we propose that cross-boundary provision should be made for at least 1,000 dwellings to serve the needs of Tamworth to the north of the town in Lichfield District. Any remaining need/demand arising from Tamworth that cannot be met within the borough and a northern extension would have to be met elsewhere. On this basis we can see no current justification for recommending that *significant* Green Belt release *may be appropriate* in relation to Tamworth. However, should the Anker Valley development still prove non-viable, notwithstanding our recommendations, that matter would need to be reconsidered.

8.115. Turning to **Lichfield District** as a whole, the RSS Preferred Option makes provision for some 8,000 dwellings as compared to estimates of need/demand on the basis indicated for other areas of 8,400-9,000 dwellings. Leaving aside provision expressly for Rugeley and Tamworth, the draft Lichfield Core Strategy Preferred Option (463/3) indicates an intention to make provision across the District proportional to the scale of its settlements. This involves urban extensions at Lichfield, including 1,650 dwellings to the south partly on ADR land but with 1,100 on Green Belt land and some 850 to the north-east at Streethay and urban extensions to Burntwood, the second largest settlement in the District involving up to 750 dwellings on Green Belt land. Amongst provision at smaller settlements, 1,000 dwellings are indicated to form an extension of Fradley on land previously permitted for warehousing as part of the Fradley airfield development. In the light of the advice of GOWM, development of Green Belt land on the scale proposed at Lichfield and Burntwood must be regarded as a strategic issue. It is not for us to enter into considerations rightly for the Core Strategy Examination as to whether the extent of Green Belt development at Lichfield south is justified to secure infrastructure or might be reduced at Burntwood if more PDL/employment land were to be re-allocated. However, we are satisfied that it would be right for the RSS to indicate that Lichfield is a District where Green Belt release *may be appropriate* in order to secure the most sustainable pattern of development. Otherwise needs of communities in the southern part of the District may not be able to be met.

8.116. The main controversy centred on the way in which development should be taken forward in and around Lichfield. Pegasus Planning on behalf of various developers argued for spreading development as various urban extensions on the edge of Lichfield including the southern and Streethay proposals. The last was claimed to have greater merit than the Curborough Consortium proposals for a new settlement (508/1-8) that were advocated by RPS, because Streethay development would be in close

proximity to Lichfield Trent Valley station where a strategic park and ride provision is sought in the RSS. Pegasus criticised alternative proposals for a park and ride further north in the vicinity of the Hilliards Cross A38 junction. That location for a bus-based park and ride and any ultimate provision of a station in that locality would be well away from currently proposed housing. Streethay was also claimed to be clear of any effect on the setting of the historic town centre and cathedral.

8.117. The latter advantage was also claimed by RPS for the Curborough Consortium new settlement proposals which, although busway links would be provided to link up with the city and the station, would primarily occupy greenfield land west of the former airfield. This contrasts with the Fradley new settlement proposals that were endorsed in the previous Staffordshire and Stoke Structure Plan. These were envisaged primarily on the PDL of the airfield, and like the Streethay proposal, close to the A38 and the Lichfield to Burton-on-Trent railway line. The Curborough Consortium proposals were subject of a current planning application at the time of the RSS EiP, the Consortium having withdrawn their proposals from the Eco-town consultation to pursue them through conventional planning procedures. Barton Willmore for the developers of the Fradley warehousing complex simply endorsed the Lichfield Core Strategy DPD draft Preferred Option proposal for 1,000 additional dwellings on airfield land.

8.118. CPRE expressed concern over the prospective use of Green Belt land but also over the effect on the historic character of Lichfield from such extensive peripheral development as envisaged in the draft Core Strategy Preferred Option. They argued therefore for lower provision. The Lichfield Civic Society indicated that they too were concerned over this issue and remained of the view that the best solution for meeting the long-term development needs of the Lichfield area is development of a new settlement on Fradley airfield (311/1). This proposal had arisen out of comprehensive studies, had been endorsed by the Panel examining the most recent Stoke & Staffordshire Structure Plan and included as a proposal in the adopted version of that plan. The Society stressed however, that the Fradley proposal embodied in the former structure plan is not the same as a current Curborough Consortium proposal and that in its view the Fradley airfield new settlement proposal is to be preferred.

8.119. The reasons for the non-realisation of the Fradley airfield proposal and its non-carry forward into the RSS appear complex and include a lack of identified need in the past as sufficient provision was possible without embarking on a new settlement. This, as well as the RSS Phase 2 Preferred Option antipathy towards new settlements appears still to be a factor. The WMRA view on the Curborough proposals is that to commit such a proportion of the District provision to a new settlement could mean that there would be insufficient provision available to meet local needs across the District. This is also a view expressed by the District Council in justifying the non-inclusion of a new settlement in the draft Core Strategy Preferred Option. Transport considerations may also have been influential as there appears to have been an underlying concern over the issue of additional traffic on the A38 and the original rail aspirations to extend passenger services along the Lichfield to Burton line have not progressed. However, the HA was relatively re-assuring over the A38 situation. While,

as throughout the region stressing that any solution to particular issues would need to be derived through the DaSTS process, they indicated that there could be solutions to particular problems at junctions and that the overall capacity of the corridor was under review. Indeed there was an implication that development that might secure a contribution towards improving the sub-standard Hilliards Cross junction might be beneficial as the old permission for the Fradley warehousing did not require improvements.

8.120. With regard to rail, Network Rail could now point to the firm proposal in the Route 17 Plan and National Strategic Freight Network to re-open the line from Stourbridge to Walsall and Lichfield for freight traffic. While this would not automatically further the extension of passenger services between Lichfield and Burton, with the latter now being a SSD and NGP prospects seem likely to be higher for achieving this in the second half of the plan period. Securing action in the first part of the plan period seems unlikely as the freight line reopening is only envisaged around 2014 and to cope with electrification for passenger services, re-signalling would be required and almost certainly additional rolling stock beyond that already envisaged as necessary to increase the frequency of services to Redditch and extend cross-city services to Bromsgrove in the south. What seems most striking to us is the lack of cooperation between the land-owners and prospective developers around the northern edge of Lichfield. Rather than working together to secure the optimum sustainable form of development each appears to seek to concentrate development on land under their control.

8.121. In the circumstances and bearing in mind our subsequent conclusions concerning East Staffordshire and Burton-on-Trent, we consider that the Lichfield District provision figure should remain at 8,000, notwithstanding the cross-boundary provision we have recommended of 1,000 being added to the Cannock Chase provision for Rugeley in Lichfield and at least 1,000 to the Tamworth total for development in Lichfield to the north of Tamworth. This would in effect represent an increase of at least 2,000 dwellings for Lichfield District. We can see no reason to differ from the conclusions of the Panel that examined the Staffordshire and Stoke Structure Plan on the most sustainable form of development in the Lichfield area, although we recognise that new variants for potential forms of development have emerged more recently. With the 1,000 dwellings already envisaged at Fradley and 850 envisaged at Streethay, the effective increase in provision would enable consideration of the optimum means of securing the most sustainable form of development to the north-east of Lichfield for up to 4,000 dwellings within the plan period, be that as an urban extension or a new settlement (or indeed a combination). Location of development to the north-east of Lichfield would minimise risk to the urban renaissance strategy for the conurbation and would relate well to the SSD designation of Burton-on-Trent. Given that transport enhancements seem more likely to be achieved in the second half of the plan period, the recommended provision should not preclude the possibility of a larger linked development generating completions beyond the plan period. We would expect such a proposal to become a firm commitment once the optimum comprehensive form has been devised rather than being always something for the future. The latter is no way in

which to plan for securing appropriate infrastructure. We recommend accordingly at **R8.21**.

8.122. In **East Staffordshire** district, the RSS Preferred Option is 12,900 as compared to estimates of need/demand ranging from 11,500 (CCHPR) to the 14,400 suggested by NHPAU in their distribution of their upper range figure. NLP recommended additional provision of between 2,500 and 5,000 dwellings. The Council maintain that the Preferred Option figure fully takes account of the New Growth Point status of Burton-on-Trent. The indicative provision of 11,000 dwellings for Burton is the highest figure that is considered realistic given the constraints that are applicable and the nature of the local economy. In this the Council were supported by CPRE and the Burton upon Trent Civic Society with the former advocating lower provision. EA stressed the serious flooding constraints, at one point suggesting even that use should not be made of PDL near the town centre, though EA subsequently agreed that strict application of the tests and requirements of PPS25 would suffice.

8.123. Within the RSS Preferred Option there is reference to the potential of the Drakelow power station site to meet needs of Burton although it is located within South Derbyshire District immediately adjoining the district/county boundary to the south-east of the town. DLA on behalf of the predominant owners, EoN UK, indicated that the site is being promoted for a mixed use scheme including over 2,200 dwellings. Attention was drawn to the text references to the need for co-operation over that development across the regional divide in the newly published version of the EMRSS. While the Civic Society saw use of that land as a means of relieving pressure for other development in or adjacent to Burton, the Bridge Farm Partnership with landholdings to the north-west of Burton questioned how the WMRSS could make binding provision in another region given that the South Derbyshire Core Strategy DPD would have to be in general conformity with the EMRSS. South Derbyshire District Council confirmed this view and indicated that the development potential of the Drakelow site should be seen as meeting the provision needs of Swadlincote in South Derbyshire. We did not perceive the railway line between the site and the adjoining part of Burton-on-Trent as a significant barrier and the SHMAs for Burton and Swadlincote clearly overlap. Consequently, development on the Drakelow site would clearly serve both towns. However, we cannot but agree with the view that the West Midlands RSS cannot make provision for development in another region for the West Midlands. This applies particularly if the purpose of such provision is not agreed between all the relevant authorities. Nevertheless, the EMRSS encouragement of cross-boundary co-operation can and should be repeated in the WMRSS.

