

3.0 Methodology

Approach

- 3.1 The overall methodology for undertaking the study is set out within a series of elements or phases, as illustrated on Figure 3.1 below.

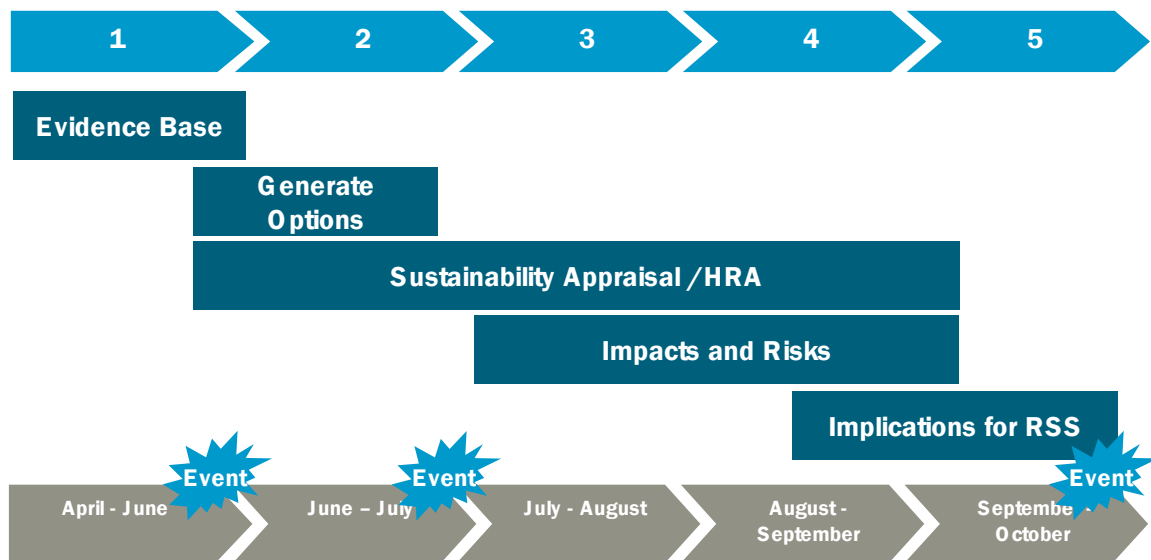


Figure 3.1: Study Programme

Source: NLP

- 3.2 The work outlined above began on 20 April 2008 and was completed with publication of this document on 7 October 2008.
- 3.3 At the heart of the Study is an option generation and appraisal process, which has been prepared taking account of national planning policy and more specific guidance on carrying out option appraisals in an ex-ante context, such as that in HMT's Green Book² and the 'Three Rs guidance'³. Although this work is not intended to be a 'Green Book appraisal', being carried out for different purposes, it does seek to reflect some of the key principles, with some examples set out in Table 3.1 below:

Example Principles	What it means for this Study
The need for the range of options to be framed by parameters derived from objectives (i.e. it is not necessary to test every possible alternative if those alternatives do not reflect the objectives of the study)	This study tests options for how the NHPAU housing supply range to 2026 could be delivered, as net additions to the housing allocations in Phase 2 RSS. It does not need to consider all other options (i.e. levels of provision below Phase 2 RSS, or changing the period for delivery of numbers)

² The Green Book: Appraisal and Evaluation in Central Government; Her Majesty's Treasury

³ Assessing the Impacts of Spatial Interventions: Regeneration, Renewal and Regional Development 'The 3Rs Guidance'; May 2004, ODPM

Example Principles	What it means for this Study
The need for options to be defined sufficiently broadly to give a clear picture of the 'trade-offs' involved in making policy choices (ie it is important to test a range of different approaches even if some may seem more obvious than others).	The options extend across a range of different thematic approaches to providing additional housing that are not always closely aligned to elements of existing RSS policy or are, in themselves, not necessarily the only way in which the region could proceed. The aim is to help make the policy choices for the region more transparent.
The future is inherently uncertain so it essential to consider how future uncertainties can affect the choice between options. Sensitivity should be used to test the vulnerability of options to unavoidable future uncertainties. Spurious accuracy should be avoided, and it is essential to consider how conclusions may alter, given the likely range of values that key variables may take.	A base scenario around household growth and economic and market stability is adopted and described later in the report. However, the impacts and delivery risks are considered against a number of sensitivities to explore what would happen if household growth was either more or less than the base scenario, or if the economy was weaker in the long term.
The need for the results of the appraisal process to be interpreted flexibly – the highest performing option should not necessarily be taken forward by rote. It may be possible to incorporate the best bits of all the options to arrive at the optimum approach.	No single option from this Study will be put forward by Government in its evidence. Rather, the implications of the different options and the resulting three potential scenarios set out in this report will help inform a synthesised view from Government as to the best way forward for the region, which will then form the basis for its response to RSS.

