

Sub-Matter 3B

Statement on behalf of West Midlands Planning & Transportation Sub-Committee

How does the provision of additional housing impact on the achievement of sustainable development and on meeting the objectives and policies of the RSS?

1. The Preferred Option rises to the challenge of the Government's Housing Green Paper. Therefore, in the Metropolitan Area, the level of housing that is proposed is significantly higher than in the adopted RSS and has been distributed in accordance with the principles of the underlying Urban Renaissance strategy.
2. The most noticeable change in spatial distribution of development since the existing RSS was adopted in 2004, are the proposals to expand Coventry. This is considered to be wholly in accordance with the existing spatial strategy, on the basis that it was proposed by the Panel in 2002 (CD55) but not subsequently supported by the SoS. It meets sub regional needs in a sustainable, less dispersed manner, promotes Coventry as a sub regional centre, is planned along a north-south high volume public transport spine and aligns with regeneration priorities for Nuneaton (which is within a Regeneration Zone).
3. In terms of sustainable development, attention is drawn to the following key sections of PPS1 (CD84), which underpin the Preferred Option.

Para. 6 – 'Planning has a key role to play in the creation of sustainable communities; communities that will stand the test of time, where people want to live, and which will enable people to meet their aspirations and potential'.

Para. 13 (ii) – 'Regional planning bodies...should ensure that development plans contribute to global sustainability by addressing the causes and potential impacts of climate change – through policies which reduce energy use, reduce emissions (for example, by encouraging patterns of development which reduce the need to travel by private car, or reduce the impact of moving freight), promote the development of renewable energy resources and take climate change impacts in the location and design of development'.

Para. 15 – 'Regeneration of the built environment alone cannot deal with poverty, inequality and social exclusion. These issues can only be addressed through better integration of all strategies and programmes, partnership working and effective community involvement'.

Para. 23 (vii) -*'The aim should be to ensure that everyone has the opportunity of a decent home, in locations that reduce the need to travel'*.

4. And also PPG 13 (CD95) which states that:

Para. 3 – 'By shaping the pattern of development and influencing the location, scale, density, design and mix of land uses, planning can help to reduce the need to travel, reduce the length of journeys and make it safer and easier for people to access jobs, shopping, leisure facilities and services by public transport, walking and cycling'.

Para. 6.1 – 'When preparing development plans...local authorities should...accommodate housing principally within existing urban areas, planning for increased intensity of development for both housing and other uses at locations which are highly accessible by public transport, walking and cycling'.

Para. 13 – 'To promote more sustainable patterns of development and make better use of previously developed land, the focus for additional housing should be existing towns and cities'.

What risks are attached to making provision: a) at the level proposed in Policy CF3 Table 1? b) at a lower level in response to arguments about environmental and resource issues and the views of local communities? c) at a higher level in response to demographic factors and arguments about housing affordability?

5. Justification for planning for housing in accordance with the level proposed in Policy CF3 paragraph 1 are addressed in response to matter 3A. At a lower level of provision, the RSS runs the risk of not meeting genuine needs and demands, as identified in the Housing Background Papers. Sub-Committee's main concern relates to the risks associated with oversupply. These are spelt out in some detail in the Risk Assessment (CD22) and also included in the background paper, Urban Renaissance in the West Midlands: Origins, Progress and Future Prospects (core document to be added to the library).
6. In summary, the Metropolitan Authorities are of the view that the risks of allocating additional housing, above the level set out in the Preferred Option, are as follows:
- Only a proportion of the total level proposed will be built, and that this will be disproportionately built in locations that are not prioritised for early development. The Preferred Option advocates accelerated deliver

of Urban Renaissance. To oversupply will be counter to these objectives and established communities will decline due to continued selective out migration and the consequent associated spiral of decline (CD246). The NLP study suggests that developers will develop whatever sites are available. However, this assertion is based solely on limited anecdotal evidence rather than hard facts. Indeed, there are several published sources which directly contradict this anecdotal assertion.