8.124. RPS sought to ensure that there is sufficient provision for the remainder of the District outside Burton, referring particularly to the potential at Uttoxeter. However, Stoke-on-Trent City Council cautioned against too much provision in the north of the District in the first part of the plan period until the fragile housing market in the Potteries has been restored to health. AWM also referred to the narrow range of employment sectors available in the Uttoxeter area. The general view was that the RSS Preferred Option provision for the rest of the District is sufficient.

8.125. In the light of our consideration, we see no case for making significant changes to the provision for East Staffordshire. Consequently we simply recommend rounding up the district figure to 13,000 while leaving the indicative figure for Burton as 11,000. These figures seem adequate to us to address the likely level of need/demand in the locality, particularly bearing in mind the prospective development on the Drakelow site.

8.126. In opening the discussion on **Stafford Borough**, both WMRA and the Council agreed that the RSS Preferred Option figure of 10,100 should be increased by 900 to 11,000 to honour the commitment given by the Council in the second round of New Growth Point designations. This came too late to be taken on board in the RSS. The resultant 11,000 compares to figures of need/demand variously put at between 9,600 and 11,000 on the measures noted elsewhere. NLP suggested consideration of between 1,500 and 3,000 additional dwellings.

8.127. The work undertaken by the Council on the Issues and Options stage of the Stafford Core Strategy DPD indicates that there are options for substantial development in all quadrants around the town. Development in at least two of these directions would probably be required to meet the corrected RSS Preferred Option figures. There appears substantial agreement over development to the west of the town centre within the line of the M6. Here the necessary road infrastructure has been included in the Regional Funding Advice. To the north, both the HA and the County Council indicated that there are no significant infrastructure issues as a means of overcoming queuing on the M6 at Junction 14 had been devised. Cresswell Parish Council stressed the problems caused by queuing on the A5013 at this junction and there was general agreement that Stafford suffers from the incomplete nature of the eastern distributor road and the absence of the long proposed southern distributor so that large parts of the town can only access M6 Junction 13 via the town centre. In addition to town centre congestion, this adds to pressures on Junction 14. Further development to the east of the town without completion of the outstanding distributor links would add to this pressure. Stoke-on-Trent City Council also expressed concern over development north of the town. In the short-term pending the restoration of the housing market in the Potteries, substantial additional development in Stafford Borough could harm the fragile market. On further examination this concern seemed primarily directed against major development at Stone or settlements closer to Stoke and it was accepted that development on the northern fringe of Stafford could be contained. Nevertheless, having regard to these considerations, the northern fringe of Stafford is not necessarily an optimum location despite being regarded as feasible in infrastructure terms.

8.128. A scheme for completing the eastern distributor road had been around for many years, but it would involve costly bridge works and only release limited additional development land. Consequently, its form might require reconsideration if it is ever to be realised. As for the southern distributor, probably the most crucial of the missing transport links, this would involve a road passing across the flood plain of the river Penk and over the Staffordshire and Worcestershire Canal with most of the development potential being not within Stafford Borough but within South

Staffordshire District. EA points out that to avoid harming the functional flood plain, substantial lengths of viaduct would be required. The prospective developers, while advocating developing a southern urban extension that would be served by such a distributor road and indicating that the development would contribute to the cost of the road, did not suggest that the development would enable full funding for the road. Moreover, South Staffordshire Council drew attention to the possible harmful impact of the road on the setting of nearby villages and the fact that part of the development would be close to the Cannock Chase SAC. The outcome of the joint HRA/SEA exercise would be required before acceptability in relation to the SAC could be established. South Staffordshire's overall position was that it was willing to take part in a joint study of the optimum directions for growth around Stafford, but for the moment the Council remained to be convinced that it should involve land within South Staffordshire. In short, although a southern extension would seem to confer many advantages, there are unresolved issues over funding of infrastructure and indeed over the principle of the acceptability of cross-boundary development. We conclude that we can only refer to the possibility that some of the Stafford Borough provision could be undertaken cross-boundary within South Staffordshire should this be the agreed recommendation of the proposed joint studies.

8.129. Overall, we conclude that the provision figure corrected to 11,000 for Stafford Borough should meet the Borough's needs, with an indicative figure of 8,000 (rounded up after the Boroughwide increase) for Stafford appropriate to its NGP and SSD status. Numerically we are satisfied that this provision *could* be accommodated within Stafford Borough. However the unresolved issue of where urban extensions should be directed after the proposed western development suggests that significantly higher general provision could be problematic. Therefore, aside from the separate issue of MoD related housing considered below, we see no case for requiring additional provision on the basis of the suggestions made by NLP.

8.130. A further issue is raised by the request from the MoD for provision to be made to accommodate 1,000 additional service families on their return from Germany over the plan period as part of a total of 2,000 envisaged as relating to the establishment of '*super-garrisons*' at Stafford and RAF Cosford in Shropshire. Further provision might be required to complete the process over the period up to 2035. The position of the Council is that although they welcome the enhanced role of Stafford as a garrison town, they envisage the MoD requirement being able to be met within the NGP increased provision figures of 11,000 and 8,000 respectively for the Borough and the town. We sought to establish the extent to which this repatriation of forces personnel from Germany is taken account of in the household projections. Both GOWM and WMRA agreed that at a national level the return is taken account of, but that it is not apportioned in any real sense to regions in accordance with actual destinations and thus is certainly not in the disaggregation of the projections to district level.

8.131. Developers suggested that that the MoD requirements could not therefore be argued to have been taken into account in devising the Preferred Option provision. Moreover the housing provided for returning

defence personnel would not become part of the generally available stock and should therefore be regarded as extra. Defence Estates made clear that they would be looking for relative concentration of the families so that they could provide mutual support. Thus, simply taking the requirement into the anticipated provision for the District, as suggested at Wolverhampton in relation to Cosford, is unlikely to meet with favour although it was accepted that not all of the provision will need to be on or adjacent to the bases. At Stafford the MoD is likely to have surplus land on which some 400 dwellings might be provided to the east of the town near the base. Defence Estates indicated that MoD would accept the need to contribute towards infrastructure requirements in the same way as any other developer.

8.132. In the light of what we heard, we consider that the 2,000 should be added to the regional provision requirement, though we will do this as a global addition at this stage because the MoD could not be definitive on the final split between Stafford, the vicinity of Cosford and Donnington in Telford. Nevertheless, the Council needs to recognise the likelihood that there will need to be around 1,000 additional dwellings at Stafford, probably mainly or wholly on the east side, over and above the corrected RSS Preferred Option figure.

8.133. Our sub-regional recommendations for Southern Staffordshire are set out as **R8.21**.

Telford & Wrekin

8.134. The provision in Telford and Wrekin Council's area and within Telford itself is far and away the largest for all non-metropolitan authorities. At 26,500, with an indicative figure of 25,000 for Telford, it is substantially above the need/demand estimated by CCHPR at 14,700, or indeed the NHPAU figure of 20,400, which is not a calculation of need but a suggested distribution of their upper range figure. Notwithstanding this apparent substantial surplus, NLP suggested that an additional provision of 5,000 to 10,000 additional dwellings should be made.

8.135. The reason behind the NLP suggestion is the large remaining landholdings of HCA (formerly English Partnerships) which they consider could be made available. An explanation was given of the recent low rates of completions in Telford. It stems from the temporary withdrawal of English Partnerships land from the market during a re-masterplanning exercise and there was confidence that rates of delivery would now recover. However, the Council argued that it would be wholly unrealistic to expect further increases beyond the very substantial increase required to achieve the RSS Preferred Option. Moreover, because Telford and Wrekin already have an adopted Core Strategy, but one that only runs to 2016 in order that it could be judged sound, work is at an earlier stage than in many other West Midlands authorities in reviewing that Core Strategy in order to roll it forward to 2026. To date as yet incomplete SHLAA work has only identified sites for around 21,000 of the 26,500 provision required by the RSS. Another reason for exercising caution is some concern over the future rate of jobs growth to match the additional housing provision. The recession had seen job losses and some prospective closures amongst the manufacturing base of the economy. The Council and AWM are confident that there will still be employment

growth, building upon well established high-tech manufacturing base, so that Telford would remain a net importer of labour. However, past growth had derived to a significant extent from inward investment. It was thought that caution should be exercised in forecasting any continuation of high levels of inward investment in the future.

8.136. Harworth Estates represented by RPS canvassed the suitability of land west of Lawley beyond existing commitments and Barton Willmore referred to sites north of Telford. It became apparent that at least part or if not all of the land referred to might be required to achieve the Preferred Option requirement. Suggestions were also made that there might be scope to achieve greater development in areas currently designated as 'Green networks'. This is clearly a complex issue. We noted the very green nature of the urban fabric of the town on our visit, no doubt a factor in making Telford an attractive area in which to live, and the biodiversity value of the green networks was also stressed. Conversely, we heard concern that the spacious layout of the town makes it very difficult to move towards use of a more sustainable transport system rather than one that is primarily car-based. In reality, other than re-structuring around the town centre in order to create a more urban form, the extent to which radical change will be possible across the town as a whole over the lifetime of the RSS must be limited. As for the wider District, concerns were expressed that the levels of development suggested at Newport might be harmful to its character. Conversely, however, representations from settlements nearby in Shropshire, such as Much Wenlock, stress that any shortfall in development at Telford could lead to undue pressure falling on such settlements.

