

Abolition of Regional Spatial Strategies

**Rapid Impact Assessment for the Midlands and North of
England**

Abolition of Regional Spatial Strategies

Rapid Impact Assessment for the Midlands and North of England

David Burton with Ben Pattison, Jennifer Strutt and Jim Vine

Published October 2010

© Building and Social Housing Foundation 2010

ISBN 978-1-901742-27-5

Extracts from the text of this publication may be reproduced without further permission provided that the source is fully acknowledged.

Contents

Contents.....	2
Executive summary.....	3
Background.....	5
Regional Spatial Strategies.....	5
Open Source Planning and coalition policy.....	5
Perceived problems.....	6
Impact of the RSS abolition.....	7
Methodology.....	9
Results.....	10
East Midlands.....	10
Other regions.....	10
Gypsy and Traveller accommodation.....	11
Implications and recommendations.....	12
Notes.....	16

Executive summary

On 6 July 2010, the coalition government announced the revocation of the Regional Spatial Strategies (RSSs) with immediate effect. This is one part of a wider policy to “put greater power in the hands of local people, rather than regional bodies”.¹ However, abolition of the regional level of planning has met with significant criticism. Some housing organisations think this will decrease housing supply, or at least fail to increase it. Avoiding an undersupply of housing is an important issue with both social and economic consequences.

The aim of this report is to provide a rapid assessment of the responses to changing government policy in the Midlands and North. This will complement other research that has focused on the Southern regions. A short email questionnaire was sent to all planning departments in the Midlands and North of England regarding their housing target intentions.

The highest response rate to the survey was achieved in the East Midlands. Over one third of local authorities (38 per cent) stated their intention to keep the housing targets set out in the RSS. Almost three quarters (71 per cent) of local authorities that responded were planning to keep the RSS targets for provision of accommodation for Gypsies and Travellers.

In addition to information on changes to housing targets, the research has highlighted important information about local authority perceptions of the abolition of the RSSs. One of the major findings was the level of confusion that exists at a local level. Some local authorities responding to the research were struggling to understand the nature and scope of their new responsibilities. There also appears to be confusion surrounding the use of so called ‘Option 1’ figures as an implied default housing target. Some local authorities were concerned that they do not have the financial or technical resources to assess local housing need, particularly given removal of support from regional bodies and organisations such as the National Housing and Planning Advice Unit.

In response to the findings of this research BSHF has a number of recommendations for the coalition government:

- BSHF recommends that the government should urgently act to reduce the current uncertainty by requiring local authorities to publicly register their housebuilding targets or timetable for revision. Proposed changes to the planning system should include a mechanism for local authorities to publish both their housebuilding targets and actual completions, and central collation of these by CLG.

- BSHF recommends that the RSS housing target be made the explicit default target in every area that has not formally adopted an alternative figure. This would not prevent local authorities from setting their own targets, but would minimise the potential for harmful policy voids, as there would be a default target in place until and unless an alternative was set at the local level.
- BSHF recommends that the government ensures that adequate technical and methodological support is provided to local authorities to ensure that their assessment of housing need is robust.
- BSHF recommends that the government clarifies how it will monitor the impact of policy changes at a local and national level to ensure that they are having the desired impact. Sufficient data and analysis should be made freely available to local authorities and the public to ensure accountability and transparency.
- BSHF recommends that the government should clarify how local authorities determine 'local need' for Gypsy and Traveller accommodation with specific reference to when Gypsy and Traveller Accommodation Assessments should be updated.
- BSHF recommends that the government should require each local authority to publish their targets for Gypsy and Traveller accommodation and actual completions on an annual basis. This will help to promote transparency and ensure that the costs of undersupply are minimised. As above, this information should be collated centrally and published by CLG, to improve transparency and aid monitoring.

Background

Regional Spatial Strategies

Regional Spatial Strategies (RSS) provided a regional framework for planning policies in England (except for London). They were largely developed in the Planning and Compulsory Purchase Act 2004. This legislation outlined the Labour government's desire for the planning system to deliver sustainable and inclusive communities in a transparent manner.² The intention of the Labour government was to create a more inclusive, sustainable and democratic place making process. The regionalism created in the 2004 act could be seen to follow the new economic significance of the 'region' as a demarcated unit of space.^{3, 4} Regional planning infrastructure was developed to nurture regional cohesiveness and regeneration.