- Building rates will have to be accelerated by recourse to lowering standards and requirements e.g. Code for Sustainable Homes and the delivery of affordable homes through S106 agreements; this is clearly contrary to both national and regional policy. The HBF has itself conceded this point (Respondent ID 568, pp. 19-20). Furthermore, a recent speech by Margaret Beckett stated that *'we don't just need more homes: we've always said we need better homes. Homes that are appropriate to our changing climate. Homes that actually help reduce our overall carbon emissions'* (443/1).
- Scarce public resources will be diverted from those areas most in need of investment. For example; the recent Financial Viability of the Eco Towns study undertaken by Pricewaterhouse Coopers on behalf of CLG, suggests that two of the eight eco towns proposals required significant public subsidy to be viable (CD229). Further evaluation of the Middle Quinton proposal by CB Richard Ellis identified similar problems (document to be submitted to library by Stratford DC).
- It is our view that additional unanticipated large scale urban extensions and new settlements as advocated by key respondents have not been subjected to similar analysis and therefore may lead to similar calls on public resources. Indeed, Regional Funding Advice and the Community Infrastructure Fund have been linked to supporting housing growth; if large scale housing growth is promoted beyond the MUAs then it is conceivable that public funding would also follow in the future.
- It is conspicuous that advocates of higher levels of housing growth do not appear to have thoroughly assessed their proposals in terms of PPG13 which promotes accessibility and reducing the need to travel, nor the principles of PPS1. Similarly, the implications of the Climate Change Act need also to be considered. These problems are likely to be exacerbated with higher levels of provision, on the basis that not all of it will be built, and that the settlement pattern resulting from that development which is implemented will be even more dispersed. It is also suggested that developers will be more able to provide the necessary infrastructure with large scale Greenfield releases (CD178); this is contested in the current economic climate as set out above.

Could the Phase 2 revision say more about the economic development, specifically employment growth, that should accompany housing development, and can housing and employment land provision be more closely related?

7. The Preferred Option was prepared in tandem with the RES and the two were deemed to be mutually supportive. AWM's representation (451, p. 5) states that the level of housing proposed in the Preferred Option is sufficient to close the GVA gap; 'the proposed growth in the numbers of housing required will support the development of the regional economy, and contribute to a substantial reduction in the Region's economic output gap, a major objective of the WMES'.
8. Housing and employment land allocations are aligned in that the Preferred Option provides Core Strategy level employment allocations and that the methodology for doing so reflects the Urban Renaissance strategy of providing job opportunities in areas of need, namely Regeneration Zones.
9. Similarly new housing growth continues to be directed to Regeneration Zones with the proposed Nuneaton / Coventry/ Warwick axis being a prime example.
10. The Preferred Option also provides retail and office floor space figures for strategic centres. These are related to population catchments and it is anticipated that they will accommodate an increasing proportion of jobs over the RSS period.

Does the proposed spatial distribution between the different parts of the region provide for sustainable development and respond effectively to development needs and market conditions, and capacity at a sub-regional level? If not what adjustments should be made having regard to available evidence such as Strategic Housing Land Availability Assessments (SHLAAs) and the findings of the Nathaniel Lichfield Study (Core Document (CD178)?

11. For reasons outlined above in this statement the spatial distribution of housing between different parts of the region provide for a sustainable development and it is the view of the Sub-Committee that those advocating radically different distributions have not justified this in terms of policy advice and legislation relating to sustainable development.
12. Capacity has been taken into account and is reflected in the advice given by section 4:4 authorities. This also took account of both physical and policy constraints to development.

13. It is apparent that protagonists of different levels of growth and distribution have not fully considered capacity issues and unanticipated 'bolt on' urban extensions across the board must not be imposed through this EiP. Indeed Para. 33 of PPS3 accords available capacity the same weight as demographic projections.
14. In terms of market conditions, clearly it is the role of the planning system to consider market conditions but to slavishly follow them would obviate a need for it. Part of the planning systems role is inherently regulatory and if the mythical local authority with no policy constraints existed, then there would almost certainly be no market demand for housing. It has been suggested by NLP (CD178), that Greenfield releases are required as an early market stimulus. However, for the reasons set out above, the Sub-Committee considers that this would be detrimental to the Urban Renaissance.
15. In terms of the NLP study, Metropolitan Authorities set out a critique of its conclusions when formally commenting on the Preferred Option in (December 2008). This is also appended to this representation.

