
Meeting: Sustainable Communities Overview and Scrutiny Committee
Date: 27 October 2009
Subject: East of England Plan Review - Consultation
Report of: Cllr Tom Nicols, Portfolio Holder for Sustainable Development
Summary: The report seeks the views of the Sustainable Communities Overview and Scrutiny Committee regarding the scenarios for housing and economic growth as set out in Paragraphs 11-20 below

Advising Officer: Gary Alderson, Director of Sustainable Communities
Contact Officer: Richard Fox, Head of Development Plan
Public/Exempt: Public
Wards Affected: All
Function of: Executive
Key Decision Yes
Exemption from call-in Yes, to enable the Council to comply with the consultation deadline

CORPORATE IMPLICATIONS

Council Priorities:

The recommendations reflect the Council's priority to manage growth effectively.

Financial:

None directly arising from this report, however the provision of infrastructure relating to some of the scenarios may have financial repercussions for the Council

Legal:

The Regional Plan forms part of the Development Plan for the Council. Local Development Documents need to be in conformity with the Regional Plan.

Risk Management:

Influencing the content of the Regional Plan is critical to retaining control over the scale and direction of proposed development in the area.

Staffing (including Trades Unions):

None

Equalities/Human Rights:

None

Community Safety:

None

Sustainability:

The need to ensure that future development occurs in a sustainable fashion is a key consideration in this Council's response to the Consultation.

RECOMMENDATION(S):

1. **That the Sustainable Communities Overview and Scrutiny Committee comments on the proposed Scenarios as set out in paragraphs 11 – 20 of this report, specifically:-**
 - (a) **That the Council will only support a continuation of current Regional Plan growth rates with the provision of supporting infrastructure and a recognition of the policy split between the growth areas and other parts of Central Bedfordshire;**
 - (b) **That the Council expresses its opposition to the siting of any regional scale settlement within Central Bedfordshire**
 - (c) **That a Green Belt be designated to the South-East of Milton Keynes to protect coalescence with nearby villages**
2. **That the Executive be recommended to agree a joint response regarding the future of the Bedford/Marston Vale Growth Area to be submitted with Bedford Borough Council**
3. **That the Executive be recommended to forward the detailed responses to the consultation questions in Appendix A to EERA**
4. **That the Executive be recommended to delegate authority to the Director of Sustainable Communities in consultation with the Portfolio Holder to submit any further supporting evidence to EERA**

Reason for Recommendation(s): So that the Sustainable Communities Overview and Scrutiny Committee can recommend to the Executive any comments regarding the content of the Review of the Regional Plan

Introduction

1. The current East of England Plan was adopted in May 2008 and contains policies governing the future development and growth of the Region between 2001-2021. The document is important for this Council as it sets out the scale of growth for the legacy authorities and therefore Central Bedfordshire. Any new plans, including the Local Development Documents (LDDs) for the north and south of the Council area, must be in conformity with the Regional Plan. Influencing the content of the Plan, therefore, is critical to achieving the Council's aspirations.
2. Although the current Plan was adopted fairly recently the East of England Regional Assembly (EERA) has initiated a Review to cover the period 2011-2031. The consultation exercise is set out in more detail below and this report responds to the first stage of that process.

The Consultation Process

3. The Council responded to the initial call for advice from EERA and concerns were raised at that pre consultation stage, specifically in relation to potential regional scale settlements in Bedfordshire (report to Shadow Central Beds Executive in Feb 09 – Appendix B). This first stage in the formal Review process seeks the views of interested parties on four scenarios for housing and economic growth in the Region. These scenarios follow an analysis of Government information about population growth, housing and economic performance. EERA will consider the responses to the scenarios before publishing the Draft Plan in the spring of 2010. It is intended to hold an Examination in Public of the Plan next summer by independent Inspectors. The Government's proposed changes to the Plan will be published later in the year with adoption intended for 2011.

The Scenarios

4. The Government has asked EERA to test growth in the range of 30,000 – 40,000 new homes per annum in the region, comprising the counties of Bedfordshire, Cambridgeshire, Essex, Hertfordshire, Norfolk and Suffolk. This compares to about 26,000 in the current Plan and past delivery of 22,000. To help consider the rate of growth for the ten years from the end of the current Plan period to 2031 and where it might be located EERA have identified four scenarios:-

Scenario 1

5. This scenario is broadly based on the views of local councils in the region, which the Assembly sought via the county and unitary councils. Given the already ambitious nature of the current Plan most indicated that a "roll forward" of the current Plan rates for another ten years was the highest level of development that they could support as being deliverable. This would need Government support for new infrastructure. Some felt that even this might not be deliverable, although a few indicated some possibility of further growth.

