



The Rt Hon Caroline Flint MP
Minister for Housing and Planning

**Department for Communities and Local
Government**

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Lord Peter Smith
Chair, North West Regional Leaders Forum
Wigan Investment Centre
Waterside Drive
Wigan. WN3 5BA.

Dear Lord Peter Smith,

Government guidance on housing provision to inform regional strategy revisions

We want everyone to have access to a decent home at a price they can afford, in a place where they want to live and work. Good quality affordable housing enables stable and secure family lives and can improve our social, environmental and economic well being. It helps create better communities that can attract investment and skilled workers. The Government is committed to building sustainable communities which is why the Housing Green Paper last year said we need to increase the range of house building in the medium to long term. It also said that there should be partial reviews of Regional Spatial Strategies where necessary to reflect the Government's target of 240,000 net additions per annum by 2016 and bring in other changes that have emerged since the current RSS reviews were undertaken such as Growth Points and eco-towns.

My officials have discussed with you how best to take this forward in the light of the current housing market and will agree with you the most appropriate timing for any further reviews, taking account of current housing market conditions, the position on the Regional Spatial Strategy currently under revision, the National Housing and Planning Advice Unit's advice, proposals for eco towns and new growth points, and the need to manage the transition to the Single Regional Strategy. The Government's guidance on how the NHPAU advice should inform any such review is set out at Annex A

Future strategy preparation should also take into account the NHPAU advice. Attached to this letter is more detailed guidance on how we expect that to be done.

Yours truly,

CAROLINE FLINT

cc. Chief Executive North West Regional Leaders Forum, Chief Executive North West Regional Development Agency and the Planning Inspectorate

Annex A

Government guidance on housing provision to inform regional strategy revisions

Existing policy on housing is set out in Planning Policy Statement 3: housing. This states that, in determining the local, sub-regional and regional level of housing provision, Local Planning Authorities and Regional Planning Bodies, working together, should take into account:

- Evidence of current and future levels of need and demand for housing and affordability levels based upon:
 - o Local and sub-regional evidence of need and demand, set out in Strategic Housing Market Assessments and other relevant market information such as long term housing prices.
 - o **Advice from the National Housing and Planning Advice Unit (NHPAU) on the impact of the proposals for affordability in the region.**
 - o The Government's latest published household projections and the needs of the regional economy, having regard to economic growth forecasts.
- Local and sub-regional evidence of the availability of suitable land for housing using Strategic Housing Land Availability Assessments and drawing on other relevant information such as the National Land Use Database and the Register of Surplus Public Sector Land.
- The Government's overall ambitions for affordability across the housing market, including the need to improve affordability and increase housing supply.
- A Sustainability Appraisal of the environmental, social and economic implications, including costs, benefits, and risks of development. This will include considering the most sustainable pattern of housing, including in urban and rural areas.
- An assessment of the impact of development upon existing or planned infrastructure and of any new infrastructure required.

The 2007 Housing green paper "*Homes for the future: more affordable, more sustainable*" contained our commitment to strengthen the evidence base for forthcoming Regional Spatial Strategy (RSS) (in London the Spatial Development Strategy) reviews by issuing formal Government Guidance at the beginning of the RSS preparations (and subsequently where appropriate) on the range of housing provision required over a 15 – 20 year time period. This guidance is to be based on the independent advice of the National Housing and Planning Advice Unit.

The National Housing and Planning Advice Unit recently published independent advice¹ on the range of housing provision for each region. As set out in PPS3 you should take this evidence into account in determining housing levels. We would therefore require the range set out in table 1 of NHPAU's advice, to be tested through any future regional strategy process, including during the testing of different options. Where a favoured option

¹ Meeting the Housing Requirements of an Aspiring and Growing Nation: Taking the Medium and Long-Term View

is identified that falls outside the NHPAU range the Regional Planning Body, working with the councils and authorities identified in section 4(4) of the Planning and Compulsory Purchase Act 2004², must provide the Examination in Public with sufficient evidence to illustrate the spatial implications of delivering a level of growth within the NHPAU supply range. This evidence will need to include the broad locations for growth, district allocation of housing numbers and the implications for the strategic objectives of the strategy, and be accompanied by a Sustainability Appraisal and Habitats Regulations Assessment as necessary.

² This does not apply to London where different statutory arrangements exist