8.137. We do not consider that the last concern would arise were the RSS Preferred Option figure to be realised. Our conclusion is that this level of new housing development would be a challenging one but an achievable one. There is no evidence to suggest that any higher figure would be deliverable over the plan period.

8.138. Issues were raised by the Council and the Telford Trustees over the level of retail provision proposed for the town centre and also by the Council over the application of the RSS policy for out-of-centre office or mixed-use developments but these are both addressed in Chapter 5. The Council also sought amendments to paragraph 6.20 to stress the importance of Telford. These were a matter of debate with WMRA. We do not consider that any change to Policy CF2 itself would be warranted save to place Telford first in the list of SSDs as this list is not alphabetical. Our recommendation for revision to paragraph 6.20 is set out at the end of the Chapter at **R8.1** and is a compromise between the wording sought by the Council and that sought by WMRA. At **R8.15** we recommend relocating the sub-regional supporting text for Telford to group it with Southern Staffordshire in amended form.

8.139. Taking Southern Staffordshire and Telford as a whole, the housing provision that we recommend would be 72,800 excluding any provision for returning military families. This would compare to projections of need/demand ranging from 66,800 (CCHPR) through 68,000 (2006-based projections which would be the equivalent of 70,500 with allowance for vacancies and second homes) to 74,400 (NHPAU suggested distribution of

upper range). Thus, in this sub-region the provision would almost certainly meet local requirements and would enable Stafford, Burton and Telford to realise their potential for growth, possibly providing for some residual outward unmet need from the metropolitan MUA to the extent to which that is still necessary. It would also be likely to enable Telford to meet any perceived shortfall in the remainder of Shropshire.

(d) North Staffordshire

8.140. There was very little controversy over the strategy for this sub-region. During the EiP **Stoke-on-Trent and Newcastle-under-Lyme** Councils were able to indicate that their Joint Core Strategy DPD had been judged to be sound by the appointed Inspector. This makes provision for the RSS Preferred Option figures of 11,400 in Stoke-on-Trent and 5,700 in Newcastle-under Lyme of which 4,800 would be in the MUA. The Councils also indicated that they would be willing to accept the additional provision of 6,000 dwellings suggested by NLP, provided that this is phased back beyond 2016 in order that the Housing Market Renewal process and urban renaissance strategy can be taken forward over the earlier years to re-establish market confidence. The distribution would be derived through a review of the Joint Core Strategy DPD, but if the addition were notionally split between the two Councils, Stoke-on-Trent are confident that the additional provision could be achieved utilising PDL or other non-Green Belt land so that there would be no need to identify any possible need for review. The situation in Newcastle-under-Lyme is less clear-cut. While it was agreed that capitalising on the strengths of Keele University, a policy commanding wide support, would not necessarily require use of Green Belt land in the immediate vicinity of its Keele Campus, Newcastle Council wished to reserve its position over whether some use of Green Belt land might be appropriate in this latter period if it were to take an additional 3,000 dwellings.

8.141. There was only a limited contribution from the development sector, which was unfortunate given the sector's potential importance in achieving the revival of the housing market in the conurbation. They queried whether the provision for **Staffordshire Moorlands District** would be sufficient to cater for the needs of all the towns within it, some of which are local regeneration areas. Conversely, CPRE suggested that at 6,000 dwellings, the provision is still very high and warranted cutting back to curtail outward migration from the MUA. The Council indicated that the suggested provision represents an appropriate balance between these priorities and that the figure should be deliverable.

8.142. Overall, with the long-term increase in the North Staffordshire Conurbation provision in order to further a housing-led renewal in the latter part of the plan period, the provision for North Staffordshire would be 29,100 dwellings. This would compare to the estimates of need/demand which range from 24,100 (CCHPR) through 25,200 (NHPAU) to 27,000 (2006-based projections). There is little doubt therefore that provided that these provision figures can be delivered, notwithstanding any fragility in the local economy, the sub-region would be more than self-sufficient and able to make some contribution to any residual needs from the centre of the region. It should be noted that we have not rounded up the authority figures for Stoke and Newcastle, unlike almost

everywhere else in the region because of the short-term market fragility in the Housing Renewal Pathfinder areas and the need for a review of the Core Strategy to address the post-2016 uplift. Discussion of employment provision is covered in Chapter 5 and our general recommendations on sub-regional strategy for North Staffordshire are set out at **R8.22**, together with amendment of paragraph 6.16 for consistency.

(e) The Rural West – Shropshire and Herefordshire

Shropshire

8.143. Although the whole of this sub-region is somewhat divorced from the metropolitan core of the region it falls into two distinct parts which we consider separately, dealing first with **Shropshire** which has a close connection with Telford and indirect links to the conurbation in Wolverhampton and Dudley via Telford and South Staffordshire.

8.144. The RSS Preferred Option housing provision for the combination of the former district Councils that now make up the new Unitary Shropshire is 25,700, with an indicative figure of 6,200 for Shrewsbury. This compares with need/demand assessments ranging from 28,500 (CCHPR) to 31,200 (NHPAU suggested distribution of upper range). NLP suggested an increase of 1,900 dwellings to help in providing affordable rural homes.

8.145. The position of Shropshire Council was that physically there would be no difficulty in finding sustainable ways in which to make additional provision as proposed by NLP. However, practically they doubted whether such additional provision would in any way enable problems of rural affordability to be addressed. On this basis the suggested increase was opposed. There was a general view that the implicit NHPAU approach of trying to build sufficient housing to drive down affordability ratios was not realistic in the context of the Marches as long-distance retirees from the South East would inevitably be able to outbid local workers and new households being formed within the area. The fear was that Shropshire might see its outstanding environmental character diminished for little benefit. Although the recommendations of the Taylor Report (CD190) were welcomed, the Council was not convinced, even with the acceptance by the Government of nearly all of the recommendations, that the situation would be materially changed. Nevertheless, there was acceptance that affordability would be likely to deteriorate if provision did not keep pace with household growth, a point even accepted by CPRE notwithstanding their concern to retain areas of tranquillity and to see the countryside protected for its own sake.

8.146. CLA argued for an increase to enable flexibility in the way that affordable housing of all kinds might be provided. They pointed out that some skilled workers necessary to support the rural economy as well as some professional workers in the service sector would not necessarily be looking to affordable housing in its narrow sense, but housing that would be within their means. In this way rural renaissance in its wider sense would be furthered. West Midlands Rural Affairs Forum (WMRAF) supported this approach suggesting that protection of the countryside would best be achieved through more housing in villages to provide for the needs of skilled rural workers. AWM endorsed the need to focus on indigenous businesses. NHF argued on similar lines that a modest uplift in

the overall number would assist in securing flexible provision for affordable housing. They drew attention to the fact that HCA do have programmes targeted at provision of rural affordable housing and that local authority or similar land can be used to secure 100% affordable schemes and greater use could be made of rural exceptions sites. The affordable housing policies of South Shropshire were also commended with the suggestion that if these were applied across the whole of the new authority, a higher provision of affordable housing would be achieved. Looking at the authority as a whole therefore we consider that there are grounds for taking the majority of the suggested uplift to give a rounded provision total of 27,500 dwellings. In addition to the wider application of successful affordable housing policies across the whole of the new authority, we would commend an approach similar to that of Bromsgrove District Council in targeting provision at the types of houses most suited to meeting the needs arising from indigenous residents and workers. The increased total would still be marginally below the 2006-based projected household growth and below the CCHPR need assessment. However, Telford should provide an appropriate safety valve given the extent to which provision would exceed projected need/demand in that authority.

8.147. For Shrewsbury the emerging Issues and Options work for the Core Strategy DPD indicates that there are a number of options for reaching the indicative figure in the Preferred Option for the SSD/NGP. However, the Council cautioned against consideration of a major uplift given the relative remoteness of the town, competition from Telford for employment and the physical constraints on the town centre meaning that it might be difficult to secure balanced growth of jobs and housing at materially higher levels. CPRE argued that such factors warranted a reduction in provision, being particularly opposed, as was FoE, to any requirement for construction of a north-west relief road which would involve bridging the River Severn with potential harm to the floodplain upstream of the town. In contrast, EA suggested that with proper design of flood arches and mitigation measures, it might even be possible to contrive improved flood defences for Shrewsbury because flood water might be able to be held back upstream of the town centre until flows diminished. The position of the Council was that although provision of a north-west relief road is Council policy in order to further a number of objectives, it is not essential merely to achieve the SSD/NGP indicative figure, given the range of options available. HA confirmed that they saw no insuperable problems in relation to the SRN. In the circumstances we simply recommend endorsing a rounded-up version of the indicative figure for Shrewsbury leaving the majority of the increased figure proposed for the authority for distribution in the rural areas to help address affordability issues.