6. Scenario 1 is therefore a 'bottom-up' scenario that rolls forward both the amount and distribution of growth in line with the current Plan. This is 26,000 homes per year (521,000 overall) and 25,400 jobs per year (508,000 overall). The only exceptions to this are where the county councils provided either a different distribution within their area, or an assessment that councils could not provide at this roll forward rate. It means that the distribution of that growth is concentrated at the main towns and cities in the region identified as 'key centres for development and change' in the current Plan.

Scenario 2

7. For Scenario 2 the approach taken is to consider which parts of the region have the capacity to accommodate significantly more growth than in scenario 1. The Assembly commissioned a Regional Scale Settlement Study (RSS) to identify potential locations for new or expanded towns that could provide at least 20,000 new homes each within the next few decades. The independent consultants concluded, along with several caveats, that consideration be given to:
 - large scale growth at Cambridge, Norwich and Chelmsford
 - expansion in Ipswich, Colchester and Bury St Edmunds; and
 - new settlements within Huntingdon/Alconbury, Central Bedfordshire (the A5120/Midland Mainline Corridor, the East Bedfordshire Strategic Corridor, Marston Vale), the Braintree area, and south of the A120/ west of Braintree.

Scenario 3

8. Scenario 3 differs in that the influential factor is not growth capacity but the economic potential to create more jobs. Extra growth over scenario 1 is distributed to those council areas where there is forecast to be a demand for additional workers. The economic forecasts also show that some parts of the region might have longer-term economic stagnation or decline – assuming that nothing is done to avoid it.
9. The housing growth rates for those areas are not therefore reduced from the scenario 1 'rolled forward' levels. The combination of higher growth in economically buoyant areas, and maintaining growth in less successful areas provides a regional housing total that meets the Government's range for testing. Obviously, it requires measures to regenerate and stimulate the economy within the region (as do all the scenarios in one form or other). The additional growth in scenario 3 is spread over more districts, but with particular concentrations in the districts within Hertfordshire, south Essex and Cambridgeshire.

Scenario 4

10. This scenario takes both its scale and distribution of growth from the Government projections of new households. The Government looks at both long-term demographic trends (such as people living longer) and movement of people into and out of different areas. The amount of dwellings required by this scenario is greater than the other three, at about 33,700 new dwellings a year. The figures imply a further 150,000 homes over a roll forward of the Plan, and a further increase in the need to generate additional jobs. This scenario focuses the majority of additional growth in Hertfordshire, Essex, Norfolk and Suffolk.

Implications for Central Bedfordshire and Observations on the Scenarios

11. The Consultation Document sets out Sub-Area Profiles within the region. Central Bedfordshire is conjoined with Luton for this purpose and the Profile sets out what the four growth scenarios mean in terms of housing numbers for the sub-area.
12. The growth being tested for this area is between 45,240 and 60,240 new dwellings between 2011 and 2031 distributed as shown below.

Local authority	New dwellings 2011-2031			
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Former Mid Bedfordshire	14,400	27,400	14,400	23,000
Former South Bedfordshire	28,000	28,000	28,000	12,000
Central Bedfordshire total	42,400	55,400	42,400	35,000
Luton*	2,840	4,840	2,840	14,000
Total	45,240	60,240	45,240	49,000

13. Scenario 1 shows the consequences of continuing the current Plan rate. Assumptions have had to be made regarding the figures for Luton and Central Bedfordshire. This is because the current Plan describes the growth in terms of two growth areas (one straddling the Central Bedfordshire and Bedford council boundary, one focused on Luton and surrounding council areas) and 'rest of' figures for what was Mid Bedfordshire and South Bedfordshire council areas. The relative splits have been based on assumptions used in the Assembly's Annual Monitoring Report. The split between Luton and Central Bedfordshire might also be varied up or down depending on land availability (especially previous development land) up to 2031.
14. Scenario 1 proposes an annual average housing completion rate of 2,120 for Central Bedfordshire. Whilst the document states that this is a roll-forward of the existing Regional Plan building rates it must be recognised that these rates have not been achieved historically and what is proposed represents an increase of 40% above what has been achieved. If the existing housebuilding rates have not been sustained during times of economic prosperity it would appear unrealistic to project them forward in the current economic climate. Of particular concern to Central Bedfordshire is the existing infrastructure deficit and any accelerated growth without supporting infrastructure will be resisted.

