

**Luton & South Bedfordshire Joint Committee**

**23 October 2009**

**Agenda Item No. 9**

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<b>SUBJECT</b>	<b>East of England Plan Review 2031.</b>
<b>PURPOSE</b>	<b>To inform Committee about the Regional Assembly’s consultation on 4 growth Scenarios to inform the review of the East of England plan.</b>
<b>RECOMMENDATIONS</b>	<b>That the Joint Committee notes this report.</b>
<b>REASON FOR RECOMMENDATIONS</b>	<b>To keep the Joint committee informed of progress on the regional planning review which sets the framework for the Local Development Framework (LDF).</b>

## **1. INTRODUCTION**

- 1.1 The East of England Regional Assembly (EERA) is rolling forward the end date of the recently adopted East of England Plan (EoEP) by 10 years from 2021 to 2031, and invite comment on 4 growth scenarios, and a focused review of supporting policies - where they are materially affected by growth or need updating.
- 1.2 The Milton Keynes South Midlands Sub Regional Strategy (MK-SM SRS) already includes “uncommitted planning assumptions” of 15,400 dwellings over the 10 years (i.e. 2021 to 2031). The review will integrate MK-SM SRS policies and housing provision - largely unaltered - but will test these “uncommitted planning assumptions” and supporting policies against the 4 consultation scenarios.
- 1.4 The consultation runs from 2 September to 24 November 2009. A coordinated response is sought by EERA, and although each Strategic Authority is reporting separately, officers from the 3 Bedfordshire Unitary Councils have identified common issues to make a coherent response. Luton Unitary Council is reporting to an Executive on 26 October. Central Bedfordshire will be reporting to Executive on 10 October, and Bedford Borough to Executive on 16 December, following an interim officer response.

1.5 EERA will use the results of this consultation to set a housing figure and revised spatial strategy within a draft EoEP for public consultation and submission to the Government in late March 2010 followed by an examination, and then adoption in early 2011. EERA have set out 8 specific questions as part of the consultation and these are set out with proposed responses in Appendix 1.

## 2. REPORT

2.1 The roll forward of the EoEP to 2031 is a response to Government housing growth scenarios published in 2008, and revised in 2009, looking at population growth, future house prices and economic performance. There are also sustainable development and climate change policy requirements. Luton Borough Council and the then Shadow Central Bedfordshire Council's provisional advice to the first stage consultation, involving a higher set of growth Scenarios, was submitted in February 2009.

### June 2009 Housing Scenario Implications

2.2 The current June 2009 set of 4 Scenarios is reduced in scale to reflect the effect of the economic downturn and EERA are not proposing to test the government's highest housing demand targets:-

- Scenario 1: Roll forward 26,000 dwellings per annum (dpa) for the region; the same distribution strategy focused on key towns and cities;
- Scenario 2: National housing advice with additional regional growth allocations delivering 30,000 dpa across the region (or an extra 80,000 homes above Scenario 1); as new settlements/urban extensions (3 proposed in Central Bedfordshire, Marston Vale Eco Town; Midland Mainline - A5120 corridor; A1 (M) - East Coast Mainline corridor) – this also impacts on Luton with an increase in target above scenario 1 & 3;
- Scenario 3: National housing advice and regional economic forecasts requiring 30,000 dpa across the region; and
- Scenario 4: National household projections (natural increase, net in migration, single households and living longer) requiring 33,700 dpa-

**Table 1 Revised Scenarios for Consultation June 2009**

	Scenario Dwellings to build 2011 to 2031				
	1. RSS policy H1 roll forward	2. National advice plus new settlements/urban extensions	3. National advice plus economic performance	4. National household projections	<i>Planned Core Strategy dwelling provision to 2011 to 2031(rounded)</i>
Former South Bedfordshire	28,000	28,000	28,000	12,000	34,000
Luton*	2,840	4,840	2,840	14,000	
Total	30,840	32,840	30,840	26,000	
Annual Rate 2011-31	1,542	1,642	1,542	1,300	1,700
MK-SM rate 2021 to 2031					1,590
Actual rate 2001-07					919

\*Luton has a tightly drawn boundary so part of the growth with Scenario 4 would need to occur in surrounding areas. The low figures in Scenarios 1 and 3 are consistent with capacity within Luton whereas the scenario 2 may impact on Central Beds.