8.148. Before leaving Shropshire it is necessary to refer to the MoD requirements for additional housing provision to accommodate service families returning from Germany. The general issues concerning this housing are referred to in relation to Stafford, but within Shropshire Defence Estates indicated an expectation that 1,000 dwellings would be required to support the creation of a 'Super Garrison' based on RAF Cosford. Not all the housing would necessarily need to be contiguous with the base, given Green Belt issues, but a need for concentration to provide

mutual support was stressed. There was a possibility that some of the provision might be able to be made on land at Donnington Depot in Telford and RPS suggested that ADR land at Albrighton, the nearest settlement to RAF Cosford and also on the Wolverhampton-Telford rail line, might be suitable. For the reasons given in relation to Stafford, we consider that additional provision needs to be made for this housing but that although 1,000 is expected to be in Shropshire/Telford, the total of an additional 2,000 dwellings should be added to the overall provision but not distributed between authorities until the final locations have been determined.

Herefordshire

8.149. Finally, turning to **Herefordshire**, as we commented earlier the Council stressed the remoteness of the authority, being the only authority without a particularly direct link to the West Midlands conurbation or to other regional or national centres. Stress was also laid on the rural base for the economy with as consequence a welcome for the NLP suggested increase in provision of 1,200 dwellings over and above the 16,600 of the RSS Preferred Option. The Council saw nothing particularly precise about the NLP figure and could work with any reasonable uplift. The arguments for an uplift to assist in securing rural affordability and rural renaissance are essentially the same as those set out in respect to Shropshire. However, the context is a little different because, leaving aside the NHPAU suggested distribution of their high range at 20,400 as this is not a calculated figure of need, the Preferred Option already matches or exceeds the estimated need/demand on the measures referred to elsewhere with the CCHPR need figure only being 15,900. Thus, we do not consider that there would be justification for going beyond a rounding up of the NLP figure to 18,000. Conflicting evidence over the employment situation reinforces our precautionary approach. Although the ratio of jobs to residents in employment appears healthy, we were advised that some of the local employment sources might now be less secure as ownership is no longer local.

8.150. The situation at Hereford as a SSD and NGP with its Preferred Option indicative figure of 8,300 is also less clear than that at Shrewsbury. The work undertaken on the Issues and Options stage of the Core Strategy DPD identifies potential directions for growth at Hereford as it does for other main settlements in the authority area and the potential identified indicates that the figure should be attainable. DLP on behalf of land-owners/prospective developers indicated an expectation to be able to deliver western and southern urban extensions while making a contribution towards infrastructure works that would enable the required provision to be delivered and indeed that higher numbers in total would be possible. They point out, however, that given the lead times for the supporting infrastructure, a significant proportion of the dwellings would be delivered beyond the plan period. The extent of flood plain of the Rivers Wye and Lugg to the east makes substantial housing development unlikely in that direction.

8.151. The Council stressed that in their view achievement of the desired growth at Hereford is dependent on construction of an outer relief road to take traffic including that on the A49 north-south trunk road out of the

city centre. Pending the outcome of studies and consultations they would not wish to be committed to a western as opposed to an eastern alignment. Such a road had been through Inquiry in the past but never implemented. HA indicated that they accept, following a multi-modal study, that there are problems needing to be addressed, but could not commit themselves to a particular highway solution until after the full DaSTS process had been completed. The view that there might or should be a public transport-based solution rather than one involving road building was advocated by CPRE, FoE and Rail for Herefordshire. However, Hereford Civic Society supports the need for an additional river crossing. They highlighted the problems for the operation of the bus station as it is located close to the inner relief road near the single city centre bridge over the River Wye and how matters might be made worse by necessary urban regeneration to increase retail, employment and housing potential just to the north of the town centre. The importance of the historic heritage was also stressed.

8.152. We witnessed the extent of congestion in the town centre at an inter-peak time. We heard in other sessions about the problem of enhancing rail accessibility for Hereford as a result of single-tracking through tunnels that might not be able to accommodate twin-track to loading gauges that would now be sought. Given such issues and the limited scale of the town, we are far from convinced that transport packages without a relief road and new river crossing would be likely to be satisfactory. The Council suggested making the Hereford provision a *maximum* in order to address the possibility that a relief road might not be fundable but this would seem to negate the concept of Hereford being a NGP and SSD. It would also run counter to the intention stressed by the Council of securing a step-change in provision away from being dispersed to relative concentration on Hereford in the interests of sustainability. The figures in the Preferred Option for the SSD components of authority provision are indicative so there would be a degree of flexibility were infrastructure to be delayed, but we also consider that the appropriate response would be for the RSS to refer to the necessary provision of a relief road as sought by the Council. We recommend accordingly. As with Shropshire the indicative figure for the SSD would simply be modestly rounded up to 8,500 leaving the bulk of the increased provision for the authority available to address rural affordability issues.

8.153. RPS on behalf of prospective developers indicated how substantial development at Leominster might secure the provision of a relief road for the A44. This may be so but we do not consider that the RSS needs to go into this level of detail. Rather it is a matter for resolution in the Herefordshire Core Strategy DPD.

8.154. At the sub-regional session the Council highlighted its view that revised Policy SR4 might not satisfy HRA/SEA concerns. This issue is generally addressed in Chapter 2. All that need be noted here is that even if housing had to be restricted within the Pilleth Water Resources Zone, that would not preclude realisation of the RSS provision either as set out in the Preferred Option or as recommended as this zone only includes a very small deeply rural part of Herefordshire that does not contain significant settlements. Determination of an appropriate response

to such matters appears therefore able to be safely left to the Core Strategy DPD.

8.155. Our recommendations for alterations to the sub-regional supporting text are set out at **R8.23**.

Summary

8.156. Our examination of the issues at sub-regional level leads to recommendations for articulating the spatial strategy in the form of RSS Policies. We would stress that the "SS" policies which we recommend do not create a new sub-regional level of policy. Rather they affirm and clarify the policy significance of matters covered in the RSS Chapter 3 "The Spatial Strategy". During the course of Matter 8, as in earlier matters, we have critically examined the strategy and its implications. We have done so taking full account of local views as well as the regional and sub-regional evidence base, while taking the necessary strategic approach in framing our recommendations. The changes we recommend at sub-regional level, both to the housing provision and in other respects, far from weakening the principles and objectives of the RSS, very much go with the grain of policy within the region. Where we have identified a need for policy to be developed further, particularly in relation to long term development needs, this is clearly indicated, but we have not tried to pre-empt soundly based local assessment of how those needs should be met.

8.157. Our formal recommendations concerning the changes to provision figures are set out in a revised Table 1 for attachment to Policy CF3 at the end of Chapter 3. The recommendations would leave the balance between development proposed in the MUAs and that elsewhere essentially unchanged from that in the Phase 2 Preferred Option. Indeed, the proportion of the housing within the MUAs would rise from 46.25% to 46.63%, thereby marginally increasing the emphasis on urban renaissance. In other respects the "bottom up" assessments made in this Chapter have also had regard to the priorities of the spatial strategy and the views of the local authorities, particularly where we have proposed increases to the provision.

8.158. The recommendations that follow address the consequential changes required to the supporting sub-regional text of Chapter 3 and related passages elsewhere in the RSS. For some areas this includes introduction of sub-regional policies. Exceptionally, in this instance we include a summary of the reasoning for the recommended changes so that it is clear why we have introduced sub-regional policy for some but not all sub-regional areas or otherwise propose amendments to the supporting text.

Recommendations

Rec Number	Recommendation	Reason
R8.1	Amend Paragraph 6.20 to read as follows: "Telford (population around 142,000) is a larger freestanding settlement than others across the region. As a former 'New Town' with extensive areas of reclaimed land still available for development, it will provide a key opportunity for the growth and investment required to create a large sustainable community."	<i>To reflect more accurately the nature and role of Telford.</i>
R8.2	Amend Paragraph 3.9 d) by replacing the wording after "or" as follows: "where specifically identified as necessary or potentially appropriate to provide for the most sustainable form of development to deliver the proposals referred to within the sub-regional policy implications of the strategy."	<i>To make explicit that all localities where significant Green Belt adjustments are envisaged as required or potentially likely to be appropriate are identified in Sub-regional policy.</i>
R8.3	Amend Paragraph 3.11 by amending "ten" to "nine" and deleting "Redditch" from the list of SSDs.	<i>Redditch does not meet the definition of SSDs given in the Strategy</i>
R8.4	Amend The Sub-Regional Implications of the Strategy from Paragraph 3.24 onwards as follows: Amend the Sub-heading to read: "The Birmingham, Solihull and Black Country conurbation" and the start of 3.24 to read: "The Birmingham, Solihull and Black Country conurbation falls..."	<i>For clarity as Coventry is considered with Warwickshire and in normal parlance a "City Region" would include its hinterland, i.e. most of the West Midlands.</i>
R8.5	Amend Paragraph 3.26 by inserting "within Solihull" after "airport".	<i>For clarity as the airport is located in Solihull.</i>
R8.6	Elevate the final sentence of Paragraph 3.27 and the following 4 bullet points to become Policy SS2: Birmingham Development Strategy	<i>To clarify the sub-regional Policy content from the supporting text. Although mainly directed at Birmingham City Council, there are</i>

