

**BABERGH DISTRICT COUNCIL**

**FROM:** Head of Natural and Built Environment

**REPORT NUMBER:** **H154**

**TO:** STRATEGY COMMITTEE

**DATE OF MEETING:** 8 December 2008

**REVIEW OF EAST OF ENGLAND REGIONAL SPATIAL STRATEGY (THE REGIONAL PLAN) 2011 - 2031**

**1. PURPOSE OF REPORT**

1.1 This report advises Members of the forthcoming review of the regional Plan for the East of England. It also seeks to agree a formal response to be made to Suffolk County Council, which has been formally consulted by the East of England Regional Assembly (EERA) which is charged with producing the new regional Plan. Suffolk County Council, in turn, has a duty to consult and involve its constituent District Councils.

**2. RECOMMENDATIONS**

2.1 That Babergh responds to Suffolk County Council in line with the approach set out in the proposed letter at Appendix A.

The Committee is able to resolve this matter.

**3. FINANCIAL IMPLICATIONS**

3.1 There are no direct financial implications arising from this report

**4. RISK MANAGEMENT**

4.1 This report is most closely linked with the Council's Significant Business Risk No. 3 – Strategic Partnerships. Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Seriousness or Impact</b>	<b>Mitigation Measures</b>
That the Council fails to influence regional planning policy, particularly that in respect of future growth / development levels. Also that an inappropriate strategy for accommodating future growth is adopted.	D low (since there will be other opportunities to exert influence but the earliest opportunity should not be missed)	II Critical (due to the sensitivity over planning and land development issues in Babergh and their potential impact on its high quality environment)	Respond to SCC / EERA with a robust and cogent case that represents Babergh's best interests

## 5. KEY INFORMATION

### The Regional Plan: Current and Emerging Situations

5.1 In May 2008 the current Plan for the region, the East of England Plan, was adopted. This sets out the proposed levels of development (including the numbers of new houses, new jobs and other development) for the region, broken down by each district council area, from 2001 to 2021. It also provides the strategic framework for each district's own plans, in the form of Local Development Frameworks. In July 2008 EERA issued its proposed project plan setting out its planned timetable for producing a new regional spatial strategy, that is, a new regional Plan. The primary purpose of this is to roll the current regional plan forward to 2031 and for this new Plan, together with potentially new levels of development, to apply from 2011 to 2031.

### The Planning Process and Need to Respond to EERA

5.2 EERA has issued a formal section 4(4) request to the county councils for their formal, technical advice in respect of two key questions:

1. Future development levels for the region broken down by each district; and
2. How these various options for the future scale of development could / should be accommodated - through a spatial or geographical development strategy.

The first question requires us to give particular consideration to assessing what scale of development would be most appropriate and deliverable for Suffolk and the district but also the issue of regional growth levels in future. EERA has asked us to test four levels of development, representing four different 'growth scenarios'. These different scenarios are expressed in terms of total population, households, employment/ jobs, gross value added outputs, and dwellings.

The different growth scenarios for the future expressed in terms of the provision of new homes are:-

- **RSS Scenario** – Continuation of the house building rate within the current approved East of England Plan up to 2031.
- **NHPAU (Low)** – The lower end of the NHPAU (National Housing and Planning Advice Unit) advisory range continued up to 2031.
- **NHPAU (High)** – The upper end of the NHPAU advisory range continued up to 2031.
- **GVA Growth** – The dwelling provision implied to support the Regional Economic Strategy aspiration to achieve a Gross Value Added productivity increase of 2.3% per annum up to 2031.

- 5.3 Turning to the second question, officers have developed four basic options in response, representing the full spectrum of approaches for locating new development, as a practical way of assessing this question. These span the range from the most geographically concentrated option for focusing new development to the most dispersed end of the range. Thus at one extreme, new development would be focused on the existing largest towns; the next approach focuses development on the market towns; and the most dispersed pattern would locate significant new development in rural areas at the larger 'service centre' villages. A radically different alternative approach would be the development of (an) entirely new settlement(s). Of course, it could also be open to explore other approaches or to pursue a combination of the above approaches and it has been considered likely that any preferred approach would probably rely upon some contribution from other development options.
- 5.4 The two principal issues and questions are closely interlinked. Also, it must be stressed that the response to EERA needs to be a technically based one, rather than a politically driven one. However, the nature and extent of work involved in the exercise of arriving at an informed view on these critical questions is complex and very substantial in scale. Substantial partnership working is underway between county and district officers from both Suffolk and Essex and with the Haven Gateway Partnership to ensure a co-ordinated response covering all the issues.
- 5.5 However, officers of both Suffolk County Council and all the various Suffolk district councils are of an entirely shared view that the timescale in which this exercise has to be completed is unrealistic. The county councils have to respond formally to EERA by 7 January 2009. This Council can therefore only prepare the best possible formal response that it is able to provide within the very limited time available. The overall programme for consideration of these matters by the various organisations is set out below. Members will be updated with any new information verbally at the meeting itself.