Table 3.1: Appraisal Methodology Issues

Source: NLP

- 3.4 The study, in seeking to explore and test options for additional housing provision, focuses upon identifying the potential impacts and delivery risks that represent fundamental barriers to their implementation. This does not include all cases where there might be potential adverse impacts. The latter can be balanced against other competing factors and choices made for or against. The former, by definition, is something that cannot be overcome and would act as a barrier to additional housing provision.
- 3.5 The study aims to provide useful evidence to input to the RSS process, on the subject of housing provision. However, this Study does not:
- Provide an exhaustive review of all implications of making provision for additional housing in line with the NHPAU supply range through RSS;
 - Question the existing housing provision of RSS Phase 2 Preferred Option;
 - Set out to identify the 'optimal' strategy for the region either in respect of housing provision or otherwise; or
 - provide advice to the region and its stakeholders on the approach that RSS should take on a wide range of planning, economic or other matters.
- 3.6 The inputs to and role of the options, and the different components of the appraisal within the Study is illustrated below in Figure 3.2.

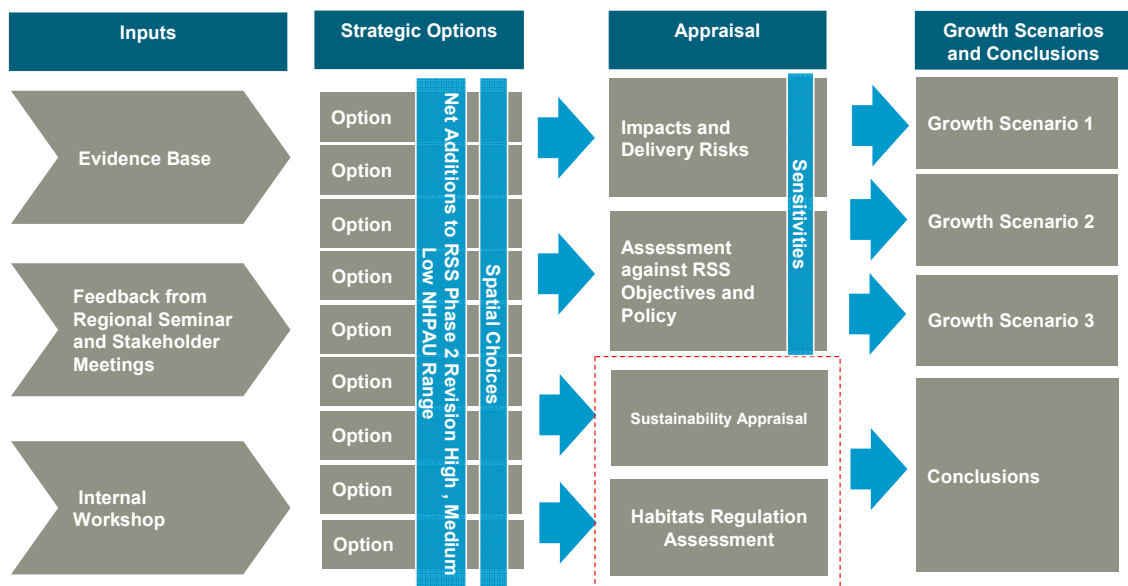


Figure 3.2: Approach to Options and Appraisal

Source: NLP

3.7 How these components are delivered through the methodology is described below.

Element 1: Evidence Base

3.8 As part of this, NLP reviewed a number of documents setting out the evidence base underpinning the allocation of housing in the RSS (See Volume 3).

3.9 NLP also attended meetings or undertook telephone interviews with a number of local authorities, statutory agencies, and other stakeholders. A list of stakeholders engaged as part of the study is included at Appendix 1, alongside a high level summary of the key issues discussed.

3.10 The results of the evidence base were presented at an event (Regional Seminar 1) held on 20 May 2008. The event was attended by a number of stakeholder organisations. Following a presentation from NLP, six discussion groups were held, focusing on: economic change; market affordability and mix; spatial strategy, regeneration and land supply; and infrastructure and sustainability. Following this, a short question and answer session was held. The output from the discussion groups and the feedback received was incorporated into the evidence base to help frame the generation of options.