Fundamentally the 2004 act replaced the then current system, with an almost two tiered framework. These two separate tiers (regional and local) proceeded to be intimately linked through the RSS and Local Development Framework (LDF) mechanisms, as ultimately each began to inform the other. The new regional tier hoped to provide greater strategic power and decision making capabilities through replacing the lacklustre regional planning guidance and structure plans. The 2004 act ultimately gave regional governance a much more prominent and vigorous role.

On 6 July 2010, the coalition government announced the revocation of the Regional Spatial Strategies with immediate effect.⁵ The rationale for these changes was that these regional infrastructures hindered a truly democratic and localised approach to the planning of the built environment.

The abolition of the Regional Spatial Strategies represents a major change in planning ideology and policy. However, this change will not be complete until new legislation is passed to replace the previous system. This has created a void of uncertainty surrounding a number of major strategic targets and ultimately the assessment of the UK's social and economic need. The current void is a concern when considering the slow response rate of the planning system to structural change (as seen in the adoption of RSS and LDF).

Open Source Planning and coalition policy

The coalition government intends to publish a Decentralisation and Localism Bill in the autumn of 2010. This should solidly define the policy and structure that

will support the government's planning ideology. In the meantime, an indication⁶ of future structural shifts can be seen in the 2010 Conservative policy green paper, 'Open Source Planning'⁷. In this paper the Conservative party outlined a basic structure for both the process of change and the end design of their planning system. Open Source Planning suggests that a new more transparent level of national planning will emerge, which will coincide with a removal of unelected regional planning bodies. Equally a more direct relationship between central and local government will be created. The Conservatives describe a significantly flattened system, stating:

“Control over development will revert to the local level, with no statutory planning documents between the national planning framework (and its associated guidance notes) and local authorities' new Local Plans”

The Conservative 'open source' planning system ultimately promotes a less rigid planning system that seeks to avoid what it describes as "one-size-fits-all rules" that "inhibit communities from finding imaginative and sustainable solutions".⁸ The removal of statutory planning documents between the national and local level ultimately gives greater autonomy and responsibility to local authorities to make their own decisions and localised planning system.

The coalition government has acknowledged that there is a need for additional housing. On the day that the RSSs were abolished, the Secretary of State, Eric Pickles, said in a speech to the Local Government Association that "the country has a housing shortage. But it's time to concentrate on building homes, rather than dreaming up numbers."⁹ He expressed similar sentiments in parliament, stating:

“Imposed central targets will be replaced with powerful incentives so that people see the benefits of building. The coalition agreement makes a clear commitment to providing local authorities with real incentives to build new homes ... Because we are committed to housing growth, introducing these incentives will be a priority...”¹⁰

The coalition government has indicated that it intends to support its eventual planning system with a set of incentives. The aim of these incentives will be to encourage local communities to support housebuilding in their areas.

Perceived problems

Since the announcement of the RSS revocation organisations such as the Royal Town Planning Institute¹¹, National Housing Federation¹² and Planning Officers Society¹³ have expressed concerns about the proposed changes. The primary

concerns pivot around a belief that the changes will lead to lower housing delivery than would have been the case under the former system, and the economic and social effects that a more restricted housing supply would have on England.¹⁴ These proposed changes come at a time when the supply of new homes has dropped to the lowest levels since the Second World War.¹⁵ It is clear that many organisations within the housing sector feel that a more localised planning system would significantly reduce the supply of new build houses and therefore the overall housing stock of the UK. Barker's influential housing supply review from 2004 highlights the main economic problems surrounding an undersupply of housing within a UK context.¹⁶ The report highlights how an undersupply of housing can:

- Constrain economic growth;
- Create a greater risk of macroeconomic instability;
- Worsen affordability.

The social repercussions caused by an under supply in housing are also significant and include:¹⁷

- Affordability issues for first time buyers;
- Limited accessibility to both the market and social sectors;
- Greater housing pressure, as future housing requirements increase.