#### Summary of Key Dates

Date	Stage	Comments
5 December 2008	Haven Gateway Partnership Board to consider planning officers' report on the Essex/Suffolk formal response and related issues for Haven Gateway area  Also Suffolk officers RSS meeting	This will agree the Haven Gateway Partnership's response to Essex and Suffolk, in order to influence their response to EERA  Mainly to progress joint work on the formal Suffolk response
8 December 2008	Babergh DC Special Strategy committee to consider formal Babergh response to Suffolk CC	

7 January 2009	Deadline for Essex and Suffolk (section 4(4)) responses to EERA	
Date	Stage	Comments
13 January 2009	Suffolk County Council Cabinet to consider formal Suffolk CC response to EERA	
6 February 2009	Deadline for submission of sub-regional proposals	Includes: whether policies for sub-regions should be included within the RSS review and whether existing sub-regional policy should continue or change; and submission of first draft proposals for future planning of the identified sub-regions to 2031 and beyond

#### Levels of Development

- 5.6 It is of vital importance to recognise that the Government wishes to see current levels of development (particularly housing) increased significantly within this region. Whilst the Government's main driver appears to be its overriding wish to see large-scale housing growth delivered (in turn driven largely by its view that this would promote improved affordability via a larger supply in relation to need / demand), it is important that any housing growth is matched by compatible jobs growth to ensure that growth is sustainable. Members may be aware that the current RSS allocates a total of 508,000 new dwellings to the region from 2001 to 2021.
- 5.7 Importantly, this figure is to be regarded as a *minimum* figure to build, an important point of principle, to which this Council, alongside many others, raised formal objections. The corresponding figures for Suffolk and Babergh are 61,700 (just over 12% of the regional total) and 5,600 respectively. By March 2006, five years into the current RSS period, 13,600 of these had already been built in Suffolk (22%) leaving 48,100 (78%) to provide between 2006 and 2021. Development delivery levels have thus already fallen behind the projected level (15,425), that is almost 2,000 new dwellings, to provide within the first 5-year period.

#### Levels of Development: Conclusions

- 5.8 We have been asked to examine and test four different future scenarios representing four different future levels of housing development and jobs growth for Suffolk. These range from a lowest level, set at a continuation of the current RSS development levels for the remainder of the period, that is from 2021 to 2031. Babergh Planning Officers consider that the lowest level of future development to 2021 is the most appropriate, for the following very brief summary of reasons:

- A. Previous levels of development delivered in Suffolk and Babergh suggest that increasing housing delivery levels and rates cannot be supported (in terms of the house building industry). The current 'credit crunch' will exacerbate this situation further, with the current downturn in housing delivery causing rates to drop further behind, with no realistic prospect of delivery rates / levels catching up in future (the capacity of the building industry, for example, is to some extent finite).
- B. Closely allied to the above points, indications as to the rate of economic growth and job creation experienced for Babergh so far raise doubts over the rates / levels that seem likely to be attainable in future, if the highest growth projections are to be pursued. It is considered that there are very good reasons in principle to support the aspirational growth rates of the Regional Economic Strategy (GVA productivity increase of 2.3% per annum to 2031). However, the economic step change required to reach the RES target (together with matching housing numbers) appears unrealistic for Babergh, at least in the short to medium term.
- C. The technical work carried out jointly by officers so far indicates that increasing development levels significantly would lead to development on a scale that would harm the special character and identity of Babergh, its environment, its towns and rural areas.
- D. Infrastructure capacity research for Babergh has been carried out and highlights capacity issues in respect of several forms of infrastructure, including roads and especially major roads (A12 and A14 in particular); main railways; electrical supply; sewerage. However, no assurances have been received of sufficient funding or other delivery arrangements to provide satisfactory supporting infrastructure (including physical, green, and community infrastructure) in a timely manner. It follows therefore that the higher the levels that future development are set, the greater the degree of harm to the district and quality of life may be.
- E. The growth of house prices and the strength of the residential land market over recent years (outstripping the commercial land market) and even the current levels of housing development set out in the extant RSS have led to development pressures for inappropriate and unacceptable housing development, and large-scale, 'hostile' / speculative development proposals, such as those threatening Babergh's scarce supply of employment land. This also leads to pressure for housing development on sites inherently unsuitable and / or unsustainable for this land use. Identifying sites immediately next to major routes like the A14, main railway lines and next to the district's traditional industrial estates as places where the housing of the future is to be built, is contrary to good planning principles and the Government's national guidance / stated agenda for high-quality new residential development and living environments. This should be considered unacceptable as a chosen approach towards delivering development in future.