Rec Number	Recommendation	Reason
		<i>cross-boundary linkages with Bromsgrove, Sandwell and Solihull and the City is the core of the Region and driver for its economic health.</i>
R8.7	<p>Elevate the final sentence of Paragraph 3.30 to become Policy SS3: Birmingham Airport as follows:</p> <p>“Birmingham International Airport should continue to be developed within the framework of Policy T11, together with improved public transport links to support the economy of Solihull and the Region and to enhance national and international connectivity.”</p>	<i>To clarify the sub-regional policy content from the supporting text.</i>
R8.8	Amend Paragraph 3.31 by inserting “of the Meriden Gap” after Greenbelt.	<i>To clarify this key sub-regional objective.</i>
R8.9	<p>Insert new Policy SS4: North Solihull after the first sentence of Paragraph 3.32 as follows:</p> <p>“To enable the full potential of the regeneration of North Solihull to be realised together with that of the adjacent regionally important economic assets, adjustments to the Green Belt boundary will be required in the area north of the A45 as realigned and west of the M42/M6.”</p> <p>Amend final sentence of paragraph 6.13 to read:</p> <p>“To deliver the RSS proposals in Birmingham and Solihull no significant urban extensions are currently seen as needed in the period up to 2026, though to secure the maximum potential benefit of the renewal programme in North Solihull, Green Belt amendments will be required in that locality.”</p>	<i>To clarify the sub-regional policy content from the supporting text and make clear that Green Belt adjustments will be required to maximise the benefit from the renewal of Chelmsley Wood and the role of Birmingham Business Park.</i>
R8.10	The second sentence of Paragraph 3.32 would become the start of Paragraph 3.33	<i>For clarity.</i>

Rec Number	Recommendation	Reason
	<p>with that paragraph shortened to conclude with the following replacing the present text of Paragraph 3.33:</p> <p>“The economic and other development issues that link Solihull with areas outside the central conurbation are able to be pursued through the Council’s membership of the Coventry-Solihull-Warwickshire Forum.”</p>	
<p>R8.11</p>	<p>Replace Paragraphs 3.34 – 3.37 by Paragraphs 4.6A-4.6D inserted into the Published January 2008 version of West Midlands Regional Strategy by the Secretary of State, subject to replacing “2021” by 2026” in Paragraph 4.6B and adding the text of the Phase 2 Revision Paragraph 3.37 to the end of 4.6D.</p>	<p><i>To reconcile Phase 1 decisions of the Secretary of State with Phase 2, essentially as suggested in CD222.</i></p>
<p>R8.12</p>	<p>Insert new paragraph (following extended 4.6D) in the terms of Paragraph 3.14A inserted into the Published January 2008 version of West Midlands Regional Strategy by the Secretary of State, subject to amendment of the first sentence to read:</p> <p>“Given the importance of the regeneration of the Black Country to the RSS, the following objectives provide the context for the following Black Country policies: a)...”</p>	<p><i>To reconcile Phase 1 decisions of the Secretary of State with Phase 2, essentially as suggested in CD222.</i></p>
<p>R8.13</p>	<p>Insert Policy UR1A as inserted into the Published January 2008 version of West Midlands Regional Strategy by the Secretary of State as new “Policy SS5: Black Country Regeneration Priorities”, followed by Paragraphs 4.6E and 4.6F from that document as new Paragraphs, followed by Policy UR1B from that document as “Policy SS6: Black Country Housing and Employment Land” followed by paragraphs 4.6G and 4.6H from that document as new paragraphs amended as follows:</p> <p>“(4.6G) The four strategic centres will be the main locations for major office (B1(a))</p>	<p><i>To reconcile Phase 1 decisions of the Secretary of State with Phase 2, essentially as suggested in CD222. Policies UR1C and UR1D are not recommended for inclusion as the town centre office and retail figures for the Black Country strategic centres are included in Policies PA13A and PA12A.</i></p>

Rec Number	Recommendation	Reason
	<p>development, particularly for schemes exceeding 5,000 sq m. Overall it is expected that 88% of new office schemes will be located in these centres in the period to 2026. All four centres have potential and capacity to absorb an equal proportion of proposed growth. In LDDs sites will be identified in each of the four strategic centres to accommodate up to 220,000 sq m of office development to 2026 (see Policy PA13A). This figure should be regarded as indicative and will be subject to review in the light of monitoring of the actual level of development and progress in implementing the Joint Core Strategy (see also paragraph 7.86)."</p> <p>And</p> <p>"(4.6H) The Spatial Strategy seeks to focus the majority of further comparison retail investment within the four strategic centres as catalysts for regeneration. The strategy however also seeks to maintain the vitality of other non-strategic centres in the sub-region. The apportionment of the additional comparison retail floorspace in the four strategic centres over the period 2006 to 2026 is indicated in Policy PA12A."</p>	
R8.14	<p>Insert after (4.6H) paragraphs 8.46A-8.46C as inserted into the Published January 2008 version of West Midlands Regional Strategy by the Secretary of State followed by Policy QE10 as "Policy SS7: Transforming the Environment of the Black Country"</p>	
R8.15	<p>Relocate Telford – Paragraphs 3.38 to 3.40 to be part of a sub-region including Southern Staffordshire, deleting the third sentence of Paragraph 3.38. The 3 paragraphs would follow-on after Paragraph 3.55. An addition should be made to the final paragraph (3.40) as follows:</p> <p>"The adopted Core Strategy for Telford and</p>	<p><i>For clarity, given the location of Telford and in normal parlance a "City Region" would include the whole of the hinterland of the West Midlands conurbation, i.e. most of the West Midlands. Specific Sub-regional Policy is not included</i></p>

Rec Number	Recommendation	Reason
	Wrekin should be reviewed as soon as possible to extend its plan period to that of the RSS."	<i>as the outstanding issues over the form of town centre development or appropriateness of mixed developments elsewhere do not involve cross-boundary development or adjustment of Green Belt and so are for local determination in the required review of the Core Strategy or any related AAPs.</i>
R8.16	Amend Paragraph 3.41 to commence as follows: "Coventry is a compact city that although being a metropolitan authority has strong economic and social ties with Warwickshire. A Coventry..."	<i>For clarity as in normal parlance a "City Region" would include the whole of the hinterland of the West Midlands conurbation, i.e. most of the West Midlands.</i>
R8.17	Elevate the last sentence of Paragraph 3.45 and the succeeding sub-paragraphs to become Policy SS8 Coventry-Warwickshire Development Strategy , with amendments as follows: The Development Strategy shall: "a) maintain the WMRSS 'step-change' with a minimum of 50% of growth in the sub-region over the plan period being directed to Coventry and Nuneaton & Bedworth to further urban renaissance; b) focus growth...; but with more limited development in North Warwickshire and Stratford-on-Avon; c) deleted; d) adjusts the Green Belt boundary where required within Coventry to facilitate urban renaissance and growth on a north-south axis and also within Nuneaton and Bedworth and Warwick districts to facilitate the cross-boundary housing provision to the north and south of the City set out in Table 1 to Policy CF3 and the	<i>To clarify the sub-regional policy content from the supporting text and make clear where Green Belt adjustments will be required or may be appropriate. Sub-paragraphs c) and e) are deleted as phasing and trajectories are addressed in relation to Policies CF4 and CF10.</i>

Rec Number	Recommendation	Reason
	<p>expansion of the University of Warwick. Further Green Belt adjustments (whether to subtract or add Green Belt) may also be appropriate in these two authorities to secure the most sustainable pattern of development in that north-south axis; <i>e) deleted</i></p> <p>Delete all in paragraph 6.14 after the first sentence and replace by:</p> <p>“Greenfield urban extensions will also be required to further urban renaissance and develop the north-south growth axis. These should be brought forward in the Core Strategy for the City and, in relation to cross-boundary developments within Nuneaton & Bedworth and Warwick Districts, in the Core Strategies for those authorities. These urban extensions will involve amendments to Green Belt boundaries.”</p>	
R8.18	Delete the final sentence of Paragraph 3.46.	<i>To avoid prejudice to the role of Rugby as a SSD, Policy SS8 a) sufficiently prioritising the urban renaissance of Coventry and Nuneaton & Bedworth.</i>
R8.19	<p>Add at the end of Paragraph 3.47:</p> <p>“As the level of housing that can be proposed in this RSS in the light of Sustainability Assessments completed to date is likely to be significantly below that necessary to stabilise or improve levels of affordability in Stratford-on-Avon District, the proposed provision should desirably be regarded as that only for the period until 2021 and annual trajectories adjusted accordingly. A review of the Core Strategy for the District should be set in hand at an early date following adoption of the Core Strategy that will give effect to this RSS to determine whether there is a sustainable way in which an additional 2,500-3,000 dwellings might be provided for the period 2021-2026. Such provision could be part</p>	<i>To give notice of a requirement to give further attention to the need to increase housing provision in the southern part of Stratford-on-Avon District in the expectation that migration into the locality from outside the Region will continue.</i>