Impact of the RSS abolition

There is a clear difference of opinion between the coalition government and a number of organisations within the housing sector about the likely impact of the proposed changes to planning and, specifically, the abolition of the RSSs. Therefore, it is important to assess the likely impact of the RSS abolition.

Following the RSS revocation, the National Housing Federation (NHF) commissioned a report on the effects of the revocation on planned housing numbers. Tetlow King planning consultants produced the report which focussed on the Southern regions outside of London (South West, South East, and East of England). It was reported that the research had identified potential reductions in housing numbers of 100,000 over a twenty year horizon.¹⁸

The sample areas investigated by the NHF/Tetlow King research are those which were targeted most heavily by the RSSs for housing growth. However until now the North and Midlands have not been investigated. Therefore the aim of this research was to provide a rapid assessment of the responses to changing government policy in the Midlands and North. The fluid political and policy

environment has led to an approach that has focused on quickly gaining an overview of the current situation to inform the ongoing debate.

Methodology

The Midlands and the North are characterised by different housing needs from the South. A combination of housing decline, housing market renewal areas, growth points, and a greater abundance of joint planning units mean that the recent abolition of national and regional housing targets will have a very different impact on localised housing supplies in these regions. These differences from the Southern regions mean there is a need for more information on the likely impact of RSS abolition in the Midlands and the North.

A short email questionnaire was sent to all planning departments in the Midlands and North of England. The questionnaire was used to gain information on the effects of new government policy on the assessment of housing need and subsequent housing targets in each local authority.

Each local authority was asked to provide the following information:

- Will the Local Planning Authority be changing its housing targets since the RSS revocation, or will it be staying with its RSS targets?
- If the targets will be changing, which figures will the Local Planning Authority be adopting instead? For example, the Chief Planner has stated the possibility of using Option 1 figures (the figures originally submitted to the original Regional Spatial Strategy examination).
- Therefore, what are the Local Planning Authority's future housing targets?
- Are you also reviewing the RSS figures for provision of Gypsy and Traveller pitches (and if so, how and when will you be reviewing it)?

The questionnaire was generated through the developing context of the RSS revocation whilst also considering future government changes to the planning system. This included a thorough examination of the Conservative manifesto and planning guidance published by the chief planner.¹⁹

The recent and ongoing nature of the RSS revocation limited the scope of the methodology. Because of this, an informal and broad questionnaire offered the most practical assessment of each local authority's situation.

Results

East Midlands

The questionnaire was sent to 40 local planning authorities in the East Midlands. The response rate to the survey was 85 per cent of local authorities (34 authorities). Of those that responded, the indications were:

- 38 per cent of local authorities are keeping the RSS targets for housebuilding;
- 32 per cent of local authorities are undecided;
- 21 per cent of local authorities are intending to adopt a new target;
- 9 per cent of local authorities are using the RSS while they decide a new figure;
- No local authorities have yet decided to adopt the Option 1 figures.

The National Housing Federation estimated a reduction in housing targets in the East Midlands of 300 following their research with Tetlow King on the Southern regions; the findings of this research indicate that that estimate is plausible.²⁰ The main areas of reductions in housing targets in the East Midlands, appeared to be almost equally split between urban and rural locations.

Other regions

For the remaining regions surveyed (West Midlands, Yorkshire and the Humber, North East and North West), the questionnaire was again sent to all local planning authorities, a total of 107. As these questionnaires were sent in a second wave the response rate at the time of writing is lower than for the East Midlands. These results should be viewed as interim findings. The response rate to date has been 56 per cent. Of those that responded, the indications were:

- 48 per cent of local authorities are keeping the RSS targets for housebuilding;
- 30 per cent of local authorities are undecided;
- 13 per cent of local authorities are intending to adopt a new target;
- 5 per cent of local authorities are using the RSS while they decide a new figure.

There was a lower response rate (56 per cent) for the rest of the Midlands and Northern regions. However it is clear that the emerging trends are similar to those in the more comprehensive results of the East Midlands. A similar

percentage of local authorities are undecided in their action towards the localised housing targets. Equally the other two variables of local authorities intending to adopt a new target and those intending to keep the current RSS figure are also not too dissimilar.