Is the distribution between MUAs, SSDs and other locations practicable and consistent with the spatial strategy and other objectives for the RSS? What would the implications be of: a) allowing for additional "green field" allocations outside the MUAs or a more dispersed pattern of provision, or b) seeking to confine the provision more closely to urban areas?

16. The distribution between locations is well documented in policies CF1 – CF3; SSDs have been identified on the basis of sustainable criteria set out in policy CF2 A. This is consistent with the overall urban renaissance objectives as levels of growth are not set at levels which will detract from growth within the MUAs as was the case under the previous Central Crescent distribution. Furthermore, policy CF4 has been introduced to facilitate phasing and accelerate the delivery of urban renaissance.
17. The implications or risks associated with additional allocations beyond the MUAs have been discussed above. However, in terms of the proximity of the MUA, there appears to be a proximity principle in that the closer a settlement is to the MUA, the more likely it is to attract out migrants (CD246).

Is it appropriate to specify the MUA figures as minima; should figures outside the MUA also be expressed as minima, or as maxima?

18. The SoS introduced maxima housing figures for non-MUA areas in the adopted 2004 RSS.

19. The housing figures for the MUA (Birmingham, Coventry, the Black Country and Solihull within its urban area) are expressed as minima to encourage development within these areas and aid their regeneration. Using minima figures is supported.
20. If the figures outside of the MUA (especially SSDs) are expressed as minima:
 - This will remove any limitations on housing development outside the MUAs and therefore, effectively undermine the whole Urban Renaissance strategy. Figures outside the MUA should therefore, be expressed as maxima and not as minima.
 - The NLP report indicates that developers will prioritise the development of housing sites that are available and are the least risky and most viable to develop. Clearly, this could potentially act against accelerated delivery of the Urban Renaissance.
 - Removing limits on housing development outside the MUAs would therefore, make it far more difficult for MUAs to achieve the RSS Preferred Option housing targets.
 - Phasing is crucial to achieving Urban Renaissance. Without phasing the rate of development outside the MUA would be difficult to control and critically, would make it difficult to achieve the right balance of development between the MUA and non-MUAs. Therefore, to minimise the risk of undermining the spatial strategy objectives, maxima limits on housing development outside the MUA are a vital policy tool.

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Comments on NLP Study Conclusions – As submitted 8 December 2008

1	<p>There is scope to identify additional land for housing in the region - In considering the impacts and delivery risks of additional housing (beyond that identified in the RSS Phase2 Revision) the evidence suggests that:</p> <ul style="list-style-type: none"> - additional land can be identified but its development will inevitably lead to localised impacts; - in appraising and balancing those impacts it will be important to consider the less visible impacts of failing to identify sufficient land to meet need and demand.
	<p>Whilst it is physically possible to identify additional land the top down approach employed by the study does not address localised impacts and policy designations which could be significant barriers to implementation. Spatially specific proposals, albeit in a general form, must not be imposed and will impede the delivery of Core Strategies currently in progress.</p> <p>Furthermore, the scenarios as set out in the study propose a level and distribution of growth which potentially impact on infrastructure that serves regional assets (e.g. BIA, NEC) and so potentially prejudice their continued viability and success.</p> <p>Furthermore, whilst impacts may only be most visible locally, their cumulative effects could be strategic in terms of undermining Urban Renaissance objectives. Moreover, environmental considerations are not fully addressed; for example, the implications for meeting carbon reduction commitments as set out in the Climate Change Bill.</p> <p>The study appears to conclude that additional housing allocations will be neutral, both in terms of the delivery of RSS Phase Two allocations and in terms of impacts on existing areas, which will continue to form the vast majority of the dwelling stock.</p> <p>Local authorities clearly support meeting recognised housing needs. The NHPAU analysis and Household projections are useful guides, but being trend based, are not definitive indicators of need and do not take account of policy considerations. Moreover, in the current economic climate there is a danger that households may not form in accordance with the assumptions made when undertaking the projections.</p> <p>PPS3 Housing (2006) suggests that other factors need to be taken into account such as local and sub-regional evidence of demand. Such 'need' based considerations must be considered as oversupply in inappropriate locations may lead to displacement and 'hollowing out' of parts of the MUA which is counter to the Urban Renaissance strategy.</p> <p>Indeed, the NLP study concedes at the outset that:</p> <p style="text-align: center;"><i>'The study does not set out to establish the level of housing need and demand in region or to test the appropriateness of the NHPAU's supply range as a possible measure of the housing requirement for the region.'</i></p>