15. The increases shown in the former Mid Bedfordshire district in Scenario 2 reflect EERA's Regional Scale Settlement Study which identified the potential capacity for regional scale growth through new settlements in the A5120/Midland Mainline Corridor, the East Bedfordshire Strategic Corridor (A1/East Coast Main Line) and the Marston Vale. The Regional Scale Settlement Study notes that none of these locations are ideal and recommends that they only be considered after all other locations identified in the study. However, in order to test the Government's housing range, this scenario does need to include the majority of locations suggested in the Study. This will also allow comments to be made on the conclusions in the South East Plan (May 2009) that said that up to 5600 homes should be tested adjacent to Milton Keynes in the former Mid Bedfordshire council area. In addition, Luton council identified that there might be additional potential (subject to infrastructure provision) that could raise its growth by 2000 dwellings. This is also needed in this scenario to reach the Government's housing range.
16. EERA consulted the shadow authority in January 2009 on its call for proposals; a number of sites were submitted in Central Bedfordshire. Most sites were already known and have been submitted through the Site Allocations process. The Regional Scale Settlement Study was published by EERA in January 2009 without consultation. The initial implications were considered by the Shadow Executive in February 2009. (Appendix B). The Regional Scale Settlement Study report assessed the three potential settlements in Bedfordshire and concluded that they were the least sustainable notwithstanding the fact that the Regional Scale Settlement Study noted that none of these locations were ideal Scenario 2 includes them to test the Government's housing range. In response it is proposed that the Council reaffirms its previous position: specifically that there is no justification for the locations chosen in Bedfordshire as opposed to other more self-sufficient ones, eg Hertfordshire; that the scale of development would undermine regeneration and the settlement hierarchy; exacerbation of infrastructure deficit and environmental constraints.
17. Scenario 2 also allows testing of the conclusions of the South East Plan that stated that up to 5,600 houses could be found adjacent to Milton Keynes in Central Bedfordshire. The draft submission version of the LDF Core Strategy for the former Mid Bedfordshire area proposed an extension to the Green Belt between Aspley Guise and Milton Keynes to prevent a coalescence of settlements and to protect the setting of the historic villages. The remaining area would be capable of accommodating approximately 2,000 dwellings. The Inspector rejected this aspect of the Core Strategy stating "the cross-boundary implications of the proposed extension are of such significance that the decision ought to be taken at the regional or sub-regional level". It is proposed that the Council restates the requirement for a green Belt to the south-east of Milton Keynes in response to this consultation exercise and the Inspector's findings.
18. Scenario 3 is unchanged from scenario 1 as, although economic projections suggest a total of 18,000 fewer houses would be needed in the sub-area, it is assumed for the purposes of this scenario that, as this is a regeneration area, interventions would be made to increase its economic performance.

19. The economic based_Scenario 3 is confused. There has been an historic shortfall in jobs growth in relation to housing growth in the area. Indeed one of the fundamental propositions in the Core Strategy for the north is that new employment provision should mirror new residential development. As the Council has struggled to attract quality employment and prevent out-commuting it would be expected that an economic based scenario would propose low levels of housing growth. Instead the same total is proposed as under Scenario 1.
20. Scenario 4 shows the number of dwellings that would be required if past demographic trends, including migration patterns, continue. Overall this scenario requires the lowest level of growth for Central Bedfordshire whilst considerably increasing that for Luton. It is based on the assumption that more land in Luton will come forward from previously developed sites. However, Luton's Urban Capacity Study indicates a more limited land supply from this source and past completion rates on previously developed land would suggest that this level of development is not achievable within the Borough boundary, resulting again in the need to look beyond into Central Bedfordshire to accommodate growth.

Other Issues

21. As yet, there is no clear policy split between the historic MKSM growth areas in the north and south and the rest of the Central Beds area, although EERA are consulting on this as part of the process of policy review. If this distinction is not made there is a danger that there will be pressure for more of the growth to be pushed into the rural areas where market conditions tend to be more favourable.
22. The Core Strategy for the north of Central Bedfordshire envisaged a joint development framework with Bedford Borough for the northern Bedford/Marston Vale Growth Area. To inform the response to this consultation it is recommended that a joint study is undertaken in conjunction with officers from Bedford Borough to look at capacity in the growth area for development.
24. Clearly, there is an amount of ongoing work on evidence to support the views above and it is recommended that delegated authority be authorised to submit further supporting work to EERA as becomes necessary. There is a separate but related technical consultation exercise on a review of the actual policies in the existing Plan.

Conclusions and Next Steps

25. The former Mid and South Bedfordshire have accepted significant quantities of development as part of the Government's Growth Agenda, specifically at the two growth areas in the north and south of Central Bedfordshire. Concern has been expressed that infrastructure and jobs have lagged behind housing growth. If the Council is forced to accept higher growth targets there must be a similar commitment from Government that it will fund the likely funding shortfall. The current consultation shows no reduction in the levels of housing growth proposed for the Council. This is evidenced by the fact that Central Bedfordshire has highest numbers of dwellings envisaged of any Unitary or District Authority in the East of England under all of the scenarios. In these circumstances the response to the consultation is reflected in the recommendations above.

Appendices:

Appendix A – Detailed response to consultation questions

Appendix B – Report to Shadow Executive 17 February 2009

Background Papers: (open to public inspection)

East of England Plan – 2031 Scenarios for housing and economic growth

Location of papers: Priory House, Chicksands