Rec Number	Recommendation	Reason
	of a larger scheme or schemes that might extend beyond the plan period."	
R8.20	<p>Bring forward Worcestershire – Paragraphs 3.60 to 3.65 ahead of Southern Staffordshire & Telford, with amendments.</p> <p>In the final sentence of Paragraph 3.62 replace "two" by "one" and delete "and Redditch".</p> <p>In Paragraph 3.64 elevate from the second sentence onwards to Policy SS9 Worcester City Development Strategy, amended as follows:</p> <p>"To facilitate cross-boundary co-operation a Joint Core Strategy will be prepared by the authorities of Worcester City, Malvern Hills and Wychavon to ensure that development takes place in the most sustainable locations (particularly avoiding areas of potential flood risk) and that necessary transport and other supporting infrastructure is provided. Adjustment of Green Belt boundaries north of Worcester may be appropriate to achieve these objectives."</p> <p>Add</p> <p>"Policy SS10 Worcester Sub-regional Employment Site: To facilitate the relocation and expansion of Worcester-Bosch to further the development of high-technology environmental manufacturing, a Sub-regional employment site of some 30 hectares will be provided to the east of the M5 in the vicinity of Junction 6."</p> <p>Amend Paragraph 3.65 by replacing the second sentence as follows:</p> <p>"In the case of Redditch, although not designated as a Settlement of Significant Development since it will not be meeting</p>	<p><i>For clarity through more consistent grouping of sub-regions.</i></p> <p><i>To clarify the sub-regional policy content from the supporting text and make clear where Green Belt adjustments may be appropriate.</i></p> <p><i>To provide strategic policy context for this key economic development that does not fit within the terms of Policy PA7.</i></p> <p><i>To clarify the sub-regional policy content from the supporting text and make clear where Green Belt adjustments will be required.</i></p>

Rec Number	Recommendation	Reason
	<p>more than its local needs, it will nevertheless require a substantial scale of housing to meet its own needs (which reflect the population structure arising from its previous New Town status) together with necessary supporting employment and infrastructure. With limited development capacity within the Borough boundaries, there will need to be cross-boundary urban extensions into neighbouring districts."</p> <p>Elevate the remainder of the Paragraph to form:</p> <p>"Policy SS11 Redditch Development Strategy: Green Belt alterations will be required within Redditch and within Bromsgrove District to meet the housing provision and related development needs arising from Redditch as specified in Table 1 of Policy CF3. Close co-operation will be required between these two authorities, and in relation to employment development with Stratford-on-Avon District, in the production of their Core Strategies. Greenfield extensions will need to be located as far as possible to minimise the likelihood of migration from and car-borne commuting in relation to the MUA."</p> <p>Add new paragraph after Paragraph 3.65 as follows:</p> <p>"As the level of housing that can be proposed in this RSS in the light of Sustainability Assessments completed to date is likely to be significantly below that necessary to stabilise or improve levels of affordability in Bromsgrove District, the proposed provision should desirably be regarded as that only for the period until 2021 and annual trajectories adjusted accordingly. A review of the Core Strategy for the District should be set in hand at an early date following adoption of the Core Strategy that will give effect to this RSS to</p>	

Rec Number	Recommendation	Reason
	<p>determine whether there is a sustainable way in which an additional 2,000-3,000 dwellings might be provided for the period 2021-2026. Such provision could be part of a larger scheme or schemes that might extend beyond the plan period."</p> <p>Add new paragraph after this new Paragraph as follows:</p> <p>"There should be co-operative working on the Core Strategies for Wychavon and Tewkesbury Districts across the regional divide in order to secure the most sustainable form of development for Tewksbury."</p>	
<p>R8.21</p>	<p>Re-title Paragraphs 3.49ff as two separate sections: Southern & Eastern Staffordshire and Telford, inserting the Telford Paragraphs under separate sub-heading before Paragraph 3.56, and North Staffordshire. The following amendments should be made:</p> <p>In Paragraph 3.49 rephrase the list as follows:</p> <p>"(ie Burton, Cannock, Rugeley, Stafford and Tamworth in Southern Staffordshire together with Biddulph and Leek in North Staffordshire)."</p> <p>In paragraph 3.52 replace the second half from "However, limited development..." onwards by:</p> <p>"Consideration should be given to the functional relationship between Burton-on-Trent and Swadlincote. This may include the preparation of a joint study by the respective regional partners to investigate the development potential identified on each side of the regional boundary, including transport improvements such as the A38/A511 corridor and the National Forest rail line. There should be co-operative working on the Core Strategies for East Staffordshire and South Derbyshire in view of the likelihood of</p>	<p><i>For clarification by bringing together and distinguishing sub-regional elements.</i></p> <p><i>To reflect the Published March 2009 version of the East Midlands RSS and the current expectations with regard to the development of the Drakelow site.</i></p>

Rec Number	Recommendation	Reason
	<p>substantial mixed development on the site of Drakelow Power station which immediately adjoins the boundary and urban edge of Burton on Trent. Although such development would be governed by the South Derbyshire Core Strategy there is a clear physical inter-relationship with Burton on Trent. Given its location on the River Trent, care will need to be taken in determining the detailed location and form of development to minimise the risks of flooding."</p> <p>In Paragraph 3.53 replace "adjoining authorities" by "South Staffordshire District Council".</p> <p>In paragraph 3.54, replace the second sentence as follows:</p> <p>"In order to meet the needs of Rugeley (Cannock Chase) and Tamworth, cross-boundary liaison will be required with Lichfield District Council to ensure that appropriate provision is made in the Lichfield Core Strategy for their needs as set out in Table 1 to Policy CF3. Elsewhere in Lichfield District Green Belt adjustments may be appropriate to meet local housing needs and comprehensive consideration will need to be given to the optimum sustainable form of development north-east of Lichfield City."</p> <p>Add after paragraph 3.54, new "Policy SS12 Lichfield Development Strategy: Cross-boundary housing provision will be required within Lichfield District to meet the needs of Rugeley and Tamworth. Elsewhere in the District Green Belt adjustments may be appropriate to meet the needs of Lichfield City, Burntwood and other settlements in the southern part of the District in the most sustainable manner. To the north-east of Lichfield in the general area of Streethay/Fradley a comprehensive study should be undertaken of the most sustainable way to meet long-</p>	<p><i>To clarify the authority concerned in relation to a <u>possible</u> southern urban extension of Stafford.</i></p> <p><i>To clarify the sub-regional policy content from the supporting text and make clear where Green Belt adjustments may be appropriate, where cross-boundary provision is necessary and give guidance on long-term sustainable development.</i></p>

Rec Number	Recommendation	Reason
	<p>term development needs, be that through an urban extension, a new linked settlement or a combination of such forms. If of sufficient scale such development might extend beyond the plan period."</p> <p>Add new paragraph:</p> <p>"In addition to development to meet local needs, the Ministry of Defence has indicated that provision will be required for approximately 2,000 additional dwellings to provide for service families returning from Germany. These will need to be located at or close to the proposed garrisons to be created at Stafford and RAF Cosford in roughly equal measure, but because the precise distribution has not yet been agreed between Stafford and Shropshire/Telford, this additional provision is indicated as a separate non-locational augmentation to Table 1 of Policy CF3. The dwellings are nevertheless expected to be required in at least two of these three authorities and will be additional to the levels of provision indicated for the authorities."</p>	
<p>R8.22</p>	<p>North Staffordshire:</p> <p>after Paragraph 3.58 Add new "Policy SS13 Long-term development strategy for North Staffordshire Conurbation: Before commitment of the additional housing provision envisaged in the second half of the plan period after the stabilization of the housing market in the conurbation, a review of the Joint Core Strategy for Stoke on Trent and Newcastle-under-Lyme will be undertaken to confirm the appropriateness of increasing the housing output and to determine its spatial distribution. In that review adjustment of Green Belt boundaries may be appropriate in Newcastle-under-Lyme to secure the most sustainable form of development."</p>	<p><i>For clarity over the long-term nature and implications of any increased housing provision for the North Staffordshire Conurbation.</i></p>

Rec Number	Recommendation	Reason
	<p>In the first sentence Paragraph 3.59 delete "the Staffordshire and"; at the end of the second sentence add "and seek to build on the strengths of the University of Keele."</p> <p>Add at the end of the Paragraph:</p> <p>"This will include particular attention to the local regeneration zones at Biddulph and Leek in Staffordshire Moorlands district."</p> <p>Amend the last two sentences of paragraph 6.16 to read as follows:</p> <p>"...WMRSS and the Joint Core Strategy for Stoke on Trent and Newcastle-under-Lyme. No urban extensions are likely to be needed in Stoke in the period up to 2026, but the position in Newcastle for the period beyond 2016 will be assessed in the Core Strategy Review."</p>	
<p>R8.23</p>	<p>In paragraph 3.68 add after "affordable housing" "and low-cost market housing."</p> <p>In Paragraph 3.70 add after "transport infrastructure" "including an outer relief road and new river crossing outside the city centre."</p> <p>In paragraph 3.72 add after "historic heritage" "and securing flood risk alleviation".</p>	<p><i>To stress the need to improve affordability in rural areas and give an indication of the anticipated requirement following completion of Hereford transport studies and a further critical issue at Shrewsbury. No Policies are indicated as the issues, apart from the Hereford relief road that would be part of the SRN, are essentially for local determination in Core Strategies while the Hereford relief road is not yet agreed policy.</i></p>

Chapter 9: Implementation and Monitoring

Introduction

9.1. It is in the nature of both monitoring and implementation that they apply across the board, and so relate to matters considered in the substantive discussion of policies in earlier chapters. Issues to do with deliverability and the responsibilities and resources for implementation have arisen when discussing particular policies and proposals. When deciding upon the Matters for the EiP we considered including monitoring and implementation as part of each of the topic based Matters, which would have reflected the way the existing RSS includes a monitoring section at the end of each Chapter. However, the Phase 2 revision departed from that pattern and set out the whole RSS Monitoring Framework in an expanded RSS Chapter 10. Reflecting this we decided upon a separate Matter 9 to consider general issues relating to the RSS Monitoring Framework and the Implementation Plan, which we address in this chapter.