	<p><i>Rather it seeks to explore whether it is possible to increase housing provision over the Preferred Option in the light of the NHPAU supply range' (Vol 1 para 1.11).</i></p>
2	<p>Additional housing need not harm achievement of Urban Renaissance – <i>A key concern and contention of many consultees and stakeholders is that additional housing would necessarily mean more Greenfield development outside the MUAs and that this would inevitably harm urban renaissance by causing developers to "cherry pick" sites outside MUAs and displacement of housing demand away from MUAs and leading to local housing-led out-migration from the MUAs. The study found no clear definition of urban renaissance, and no clear evidence to support the view that the level of non-MUA housing in the Phase 2 Revision represents a maximum level, beyond which harm to urban renaissance occurs;</i></p>
	<p>The Urban Renaissance is an integrated concept and the RSS Annual Monitoring Report considers a basket of indicators to measure progress towards it. Whilst the amount and quality of housing in the MUA is not the only determinant, it is clearly a fundamental one, and it is illogical to suggest that increasing housing supply outside of the MUAs relative to that within it will not lead to out migration.</p> <p>The argument that developers do not cherry pick sites is weak (developers bring forward sites that are available / viable regardless of location) and appears to be based on anecdotal responses from the development industry. Elsewhere the study appears to contradict this by suggesting that developers favour Greenfield sites.</p>
3	<p>There is no evidence that increased housing supply outside the Major Urban Areas (MUAs) will reduce housing supply within them – <i>Housing output in the MUAs has increased since 2001 and this growth correlates strongly with the growth in the number of 1 and 2 bed urban apartments developed in that period. In contrast the MUA housing growth has a negligible correlation with a reduction of new housing outside the MUAs. Developer feedback supported the statistical findings. They considered that the apartment market had driven higher housing output in the MUAs but this market is now saturated. In their view restricting land supply outside the MUAs will not rekindle the urban apartment market nor trigger development on other MUA sites. Rather it will simply serve to restrict new housing starts overall;</i></p>
	<p>It is acknowledged that apartments have led to increases in housing output in MUAs and the apartment 'boom' was largely driven by the market and Government policy. Metropolitan Authorities are consciously aware that they need a range and mix of dwelling types to meet Urban Renaissance objectives and there is a concern that excessive land supply beyond their boundaries may undermine their ability to do so.</p> <p>This assertion (again drawn from anecdotal advice from the development industry) does not take account of the fact that the 2004 RSS is in its early stages and that high historic levels of ex MUA consents will have been built out since 2001, especially given the strong market conditions. An analysis of more recent commitments made under the provisions of the adopted RSS may lead to a different conclusion being drawn.</p>

4	<p><i>There is no evidence that increasing housing supply outside the MUA causes out migration</i> – The study found that the spatial relationship between migration patterns and land supply in the region is complex. No clear evidence was found to support the assertion that additional non-MUA housing will inevitably increase out-migration from the MUA. Rather, the availability of new housing is one of a range of factors which influence household location decisions, the most important being employment location; environmental quality; transport accessibility; quality of life / place (services / facilities / amenities); quality of education;</p>
	<p>Indeed the level of housing is not the only factor governing out-migration and as mentioned previously, the Urban Renaissance is an integrated concept based of which the availability of housing is only one, (albeit a key) factor (See response to 2 also)</p> <p>The study is weak in its analysis of the implications of excessive supply outside of the MUAs on established MUA settlements and how this may lead to the ‘hollowing out’ that the adopted RSS is seeking to stem.</p>
5	<p><i>There may be limits on how far it is possible to increase housing supply within the MUAs</i> – There are major delivery risks in allocating further housing land in the MUAs. Those areas are already failing to deliver the rates of housing in the Phase 2 Revision – undershooting by 17,500 units in the period 2001/2 to 2006/7. Developer feedback indicated that the recent reduction in build rates caused by the credit crunch is impacting most in the MUA apartment sector of the market. The study concludes that a policy response to those reduced rates which involves more allocations in the MUAs carries very high levels of delivery risk</p>
	<p>It is illogical to compare RSS Phase Two housing requirements with previous delivery rates when the targets set in the adopted 2004 RSS were significantly lower.</p> <p>Capacity has been identified to accommodate RSS Phase Two Revision housing levels as minima within the Metropolitan Area, with evidence that there is potentially scope to exceed this in certain areas. In order to accelerate delivery of this capacity, which is widely acknowledged to be consistent with the principles of sustainable development, it is imperative that public resources are directed so as to bring it forward.</p>
6	<p><i>In some locations there are increased risks that additional supply in contiguous areas could harm fragile markets and undermine housing market renewal, but this may be able to be overcome by careful phasing</i> – The relationship between the amount and location of new housing and the effects on fragile housing markets in the region is complex. There is a need to distinguish between a) areas of <i>lower demand</i> due to economic weakness and lower household growth; and b) areas of <i>market dysfunction</i> where the housing mix and quality of place does not match housing aspirations.</p> <p><i>In the areas with lower demand, such as North Staffordshire, there is a need to phase additional housing carefully to avoid local displacement effects which might impact on regeneration initiatives. In Birmingham and the Black Country new housing could, subject to market capacity, play an important role in</i></p>