## Geographical / Spatial Development Strategy

5.9 The second key issue requiring a response is perhaps even more difficult to resolve and this concerns the future development strategy for delivering the proposed growth. As outlined above, the four basic approaches identified and tested by officers included one based upon focusing some of the new development in (a) completely new settlement(s). It is recognised that this approach offers theoretical opportunities to create sustainable new, high-quality settlements and planned, balanced, communities (although the experience of the post-war New Towns suggests that this actually takes a very long time to achieve in practice). Having carefully considered the four main approaches officers consider that the new settlement(s) based approach is not appropriate for three key reasons:

- F. An absence of identified potential and realistic locations including those that avoid merging of existing separate communities or the engulfing of small rural communities (also meaning that this approach may well prove undeliverable).
- G. Even if suitable locations can be identified and brought forward, the inherent and unavoidable complications of this approach (such as major public inquiries) would prevent any prospect of housing / jobs delivery for a very substantial period of time.
- H. This approach also fails to take into account the fact that housing need arises in all locations and this would serve to deflect provision away from existing areas of need to new places and communities where some may not wish to live.

5.10 At one extreme in terms of how dispersed or concentrated development would be, is the most dispersed option, focusing on relatively substantial new development in rural areas and expanding the larger service centre villages in particular. Babergh has a relatively large network of these, including its largest villages and those deemed as sustainable villages in the existing Local Plan. This approach offers the advantageous prospect of meeting housing needs locally, where they arise. It may also be considered to offer the advantage of a more 'equitable' distribution, by ensuring that not just one or two locations have to face the impacts and uncertainties (such as potential infrastructure provision deficits) associated with the prospect of accommodating new development. However, officers do not recommend pursuing this approach for the following main reasons:

- I. The scale of development likely to be necessary would be regarded as excessive for many villages in terms of their ability to absorb / assimilate new development and new communities. Their character could be harmed greatly and local infrastructure exposed as insufficient.

- J. This approach also raises doubts over how sustainable it would be, especially as there can be no assurances that adding even quite significant new development and populations to villages will effectively support and safeguard their existing facilities and services. Also, few such villages have sufficient employment opportunities to ensure that new residential development is sustainably balanced.
- K. Another drawback is that there is a possibility that some (service centre) villages may welcome and embrace (at least some of) the new development coming their way, whilst some or possibly many others would not, casting doubts over the level of support for, and deliverability of, this strategy.
- L. Finally, some villages may have very little unconstrained land, such as land not within floodplains or Areas of Outstanding Natural Beauty. This blanket approach towards dispersed development would not fit well with such important development constraints.

## Conclusions

- 5.11 This leaves the two remaining approaches to accommodating growth: a focus on the county's few very largest towns or that focused on its relatively large network of market towns. Officers consider that both of these approaches potentially offer the best prospect of ensuring that future growth is sustainable and served by the necessary new facilities, services and access to employment opportunities. It is considered that the use of just one of these approaches, without the other, has some important drawbacks, including some of those listed above from A to L. However, relatively significant new levels of development for Ipswich, Bury St Edmunds and possibly Lowestoft, combined with a focus on an appropriate level of expansion for the county's market towns suitable for expansion, seems to represent the most well balanced approach to new development in the county. However, in order to render this approach acceptable, the scale of development should be restricted to that of the current RSS growth level, hence the conclusions drawn under paragraph 5.8 above. The exact split between the two approaches will need to be identified by further technical research and analysis.
- 5.12 Joint working between the relevant parties above, including Suffolk and Essex local authorities and the Haven Gateway Partnership is to continue, in order to steer this process in the best interests of this sub-region. The RSS review may result in further reports to members in due course.

## 6. **APPENDICES**

- A Proposed letter of response from Babergh to Suffolk County Council on the RSS review.

7. **BACKGROUND PAPERS REFERRED TO:**

None

**CONTACT: Rich Cooke**

**EMAIL: rich.cooke@babbergh.gov.uk**

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