9.2. Matter 9 also provided an opportunity to return to certain issues that had arisen during the course of the EiP. These included proposals for further amendment to the "SR" policies, correspondence about any need for further SEA during the subsequent stages of the Phase 2 revision process, cross-boundary issues and the approach to Green Belt boundary changes. WMRA also helpfully provided a note (EXAM45) of points which were conceded or agreed by Assembly officers during the course of the EiP. Generally we have covered those matters above in the substantive Chapters, and our conclusions there reflect as necessary anything relevant arising out of the Matter 9 discussions. One issue not covered elsewhere is that of the replacement of saved Structure Plan Policies. Following discussion between WMRA and GOWM, and consultation with the relevant Structure Plan Authorities, a schedule was agreed detailing all the saved structure plan policies and distinguishing those to be replaced. This was submitted on 20 May 2009 as document EXAM35. As this document was apparently the subject of complete agreement, there was no discussion of it within Matter 9. We conclude that the document should form the basis of an Annex to the final version of the RSS detailing the saved Structure Plan policies replaced, and recommend accordingly at **R9.1**.

9.3. The remainder of this Chapter gives our conclusions on the monitoring and implementation issues.

Monitoring

9.4. The RSS Monitoring framework set out in Chapter 10 of the Preferred Option document is a direct development of that set out in the previous RSS, although it is now brought together in one place instead of spread throughout the RSS Chapters. Development work has continued, and WMRA published in March 2009 an *Updated Monitoring Framework* and supporting background information, which was submitted as CD228. WMRA explained that this document incorporates changes following the publication of the revised RSS following Phase 1, new Core Output Indicators, refreshing of the Framework to take account of the availability of new data-sets, reformatting to improve linkages between indicators,

objectives and policies and improvements in background information. Work did not stop there because, in response to the introduction of the new over-arching policy on climate change and suggestions as to how it should be monitored, WMRA submitted a proposal for this in the document EXAM46, of 22nd June 2009.

9.5. We found much support for the view that the West Midlands has been a leader in regional strategic monitoring over a long period. It is important to recognise that monitoring is not just about collecting data. Intelligent interpretation of indicators is equally as important as assembling the right information. The vehicle for this is the Annual Monitoring Report (AMR) and our deliberations were informed at several points by the reports for 2007 (CD19) and 2008 (CD254). Again, AMRs for the WMRSS have also been held up as something of a model. But the process of monitoring, managing and review of policy is not simply about producing reports. From what we heard and read it appears that the RSS monitoring structures in the West Midlands, including links to RES, RHS and other processes, stakeholder involvement and the WMRA's own processes are also well developed.

9.6. Against this background it is not surprising that the latest developments of the monitoring framework were generally supported. The new Climate Change Monitoring proposal in EXAM46 was welcomed, although inevitably this is to some extent work in progress. As we have noted in Chapter 2, specific regional targets for the new Policy SR1 will need to be set in the context of new national targets to be set under the Climate Change Act. Further development of targets and monitoring can therefore be expected in the Phase 3 revision. The incorporation in CD228 of the updated national Core Output Indicators of 2008 was also widely welcomed. WMRA claimed that CD228 had paid regard to comments made about monitoring during consultation on the draft revision, and would provide a deliverable and helpful approach to monitoring.

9.7. Despite the widespread support, some respondents maintained concerns or criticisms of the Monitoring Framework, mostly to do with targets that were felt to be insufficiently "SMART", or the linkages between targets, the measurement of outcomes and responding to changes. The main area of dissatisfaction was housing delivery. GOWM argued that too many of the RSS targets were not really targets for achievement but "directions of travel". On the "Housing Affordability Ratio", for example, GOWM drew attention to the lack of a baseline level from which to measure a downward trend, and nor was it clear over what time period it was being measured. NHPAU and development sector participants expressed similar concerns and called for more precise targets linked to triggers for policy action. NHPAU also talked in terms of a "basket of indicators" of housing stress including not only the lower quartile affordability ratio but also the level of first time buyer deposits. The HBF and some developers hankered for a more immediate mechanism to trigger action when monitoring shows delivery falling behind. The full process of policy review was felt to take too long.

9.8. In response to some of the points made there could be more explicit linking of output indicators on housing delivery and affordable housing provision to a baseline position and a time period. The obvious

baseline is the position at 2006, the start of the RSS period, with monitoring related to progress to reach the 20 year requirements. In Chapters 3 and 4 we have recommended changes to the overall housing provision in Policy CF3, the phasing Policy CF4 and the affordable housing Policy CF7, which should be reflected in the Monitoring Framework. At present the output target for Policy CF3, both in Chapter 10 of the Preferred Option and on page 86 of CD228 is the 20 year annual average rate from Table 1. However, as we note in paragraph 4.10 above, the 20 year average rate (19,895 net additional dwellings per annum under our recommended Policy CF3) is only likely to be reached around 2015/16. Although this would form a "milestone" in delivery, progress towards it needs to be monitored annually. A basis for this is provided by the regional trajectory and indicative trajectories for strategic planning authority areas set out in our recommended Policy CF4. Thus Policy CF4 provides indicative targets, in terms of average annual rates over 5 year periods, for monitoring progress towards the achievement of Policy CF3. Likewise with Policy CF7, our recommended revised regional figure for 7,000 additional affordable homes per annum is unlikely to be achieved from the outset, but the target percentage of 35% is more likely to be relevant. Achievement of this will need to be monitored in the context of the overall trajectories in Policy CF4, although as we note in paragraph 4.48 the proportion may not be constant as there could be opportunities for early gains in affordable housing output.

9.9. Even with the above refinements, it must be remembered that monitoring results are not likely to send straightforward messages about planning performance. It will be necessary to look at different short and medium and long run datasets. Although it may be relevant to consider progress against the position in 2006, it will be equally important to look at each year compared with the previous year, with the point at which an upturn begins (e.g. 2009-10) and with longer term trends looking back to 2001 or longer. The first few years of the plan period illustrate the problem. Monitoring over this period will show first a rapid fall, then a couple of years of low achievement followed, one hopes, by rising achievement over the ensuing years. Contextual indicators will also reflect the extraordinary circumstances that have prevailed over the same period. The resulting monitoring information will need to be understood both in terms of the short run cycle of recession and recovery, long term trends, and the trajectory expected or needed to achieve the provision over 10, 15 and 20 years. It will also need to be assessed in the context of the complex economic relationships at work. Discerning what role the RSS will have had in what happens to housing delivery over the period 2006- 2011 involves a number of imponderables and very difficult judgments. This is what we mean by intelligent interpretation. We find that the AMRs are generally an effective vehicle for bringing together the factual basis for this process, which must include the established regional apparatus of consultation and related housing and other analysis in support of the RES and RHS.

9.10. There needs to be realism about what annual monitoring of a regional strategy should lead to by way of a policy response. We were not convinced by arguments for automatic policy change or even automatic review triggers at this level. An element of rational consideration must

remain before embarking on “knee-jerk” policy changes or even costly studies. The essence of regional monitoring is that it is strategic and has to be able to address deep seated and long term issues. As part of this, understanding directions of travel is as important as “hit or miss” reading of targets, and is an essential input to policy review. Development plans, and especially RSS, cannot really work on the basis of annual policy changes or a “touch on the tiller”. It is said often enough that certainty is an essential feature of the framework that RSS needs to provide for LDDs etc. In any event, quinquennial review is about the most frequent policy adjustment that the system will bear at regional strategic level. The important thing is that when this comes around, intelligent policy analysis is based on the messages coming through the AMR to inform strategic policy decisions that will be good for the medium and longer term. WMRA would say, with some justification, that this is what they have practised. It will generally be at a more tactical level, through monitoring of LDDs, that the detailed causes of short term delivery issues can be assessed and actions identified in response. LDDs’ own monitoring, following the guidance of PPS3 over the maintenance of housing land supply, will complement and operate within the strategic framework provided by the RSS.

9.11. Before concluding on monitoring, it is important to note a point about the future, made in WMRA’s statement for Matter 9. The Assembly intends to revisit again the Monitoring Framework as part of the development of the Phase 3 revision. This will include exploring the desirability of removing the Monitoring Framework from the core element of the RSS, giving it a similar status to the Implementation Plan, so that it can be more readily updated without the need for formal review. Given that that process is now expected to be taken forward under the new SIRS arrangements, there may be far reaching changes to be considered to the monitoring arrangements at regional level in future. The proven system of AMRs for the West Midlands RSS should have much to contribute under any new arrangements. Equally, the probability of further significant changes in future suggests that it would not be sensible to go to undue lengths in further refining the present RSS monitoring framework in the context of this Phase 2 revision.

9.12. In conclusion, we take the view that the updated monitoring framework represented by CD228 with the addition of the climate change from EXAM46 is generally fit for purpose. We recommend accordingly at **R9.2**. Our recommendation also includes adjustments to reflect targets related more directly to our recommended revised Policies CF3, CF4 and CF7, in line with our conclusions in paragraph 9.8 above. We have also considered the size of the Monitoring Framework in its present form. As set out in Annex C to CD228 it runs to 116 pages of tabulated indicators compared with the 16 pages in the Preferred Option document. Even allowing for more compact presentation we consider that is questionable whether the best approach is to continue to set the Framework out in the body of the RSS, which is already a weighty volume. An alternative would be to make it into a separate document, as WMRA have been considering for the future. We do not have strong views on this but recommend at **R9.3** that consideration is given to making the Monitoring Framework a freestanding Technical Annex to the RSS.