	<p><i>addressing market dysfunction by helping deliver positive place change and providing housing which better reflects demand. Distributing additional housing to support regeneration brings into focus a number of potential tensions and risks. Good quality new housing can be enormously influential in delivering positive place change.</i></p> <p><i>However if that additional housing is not successful in attracting additional households to the area it can cause market weakness or vacancies in adjacent areas of poorer quality housing. Whilst careful phasing and integration with wider investment can mitigate these risks, it is clear that options which propose significantly higher levels of housing into fragile market areas could potentially undermine current housing regeneration investment;</i></p>
	<p>In order to deliver the Urban Renaissance, Metropolitan Authorities are seeking to provide housing of a type and quality in order to meet peoples' aspirations.</p> <p>This conclusion appears to suggest that excessive supply within weak localised housing markets could lead to intra housing market displacement and increases in vacancies. It appears, however, to discount inter housing market displacement and increased vacancies if additional growth is directed to more economically buoyant locations.</p>
7	<p><i>The precise relationship between housing supply, economic growth and regeneration is not simple but additional housing supply could help relieve labour supply blockages in important growth sectors – In parts of the region, notably some rural areas and the south-east quadrant, housing output is not keeping pace with job growth. There is also evidence of increasingly footloose patterns of economic and housing investment influenced by factors such as quality of life and place. Whilst the precise relationship between jobs and housing is complex the appraisal of options pointed clearly to additional housing in the south-east quadrant as a means of better matching employment and housing growth thereby better enabling new housing to support the growth of important economic growth sectors in that area;</i></p>
	<p>The reverse of this argument is that there are urban areas where there is a shortage of high quality jobs; therefore should we not be seeking to direct employment investment to where there is a labour supply? To keep planning for housing growth in the south east of the region is likely to lead to the further 'hollowing out' of parts of the MUA, leading to further social polarisation.</p> <p>This conclusion does not consider the role of Regeneration Zones (which cover large parts of the MUAs); these policy tools seek to direct public and private resources to these areas of need in order to encourage economic investment in support of the Urban Renaissance strategy.</p> <p>The RSS strategy is regeneration and growth led rather than just seeking to maximise GVA. This is a narrow measure of economic wellbeing which does not take account of the likes of social costs, lost output and transfer payments.</p> <p>Moreover, by focusing development activity in the south east quadrant, there may be a risk that that it will encourage further out migration from the south east region. There does not appear to be any analysis of this in the study.</p>