The results for the East Midlands and the rest of the regions in question suggest that the Midlands and the Northern regions may not be incurring the dramatic housing cuts that are predicted in the Southern and Eastern regions. However, the research conducted by NHF/Tetlow King and the extrapolations they make for the East Midlands appear to be plausible. If the conclusions they reached for the Southern regions are correct then a larger under supply of housing could develop in the areas where most growth is currently demanded.

The problem surrounding the use of Option 1 figures by the coalition government is explained below. However, what must be noted is that currently only one local authority responding to the questionnaire stated that it intends to revert back to its Option 1 figure. For the rest of those that stated they would be adopting their Option 1 figures, these were the same as their RSS figures, so the adoption of the Option 1 figure could equally have been described as the adoption of the RSS figure.

Gypsy and Traveller accommodation

There is a major shortage of accommodation for Gypsies and Travellers that has built up over decades. Evidence suggests that this undersupply leads to local authorities incurring significant expenditure for every pitch that is under-supplied in their area,²¹ not to mention the social impacts felt both by travelling communities and the wider population.

Local authorities in the East Midlands have also responded to BSHF about their intentions in relation to the provision of accommodation for Gypsies and Travellers. These results indicate that of local authorities that responded:

- 71 per cent were planning to keep the RSS targets for provision of accommodation for Gypsies and Travellers;
- 29 per cent were planning to review the RSS targets for provision of accommodation for Gypsies and Travellers.

Implications and recommendations

This research also uncovered important qualitative data on the perceptions of local authorities. This information has important consequences for the policy changes proposed by the coalition government. These findings are outlined below alongside recommendations for how the government might seek to address them.

The research demonstrates that in many areas there is significant uncertainty over what the eventual housing target will be. Researchers, local people, and developers alike will often not have a simple way of identifying what the target is in a given area, or the process and timescale by which it will be set. Local authority housebuilding targets should be collated by Communities and Local Government (CLG) and published on their website. This could be done on a periodic basis, through a mechanism similar to the Housing Strategy Statistical Appendix (HSSA) spreadsheet published annually, or through a mechanism similar to the Live Table spreadsheets that CLG makes available on other housing issues.

BSHF recommends that the government should urgently act to reduce the current uncertainty by requiring local authorities to publicly register their housebuilding targets or timetable for revision. Proposed changes to the planning system should include a mechanism for local authorities to publish both their housebuilding targets and actual completions, and central collation of these by CLG.

The lack of information is not only a problem for local people. This research suggests that many local authorities are having difficulty in responding to the abolition of RSSs. Significant confusion was evident in the responses from local authorities on this issue and some were struggling to understand the nature and scope of their new responsibilities. This is despite the vital importance of avoiding an undersupply of housing for the social and economic health of the local community.

The Conservatives state that during the interim period between the abolition of regional government and the introduction of a new planning system, local authorities will refer back to their Option 1 figures. The Conservatives state that

'Local planning authorities have already projected the number of houses they (as opposed to the regional authorities) believed would be necessary by 2026 for local needs – the so-called Option 1 numbers'.²²

However earlier dialogue between BSHF and the Regional Leaders' Boards suggest that Option 1 figures are not clearly defined. One professional involved in the former regional planning process told us:

"My understanding is that Option 1 housing figures are those which LAs [local authorities] approved for inclusion in the draft RSS. ... However, one could argue that option 1 figures generated by LAs are in fact those which came out of technical work done by the LAs themselves which were then modified through discussion with the then [Regional] Assembly. In some cases the figures agreed by LAs and presented to the Assembly were higher than those which eventually appeared in the draft RSS, which in the end represented politics and consensus."

The main area of discrepancy was whether the Option 1 figures were the figures produced by the technical work of the local authority itself, or whether these were the figures produced in the first draft stage of the RSS. This discrepancy therefore leads to different stances on guidance by local authorities and reduced coherence in both local governance and assessment of housing need.

Given the inconsistent understanding of the term Option 1, and the fact that some local authorities do not believe that they have such figures, it is concerning that they have been proposed as an implicit default target. An alternative default would be the RSS figure, which is present in every local authority area.