Implementation

9.13. Like the RSS Monitoring Framework, the Draft Implementation Plan (DIP), document CD3, is subject to continuing development. Shortly before the EiP, in March 2009, WMRA produced the Implementation Plan Supplement (CD233), to give a comprehensive update of the governance and delivery arrangements for the RSS. While the DIP and the Supplement convey the implementation arrangements, they are not formally part of the RSS. Ownership of them remains with the RPB and it would not be appropriate for us to make recommendations to the Secretary of State for changing them. Nevertheless they are a key source of supporting information for considering the deliverability of the strategy. Material included in the DIP was referred to in a number of the EiP Matters when considering delivery issues. It is therefore appropriate for us to draw out a few comments and conclusions.

9.14. Some development sector submissions argued that without an implementation plan within the RSS it lacked clear guidance to local authorities over LDD preparation. It was suggested for example that ambiguity over cross-boundary issues would put delivery at risk. Where such issues have arisen we have considered them in the sub-regional discussion in Chapter 8 and our proposals generally seek to resolve them, often responding to the wish of the local authorities themselves for clear guidance in the RSS. There were few other detailed criticisms of the DIP, although BWPP pointed out that house-builders themselves were not included among the "key agencies" identified for implementing some of the housing policies. Natural England were concerned to improve the DIP coverage of the environment, and particular delivery of green infrastructure, which has been addressed at least to some degree in the Supplement.

9.15. The main area for discussion under implementation was the question of resources for delivery, which we have also considered in earlier chapters. CPRE considered the DIP and its Supplement took a "rose tinted" view of implementation prospects, with little analysis of the likely effects of the economic downturn. They pointed to the long list of infrastructure schemes said to be needed to support the strategy, and to the fact that many had not been costed, and that the importance of each scheme to the delivery of the strategy was not clear. In several discussions CPRE referred to a large funding gap between what was seen as required and the investment for which costs and funding sources could be identified.

9.16. Against these criticisms WMRA argued that the Infrastructure Review by Mott McDonald (CD14) reflected in the DIP was at the time the most comprehensive information available about investment and resources. WMRA had concluded when the Preferred Option was drawn up that it was just about deliverable. Since then the downturn had affected short term prospects for private funding, and was also likely to affect public funding in the medium and longer term. AWM were strongly supportive of the approach taken and pointed to the close alignment of the RSS and RES, and the importance of the recent Regional Funding Advice submission (CD241). Eventual funding allocations in response to the Advice will be crucial but with the Impact Investment Locations

identified there is a strong synergy between the spatial strategy and future investment priorities. GOWM's position was generally supportive, and pointed to both the high priority being given by Government to resources to support housing and to the DaSTS process as a means by which the region can work to ensure it receives its share of DfT resources to support growth.

9.17. We take the view that it is simplistic to expect to be able to identify and add up all the investment required to support a 20 year spatial strategy and draw conclusions about its deliverability. Obviously uncertainties will remain about some key infrastructure projects. In many cases, including some where expensive new bridges over rivers may be involved, options have yet to be fully evaluated before it is known in what form a project will be viable or what the costs would be. Mostly these will tend to influence timing and/or direction at the Core Strategy level, rather than cast doubt on the overall strategy. In many other cases the concern is about social infrastructure that is only needed if and where the development happens and may relate to desired works that do not yet have committed funding streams. Against this background an implementation plan should not be seen as a "blueprint" which fixes expectations for the future, but as an evolving plan for managing delivery, setting the overall approach and putting the specifics in place as they emerge. We note that GOWM clearly supported WMRA's approach to the DIP and the Supplement as a "living document", and for this reason agree that it should remain outside the formal RSS submission. We agree and conclude that the implementation arrangements for the West Midlands are as well developed as those for any RSS. There is a degree of coherence about the priority setting for the various different policy vehicles and funding streams that would seem to make the RSS robust. Also, as is brought out in Part 2 of the Supplement CD233, there is a focus on delivery through Core Strategies or Joint Core Strategies and on the delivery partnerships and other mechanisms needed.

9.18. It is also important to note that, as with the Monitoring Framework the Implementation Plan will evolve further through the Phase 3 revision and also under the expected revised arrangements for regional strategies. There could well be significant changes of detail if not to the overall approach in adapting to future changes in the system. We note that, as WMRA emphasised, the Implementation Plan will be regularly updated on the basis of a two year rolling programme. No doubt they are, in the course of this programme, already addressing the latest economic circumstances and impending changes in the governance of regional planning. Through this transitional period we consider that groundwork which WMRA have done through the Implementation Plan will stand the region in good stead for delivering this RSS and whatever comes after it.

Recommendations

Rec Number	Recommendation
R9.1	Add an Annex to the RSS based on the schedule in Document EXAM35 detailing the saved Structure Plan policies replaced by the revised RSS.
R9.2	Revise the RSS Monitoring Framework in Chapter 10 to incorporate updating on the basis of Annex C of Document CD228, including the 2008 updated Core Output Indicators. Add the Climate Change monitoring provision from document EXAM46. Revise the output indicators for Policies CF3 and CF4 to include indicative targets to achieve an annual average for the region of 19,895 additional dwellings per annum by 2016 and five-year annual averages in line with the indicative trajectories in Policy CF4. Revise the output targets for Policy CF7 to reflect the overall regional affordable housing target of 35% and revised indicative annual targets for HMAs.
R9.3	Consider presenting the revised Monitoring Framework as a freestanding Technical Annex to the main RSS document.

ABBREVIATIONS

AAP	Area Action Plans
ABP	Associated British Ports
ADR	Area of Development Restraint
AEOI	Adverse Effect on Integrity
AMR	Annual Monitoring Report
ATM/HSR	Active Traffic Management/ Hard Shoulder Running
AWM	Advantage West Midlands
BARD	Better Accessible Responsible Development
BBP	Birmingham Business Park
BC	Borough Council
BIA	Birmingham International Airport
BREEAM	BRE Environmental Assessment Method
BVBP	Blythe Valley Business Park
CC	County Council
CCHPR	Cambridge Centre for Housing and Planning Research
CCW	Countryside Council for Wales
CLA	Country Land & Business Association
CLG	Communities and Local Government
CO ₂ e	Carbon dioxide equivalent
CPRE	Campaign to Protect Rural England
CSW	Coventry-Solihull-Warwickshire
DaSTS	Delivering a Sustainable Transport System
DC	District Council
DfT	Department for Transport
DIRFT	Daventry International Rail Freight Terminal
dpa	dwellings per annum
DPD	Development Plan Document
EA	Environment Agency
EIA	Environmental Impact Assessment
EiP	Examination in Public
FATWP	Future of Air Transport White Paper
FoE	Friends of the Earth
GOWM	Government Office for the West Midlands

GVA	Gross Value Added
HA	Highways Agency
HBF	Home Builders Federation
HCA	Homes and Communities Agency
HMA	Housing Market Area
HRA	Habitat Regulations Assessment
HTC	High Technology Corridor
LDD	Local Development Document
LPA	Local Planning Authority
LRT	Light Rapid Transport
MBC	Metropolitan Borough Council
MIS	Major Investment Site
MoD	Ministry of Defence
MUA	Major Urban Area
NE	Natural England
NEC	National Exhibition Centre
NGP	New Growth Point
NHF	National Housing Federation
NHPAU	National Housing and Planning Advice Unit
NIESR	National Institute of Economic and Social Research
NLP	Nathaniel Lichfield and Partners
NUCKLE	Nuneaton – Coventry – Kenilworth - Leamington
ONS	Office for National Statistics
PDL	Previously Developed Land
ppa	passengers per annum
PPG	Planning Policy Guidance
PPS	Planning Policy Statement
RBMP	River Basin Management Plan
RDA	Regional Development Agency
RES	Regional Economic Strategy
RFA	Regional Funding Advice
RFRA	Regional Flood Risk Assessment
RHS	Regional Housing Strategy
RIS	Regional Investment Site
RLS	Regional Logistics Site
RoCs	Review of Consents

RPB	Regional Planning Body
RPG	Regional Planning Guidance
RSL	Registered Social Landlord
RSS	Regional Spatial Strategy
RTAB	Regional Technical Advisory Body
RZ	Regeneration Zone
SA	Sustainability Appraisal
SAC	Special Area of Conservation
SEA	Strategic Environmental Assessment
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SIRS	Single Integrated Regional Strategy
SME	Small and Medium sized Enterprises
SPA	Special Protection Area
SRN	Strategic Road Network
SSD	Settlement of Significant Development
TCPA	Town and Country Planning Association
TWC	Telford and Wrekin Council
WBA	Wolverhampton Business Airport
WCML	West Coast Main Line
WCS	Water Cycle Study
WMC	West Mercia Constabulary
WMP&TSC	West Midlands Planning & Transportation Sub-Committee
WMRA	West Midlands Regional Assembly
WMRAF	West Midlands Rural Affairs Forum
WMRCS	West Midlands Regional Centres Study
WPA	Waste Planning Authority
WRMP	Water Resources Management Plan
ZNM	Zero Net Migration