8	<p><i>Birmingham needs more good quality housing in its hinterland to grow its global role</i> – Birmingham’s role as the regional economic hub and as a global city is recognised. To help it fulfil these roles it needs a close and linked relationship to vibrant housing markets in its hinterland. Restricting housing supply in locations which are outside the MUA but clearly fall within its housing market will serve to harm the ability of Birmingham to grow its global role;</p>
	<p>The evidence base for this conclusion is unclear. There is a need to increase the supply of high quality housing within Birmingham and other parts of the Metropolitan Area in support of the Urban Renaissance.</p>
9	<p><i>Additional housing growth can help address genuine affordability problems and meet housing needs</i> - The study has drawn a number of evidence-based findings in relation to improving accessibility to good quality affordable housing:</p> <ul style="list-style-type: none"> – The NHPAU evidence is that increased supply will reduce prices and improve affordability; – the MUAs contain the greatest number of people in need, but the affordability gap is most acute in the shire counties and rural areas; – during the credit-crunch it will be increasingly difficult to secure affordable housing from developers. The challenge will be greatest in the MUAs.
	<p>It is considered that the NHPAU evidence is narrow in that it considers only supply side factors rather than demand side factors such as the availability of mortgage finance. The planning system is also being overburdened in terms of demands on it to deliver ‘affordable’ housing in the light of limited direct central resources.</p> <p>Whilst the ex MUA ‘affordability gap’ may be more acute, there is no analysis as to how this has come about. It may be the case that selective out migration of those in higher socio-economic groups has led to price increases, a trend that may be exacerbated if allowed to continue.</p>
10	<p><i>There will be important affordability benefits flowing from increasing allocations in many of the shire counties and rural areas.</i> There are these areas where needs are most acute and where there is the greatest prospect of developers being able to afford higher levels of affordable housing provision;</p>
	<p>Increasing the supply of housing in such locations is supported provided that it is in accordance with identified needs and does not undermine overall Urban Renaissance policy objectives by encouraging excessive out migration.</p>
11	<p><i>Additional housing growth is likely to require the release of Green Belt but this is consistent with RSS objectives if it results in sustainable development and regeneration</i> - RSS already recognises the principle of Green Belt releases being necessary to meet housing needs. The scenarios for accommodating additional housing growth, as developed through this study, identify the broad locations where these green belt reviews may be required. It will be for Core Strategies to consider the specific boundary changes where such releases might be in the context of:</p>

	<ul style="list-style-type: none"> – <i>urban extensions (in and around the MUAs and SSDs) can provide more sustainable solutions than development "leapfrogging" the Green Belt;</i> – <i>mixed-use urban extensions or new settlements around Birmingham and in the South-East quadrant might offer major benefits in linking new housing to existing and future economic growth;</i> – <i>there may be scope for Green Belt extensions to provide better protection of openness around settlements such as Warwick and Stratford.</i>
	<p>The RSS Phase Two Revision does not propose a fundamental review of Green Belt boundaries as this would be counter to the Urban Renaissance policy objectives. Government policy as expressed in PPS2 Green Belts, also states that one of the roles of Green Belt is to <i>assist in urban regeneration, by encouraging the recycling of derelict and other urban land.</i></p> <p>The Phase Two Revision does, however, give flexibility for boundary amendments to deliver local strategies; these should be taken forward through LDFs and these are referred to as appropriate.</p>
12	<p><i>New settlements are a potential form of development that could meet requirements, in the right locations and if the delivery capability is in place</i> - <i>The scope for identifying and developing new settlements in the region should be considered. It is considered that the south-east of the region offers the best opportunity. The analysis concluded potential new settlements could be either:</i></p> <ul style="list-style-type: none"> – <i>smaller settlements (under 10,000 units) perhaps linked to existing settlements and private sector led; and/or</i> – <i>larger free standing settlements of circa 20,000 units or more which would require major public sector delivery capacity and leadership given their complexity and profile.</i>
	<p>Recent representations made by WMRA on the Eco Town proposals put forward conclude that they are contrary to the underlying RSS principles. Any further proposals coming forward must unequivocally demonstrate that they are not detrimental to the Urban Renaissance.</p>
13	<p><i>Transportation issues are not a fundamental barrier to delivering more housing although investment will be needed</i> - <i>In terms of journey times and delays none of the nine options incur impacts markedly different from the Phase 2 Revision. At a local level there will be a need to mitigate impacts caused by significant amounts of new housing. None of the nine options appear to result in mitigation requirements which are technically not possible. Any infrastructure improvement to facilitate housing growth, which is not already a funding commitment, carries delivery risks. A key task will be to align the phasing of additional housing with the funding and timing of new infrastructure. Developments of 5,000 units and above, in a particular location, may offer greatest prospect of securing private sector funding of major infrastructure improvements;</i></p>