Equally during this interim process local authorities have almost been given free rein over housing targets. Although it is proposed that housing targets and assessments will eventually be assessed by an inspectorate,²³ current untested housing targets could negatively affect development provision.

BSHF recommends that the RSS housing target be made the explicit default target in every area that has not formally adopted an alternative figure. This would not prevent local authorities from setting their own targets, but would minimise the potential for harmful policy voids, as there would be a default target in place until and unless an alternative was set at the local level.

This coincides with a feeling of alienation by some local authorities who feel unable to properly respond to the recent structural changes or demands set out within them. One local authority respondent stated:

“a small authority like this one does not have the capacity to produce anything of similar robustness [to the RSS figures]. “

Another, in response to reviewing their housings target stated:

“Timetabling for that is currently uncertain given the budgetary backdrop and the difficulty in responding to the scope and range of changes being introduced by the Government.”

As part of the coalition government’s budget cuts, the National Housing and Planning Advice Unit (NHPAU) has been closed. The NHPAU provided research on housing markets as well as guidance on strategic planning. Removing valuable research, especially in a time of dramatic policy shift, not only potentially reduces the effectiveness of local authority provision, but also reduces the transparency of new government policy through diminishing research on the impact of those policy changes.

BSHF recommends that the government ensures that adequate technical and methodological support is provided to local authorities to ensure that their assessment of housing need is robust.

Another important practice carried out by the Regional Leaders’ Board was the collection of local authority data. Through the RSS, a comprehensive database of strategic targets was built up, allowing greater efficiency in analysing and researching changes and national trends. With the removal of the Regional Leaders’ Board, the function to compile data on a national and regional level has been lost. The Conservative green paper does not mention any replacement for the Regional Leaders’ Board’s function. When combined with the closure of the NHPAU there is the danger of a serious lack of expertise and capacity to monitor the major policy changes proposed by the coalition government.

BSHF recommends that the government clarifies how it will monitor the impact of policy changes at a local and national level to ensure that they are having the desired impact. Sufficient data and analysis should be made freely available to local authorities and the public to ensure accountability and transparency.

The proportion of local authorities who intend to keep the RSS targets for Gypsy and Traveller accommodation is much higher than those intending to keep the RSS targets for housebuilding (71 per cent to 45 per cent respectively). Comments from local authorities suggest that they chose to keep the Gypsy and Traveller targets because they were derived from the Gypsy and Traveller Accommodation Assessments. They considered these to be a robust estimation of need and therefore, were happy to retain these targets. Of those local authorities that are reviewing their targets, several cited problems with the Gypsy and Traveller Accommodation Assessments as their reason for doing so. Other local authorities highlighted the need to review their Gypsy and Traveller Accommodation Assessments from 2012 onwards.

BSHF recommends that the government should clarify how local authorities determine 'local need' for Gypsy and Traveller accommodation, with specific reference to when Gypsy and Traveller Accommodation Assessments should be updated.

BSHF recommends that the government should require each local authority to publish their targets for Gypsy and Traveller accommodation and actual completions on an annual basis. This will help to promote transparency and ensure that the costs of undersupply are minimised. This information should be collated centrally and published by CLG, to improve transparency and aid monitoring.