3.11 A write up of the summary review of the evidence base is included in Volume 3.

Element 2: Generation of Options

3.12 As described in Figure 3.2, the options were generated taking account of the following factors:

- Outputs of the evidence base;
- Insight from the Stakeholder meetings and Regional Seminar 1;
- An internal consultant team workshop.

3.13 This produced nine options, framed by:

- Testing at the upper and lower end of the NHPAU supply range, along with a mid-range figure;

- Starting with the housing distribution proposed by the RSS Phase 2 Revision Preferred Option;
 - Testing a series of spatial choices for how the net additional numbers might be met, identifying a broad range of locations, and expressed as types and amounts of development to give a flavour for what it could mean on the ground, as the basis for testing.
- 3.14 This meant that each option was essentially an aggregation of an indicative allocation of *additional* housing numbers to a broad location (generally a particular settlement or MUA, but in some cases a shire county area). Some broad locations feature in more than one option, and with different levels of additional growth. In all cases, these are indicative and wholly used for the purposes of testing.
- 3.15 These options, in the form of a series of schematic plans and schedules of additional housing numbers, were presented at a second event (Regional Seminar 2) and are included at Appendix 2. Ten discussion groups provided the opportunity for attendees to provide initial thoughts on the issues that would require particular attention as part of the option appraisal; and insight on specific factors to consider through the appraisal process.

Element 3: Sustainability Appraisal

- 3.16 As explained above, this Study is not a Plan which requires a Sustainability Appraisal (SA) under the European Directive 2001/42/EC on the “Assessment of the Effects of Certain Plans and Programmes on the Environment” and Habitat Regulations Assessment (HRA) under regulation 85 of the Habitat Regulations (The Conservation (Natural Habitats &c.) 1994 (as amended). However, to ensure that the Study provides robust and meaningful evidence on which the Examination in Public (EiP) Panel can make an informed decision, it has been subject to similar SA and HRA processes applied to the Phase 2 Preferred Options.
- 3.17 Because the SA and HRA comprises additional evidence, and does not form part of either the SA (2007) or HRA (2007), it is not subject and does not form part of the statutory consultation process as part of the Phase 2 Preferred Option. However, to ensure that the SA robustly reflects the requirements of the SEA Directive, additional consultation with statutory consultees has taken place to allow input into the SA process.
- 3.18 In addition, the SA and HRA’s status as additional evidence means that it will not be subject to formal consultation but will be published alongside this Report. Further consultation would be required in the event that modifications to the Phase 2 Preferred Option are brought forward following the Examination in Public and additional SA and HRA will be required at this time as an addendum to the SA (2007) and HRA (2007).
- 3.19 In addition to meetings with statutory consultees at the inception of the SA and HRA of the housing options (May 2008), to review the scope of the methodologies (July 2008) and to review the initial findings (August/September 2008), issues in respect of the SA and HRA were raised as part of wider regional seminars forming part of the Options Appraisal process. Evidence from the seminars which took place in May 2008 and July 2008 with a range of regional stakeholders, statutory consultees and interested parties has also been used to inform the SA and HRA processes.
- 3.20 The SA of the Housing Options (Volume 5) has been an ongoing assessment from the inception of the Study, carried out to assess the extent to which the Housing Options promote the principles of sustainable development (see Figure 3.3). Where effects have been identified, and where appropriate, an iterative process of option development has taken place with the NLP team involved in option generation to ensure that sustainable principles are taken into account.
- 3.21 Notwithstanding the iterative nature of the process, the SA of the options identified has been carried out by a separate team within NLP to that involved in the generation of options. This team

has been working independently to provide an objective and discrete analysis of how far the options and growth scenarios promote the principles of sustainable development.

- 3.22 The HRA process, carried out by Baker Shepherd Gillespie (BSG) is summarised in Figure 3.3. Data collected in respect of the HRA of the Phase 2 Preferred Option was up to date in 2007 and no revisions to boundaries of European Sites have been made since that time. Natural England and Countryside Council for Wales (CCW) provided some more recent conservation objective data which has been collected and reviewed with the 2007 data. Each option has been assessed to ascertain if it is likely to have significant effects upon the European sites, with a precautionary approach employed. Where significant effects are likely, or the effects are uncertain, then the remaining options which have not already been dismissed have been subject to Appropriate Assessment. Options which affect the integrity of a Site, or where impacts are uncertain are clearly identified.