	<p>The evidence underpinning this is limited and appears to be based largely on a strategic level Highways Agency study which it is understood considers implications for the network as a whole. Clearly there is the technical capability to overcome most concerns but resources are finite and there may be unpalatable environmental consequences particularly given the Government's commitment to reducing carbon emissions.</p> <p>The apparent abdication of infrastructure planning to the LDF process without consideration of delivery, impacts and funding is a matter of real concern.</p> <p>Analysis of public transport is weak, other than cursory mention of rail capacity, with the implications not being discussed further. There is a concern that the scenarios put forward will lead to increased car dependency which again is counter to policy at all levels.</p>
14	<p>Although there are localised hydrology issues to resolve, there is no evidence that these cannot be addressed through investment in additional capacity or consideration of specific locations in Core Strategies - There is no evidence that the hydrology impacts and mitigation associated with higher housing growth are markedly different than those required to deliver the Phase 2 Revision level of housing. There is no evidence that hydrology impacts cannot be mitigated or that feasible technical solutions cannot be found. Flood risk measures water supply improvements and water treatment works will require careful timing and advance planning to help manage risks;</p>
	<p>The evidence in support of this conclusion is limited. The report states that: 'The issue of obtaining sufficient and timely funding bids through OFWAT has been raised by Severn Trent as a potential constraint to delivering growth' (Vo 13, para 9.23)</p>
15	<p>The market downturn means the currently envisaged trajectory of housing will change but there is no fundamental market barrier to increasing supply provided there is sufficient suitable and available land - There was clear and consistent feedback that the current market downturn will reduce envisaged housing output to 2011. Much higher RSS requirements will therefore be required later to enable housing output to "catch-up" with pent-up household growth and affordability issues. The study concludes that:</p> <ul style="list-style-type: none"> - Build rates in the second half of the RSS period may need to rise to around 25-28,000 per annum by 2018/9. This compares to recent rates of 13-16,000 per annum; - Both the study research and developer feedback indicates that this scale of increase should be feasible provided that: <ul style="list-style-type: none"> • sufficient deliverable land is made available; • the allocations are spread around the region rather than overloading particular markets; and • Wider issues such as skills are properly resolved. <p>it is clear that the upper end of the NHPAU range, namely 442,000 additional houses by 2026, represents a considerable challenge.</p>

	<p>The Study analyses the impact of the current downturn in the economy (see graph at Appendix 3), suggesting that lower completions in the first five years would be counterbalanced by rising completions in later years. This graph underlines the fact that decisions on increasing overall housing numbers are not urgent and that the NLP options - which rely on high levels of Greenfield development – present a very real threat to the Spatial Strategy.</p> <p>There is a concern that when the market shows signs of recovery (regardless of the overall level of housing proposed), there will be speculative pressures for the release of additional sites outside of the MUAs in order to provide an early market stimulus and that this could undermine delivery of the Urban Renaissance strategy.</p> <p>Inevitably housing delivery will need to be back-loaded towards the latter part of the RSS period. This will require delivery at unprecedented levels and it is not clear whether the construction industry will have the capacity to deliver at these enhanced rates.</p>
16	<p><i>The phased release of land needs to focus on managing the risks for fragile markets, whilst also ensuring that supply increases as quickly as possible out of the downturn - Housing delivery in the region will need to accelerate rapidly out of the downturn to catch up to the RSS Revision 2 levels, let alone the NHPAU ranges. Whilst there will be a need to ensure land is released to reflect the policy emphasis on Brownfield land the delivery challenge will necessitate an ongoing supply of both Brownfield and Greenfield land sufficient to give confidence that higher rates of development can be achieved. In the more fragile market areas of the region there will be a need to ensure the phasing of new housing is aligned with supporting regeneration and infrastructure investment in order to minimise risks of displacement.</i></p>
	<p>See responses to conclusions 15 and 6 also.</p> <p>Whilst the conclusion relating to localised fragile markets is acknowledged, it is not understood why it is not applied more universally as elsewhere the report suggests that that there is no strong evidence of displacement between MUA and ex MUA areas whilst suggesting that ex MUA housing markets are stronger.</p>