Notes

- ¹ Pickles, E. (2010) Written Ministerial Statements, 6 July 2010.
<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100706/wmstext/100706m0001.htm#10070623000003>
- ² Office for the Deputy Prime Minister (2002) Sustainable Communities: Delivering through planning,
<http://www.communities.gov.uk/documents/corporate/pdf/SustainableCommunities.pdf>
- ³ Storper, M. (1997). The Resurgence of Regional Economies, 10 Years Later. In: Storper, M. eds. *The Regional World: Territorial Development In a Global Economy*, Guilford Press, pp3-22.
- ⁴ Audretsch, D and Thurik, R. (2001) 'What's New About the New Economy? Sources of growth in the Managed and Entrepreneurial Economies'. In: Audretsch, D. Eds. *SMEs in the age of globalization*. Edward Elgar publishing Limited, pp.3-52.
- ⁵ Quartermain, S. (2010) Chief Planning Officer Letter: Revocation of Regional Strategies,
<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf>
- ⁶ Coalition Government (2010) The Coalition: our programme for government.
http://www.cabinetoffice.gov.uk/media/409088/pfg_coalition.pdf
- ⁷ Conservatives (n.d.) Open Source Planning,
<http://www.conservatives.com/~media/Files/Green%20Papers/planning-green-paper.ashx>
- ⁸ Ibid, page 1.
- ⁹ Pickles, E. (2010). Speech to Local Government Association Conference 2010.
<http://www.communities.gov.uk/speeches/newsroom/lgaconference2010>
- ¹⁰ Pickles, E. (2010) Written Ministerial Statements, 6 July 2010.
<http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100706/wmstext/100706m0001.htm#10070623000003>
- ¹¹ RTPI, (2010) Localism must not miss the bigger picture on planning,
<http://www.rtpi.org.uk/item/3937/23/5/3>
- ¹² Morris, H. (2010). RSS move sees 85,000 homes being scrapped.
<http://www.planningresource.co.uk/news/ByDiscipline/Housing/1016847/RSS-move-sees-85000-homes-scrapped/>

- ¹³ Donnelly, M. (2010). RTPI/POS team up to urge regional rethink
<http://www.planningresource.co.uk/bulletins/Planning-Resource-Daily-Bulletin/News/1006733/RTPI-POS-team-urge-regional-rethink?DCMP=EMC-DailyBulletin>
- ¹⁴ Planning is a devolved matter in the other parts of the UK, so policy and practice varies between the nations.
- ¹⁵ CLG (2010) Live Table 241: House building, permanent dwellings completed, by tenure, UK historical calendar year series, <http://www.communities.gov.uk/documents/housing/xls/1473575.xls>
- ¹⁶ Barker, K. (2004) Delivering stability: securing our future housing needs <http://www.barkerreview.org.uk/>
- ¹⁷ NHPAU. (2009). Housing requirements and the impact of recent economic and demographic change. <http://www.communities.gov.uk/documents/507390/pdf/1221553.pdf>
- ¹⁸ Islam, F. (2010) Councils 'abandon' 100,000 new homes plans
http://www.channel4.com/news/articles/politics/domestic_politics/councils+aposabandonapos+plans+for+100000+new+homes/3759487
- ¹⁹ Quartermain, S. (2010) Chief Planning Officer Letter: Revocation of Regional Strategies
<http://www.communities.gov.uk/documents/planningandbuilding/pdf/1631904.pdf>
- ²⁰ Morris, H. (2010). RSS move sees 85,000 homes being scrapped.
<http://www.planningresource.co.uk/bulletins/Planning-Resource-Daily-Bulletin/News/1016847/>
- ²¹ Vine, J. and Pattison, B. (2009) Providing Accommodation for Gypsies and Travellers in Leicestershire: A Financial Analysis, <http://www.bshf.org/published-information/publication.cfm?lang=00&thePubID=E84E09F7-15C5-F4C0-99D6F89557BC0263>
- ²² The Conservative Party (n.d.) Open Source Planning,
<http://www.conservatives.com/~media/Files/Green%20Papers/planning-green-paper.ashx>
- ²³ The Conservative Party (n.d.) Open Source Planning,
<http://www.conservatives.com/~media/Files/Green%20Papers/planning-green-paper.ashx>

The Building and Social Housing Foundation (BSHF) is an independent research organisation that promotes sustainable development and innovation in housing through collaborative research and knowledge transfer.

Established in 1976, BSHF works both in the UK and internationally to identify innovative housing solutions and to foster the exchange of information and good practice. BSHF is committed to promoting housing policy and practice that is people-centred and environmentally responsible. All research carried out has practical relevance and addresses a range of current housing issues worldwide.

BSHF – Promoting innovative housing policy and practice

Building and Social Housing Foundation
Memorial Square
Coalville
Leicestershire
LE67 3TU

Tel: +44 (0)1530 510444
Email: bshf@bshf.org
Web: www.bshf.org

Charity number: 270987



Price: £10.00