- 2.3 None of the proposed Scenarios are likely to impose any additional growth pressures. However, caution is needed as the MK-SM SRS annual rate of build must be met to 2021 and so any underperformance on housing completions from now to 2011, must be made back up in the 20 years to 2031.
- 2.4 The Strategic Housing Land Assessment (SHMAA 2009) supporting the joint Core Strategy Preferred Options includes a housing trajectory which reflects revised delivery capability for the GA. This suggests that with a delivery strategy, contingency site management and monitoring, that target rates are viable and deliverable based on recent performance and allowing for any anticipated recovery by 2011.
- 2.5 EERA integrated housing and economic model (IHEM) produces an approximate 'housing led' jobs forecast of between 21,900 and 23,200 jobs for the GA to 2021 and reflect housing and service sector multiplier assumptions e.g. Education, Health, Leisure etc). This scale lends support to the delivery of the growth target of 35,000 jobs proposed within the emerging joint Core Strategy, particularly when taking into account known interventions e.g:-
- Butterfield Technology Park; 2,500 jobs within 7 yrs
  - Napier Park: 4,500 jobs within 20 yrs
  - Power Court: 1,000 jobs within 10 yrs
  - Century Park: 2,500 jobs within 10 yrs
  - airport expansion: 5,000 jobs within 15 yrs
  - The Mall: 1,000 jobs within 10 yrs
  - Core Strategy Strategic Sites and other provision: 4,900 jobs 20yrs
  - Total= 21,400 jobs (rounded)
- 2.6 Spare capacity (i.e. jobs delivered without developing land) during economic recovery could generate a further 9,000 to 11,000 jobs.
- 2.7 EERA also provide 3 pure economic trend forecasts from the IHEM, and these suggest weak employment growth over the 20 yrs to 2031 – of +7,300 to +9,600 jobs. These can be dismissed. Luton alone created more than 7,400 jobs over 6 years (even with sustained shocks such as closure of Vauxhall Car production); the sectoral forecasts are mechanically driven; and take no account of recent planned interventions (see section 2.5 above).

### **Strategic issues affecting Luton and Central Bedfordshire**

- 2.8 In summary, each of the posed Scenarios can be dismissed as they all fail to reflect:
- locally driven needs and aspirations based on an established statutory process (i.e. the Examination of the MK-SM SRS and adopted policy);
  - the Core strategy evidence base on deliverability; and
  - economic potential and track record.

Scenario 2 specifically risks seriously undermining the delivery of the emerging joint Core Strategy, as funding streams and developer attention would be diverted elsewhere, and construction capacity stretched. Critically, no scenario is proposed which supports the existing statutory (MK-SM SRS) and delivery arrangements being put in place e.g. 'Luton Gateway' Local Delivery Vehicle (LDV).

These additional new settlement/urban extension proposals would also impose risks in terms of speculative and inappropriate locations of development proposals within and adjacent to settlements outside of the GA.

- 2.9 Concern has been expressed about infrastructure deficit in the context of the current MKSM targets. The Consultation paper does not commit to infrastructure provision to match the Scenarios. If the Councils are forced to accept higher growth targets there must be a commitment from Government that it will match any funding shortfall.

### **3. CONCLUSIONS**

- 3.1 The two Councils reiterate their earlier advice to EERA that while there are significant challenges, progress is being made and LDV is now in place to continue planned delivery of the Luton and southern Bedfordshire Growth Area. The emerging Core Strategy preferred options are the most sustainable locations. To pursue additional growth elsewhere in the sub region would seriously put at risk delivery of the emerging Core Strategy, the vision, spatial priorities and integrated land use and transport strategy at the heart of the growth.
- 3.2 There is currently, no justification within the Scenarios or available evidence for altering or amending the sub regional policy framework.

### **4. EQUALITIES IMPLICATIONS**

- 4.1 This report is for information and has no specific recommendations that have equality implications.

### **5. FINANCIAL IMPLICATIONS**

- 5.1 There are no direct financial implications associated with this report.

### **6. LEGAL IMPLICATIONS**

- 6.1 There are no legal implications to this report.

## **Appendices**

Appendix 1 – EERA's 8 specific questions and proposed responses