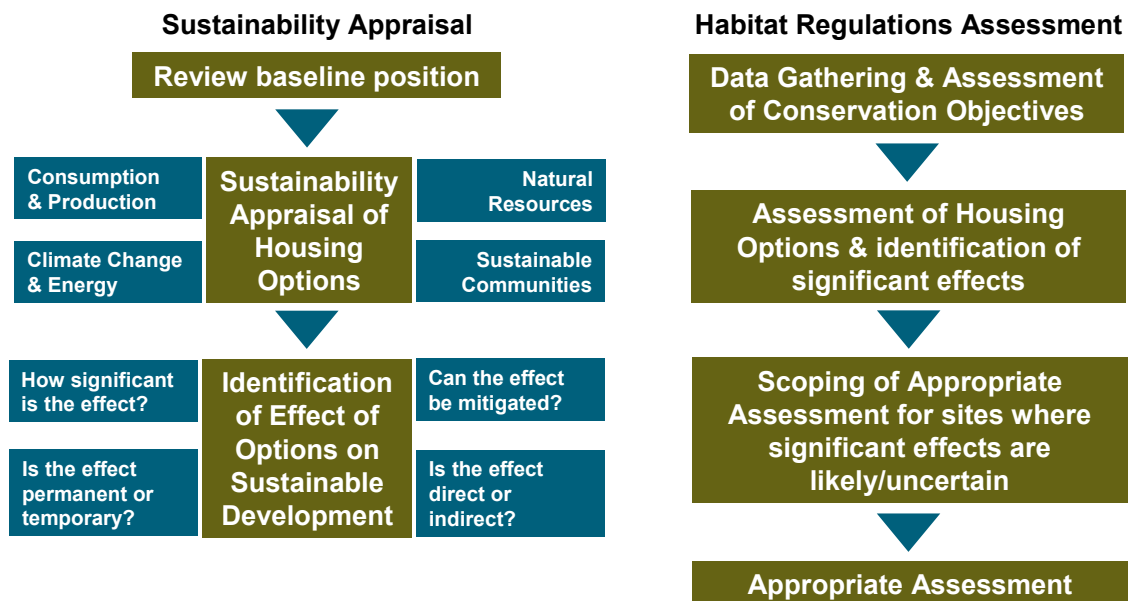


Figure 3.3: Approach to Sustainability Appraisal and HRA
Source: NLP

Element 4: Impacts and Risks

- 3.23 The process for assessing the impacts and risks of each of the options drew upon the identification of a series of criteria:

- Impacts
 - Transport
 - Community and Social Infrastructure
 - Hydrology
 - Landscape
 - Housing Market
 - Economy
- Delivery Risks
 - Infrastructure Provision
 - Transport Infrastructure
 - Market Delivery
 - Planning
 - Public Sector Delivery

- 3.24 Each of the options was assessed in terms of its individual component parts, and in aggregate, against the impact and risk criteria. The outputs from this are set out in Sections 7.0 and 8.0 and in the Appendices.

- 3.25 Reflecting the points made in paragraph 3.4, the focus was on identifying and assessing potential 'showstoppers' rather than providing a detailed appraisal of every option and from this, to highlight the potential policy choices for consideration through the remainder of the RSS's process.
- 3.26 The information used to inform the appraisal arose from a number of inputs:
- The stakeholder meetings provided useful insight on the types of impact that needed specific consideration for certain options in specific locations;
 - NLP was able to draw upon the emerging analysis of work being undertaken by the Regional Development Agency (RDA), Advantage West Midlands (AWM) and the Highways Agency (HA) in respect of the RSS Phase 2 Preferred Option and its impacts on economic development and sustainable transport objectives, respectively;
 - On transport issues specifically, consultants acting for the HA were able to run two of the nine options through its PRISM model;
 - Technical and planning appraisals undertaken by NLP.

Element 5: Impacts on RSS and Policy

- 3.27 In line with the brief, the options were tested against the key principles and objectives of the RSS, as defined by NLP based on a review of the RSS documentation. In tandem, each option was assessed against a set of policy criteria based on PPS3 and the Housing Green Paper. The outputs from this are at Section 7.0 and 8.0 and in the Appendices.
- 3.28 The results of this and the writing up of the analysis up were synthesised into a Final Report (this document) and other documentation and published on 7 October 2008. A Regional Seminar was held on 9 October 2008.
- 3.29 The final report takes the outputs from the appraisal of each of the nine options and uses this to derive a series of three growth scenarios. The proposals in each of these scenarios are set out in the form of numerical additions to housing distribution for each Core Strategy area.