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| SHADOW EXECUTIVE |
| 17 FEBRUARY 2009 |

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| SUBJECT | EAST OF ENGLAND PLAN REVIEW TO 2031 – East of England Regional Assembly (EERA) call for advice To consider a range of matters in relation to the first stage of the review of the East of England Plan and the proposed response to the statutory call for advice from EERA |
| REPORT OF | DIRECTOR OF SUSTAINABLE COMMUNITIES |
| <i>Contact Officers: Mrs Sue Frost/Simon Andrews</i> | |

IMPLICATIONS

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| SUSTAINABILITY | The review of the East England Plan will be subject to a full Sustainability Appraisal/ Strategic Environmental Assessment. |
| FINANCIAL | None |
| LEGAL | The current East of England Plan is part of the statutory Development Plan and will be replaced by this review document once adopted. |
| PERSONNEL/EQUAL OPPORTUNITIES | None |
| COMMUNITY DEV/SAFETY | There has been no public consultation at this stage in the process |
| TRADES UNION | None |
| HUMAN RIGHTS | None |
| BUDGET/POLICY FRAMEWORK | No |

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| OTHER DOCUMENTS RELEVANT TO REPORT |
| Luton Executive Report 26 th January 2009 |

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| RECOMMENDATION(S): <p>That Shadow Executive approves the main findings and conclusions of the report as the basis of a response for Central Bedfordshire on the call for advice from EERA.</p> <p><i>Reason for Recommendation: To obtain agreement for an initial response to EERA regarding the scenarios for levels of growth, the call for sites proposals and the regional scale settlement study.</i></p> |
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Background

1. The Adopted East of England Plan was published in May 2008. It sets out a development strategy for the region up to 2021 and provides the framework for local authorities in the preparation of Local Development Frameworks (LDFs) and Local Transport Plans (LTPs).
2. In July the Regional Planning Panel considered a new Project Plan and Draft Statement of Public Participation for the Review of the East of England Plan. Both of these documents were the subject of public consultation until 15 September 2008.
3. The East of England Regional Assembly (EERA) issued a formal request for advice from the Strategic Authorities (also known as section 4(4) authorities) with a response period from the 17th November 2008 to the 6th February. At the time this was issued it was Bedfordshire County Council (BCC) and Luton Unitary Authority who were the responsible authorities and were leading the work.
4. On 28th November Bedfordshire County Council (BCC) ceased status as a section 4(4) SA, this being transferred to shadow Central Bedfordshire Executive and to Bedford Borough under the transitional regulations. Central Bedfordshire Council therefore needs to respond to EERA as an SA. However, Bedfordshire County Council officers have continued to be involved in the work to inform the advice to EERA working closely with officers from the Strategic Authorities.
5. The request requires the Strategic Authority to advise on a range of matters but this report concentrates on the main issue of 4 key housing growth forecasts and consequently what changes would be required to the existing East of England Plan.
6. In addition, comments are sought on the intention to integrate the Milton Keynes and South Midlands Sub-regional Strategy (MKSM SRS) fully into the East of England Plan.
7. As context to the request for advice EERA has identified the key issues likely to be facing the region as:
 - climate change and its impact on, among other things, flooding, infrastructure (existing and future investment), habitat change and food security;
 - Inter-regional relationships; and
 - Social, economic, demographic and technological change.

Timetable Concerns

8. There is widespread concern amongst the Strategic Authorities in the region at the very challenging timetable for the Review. This issue was debated at Regional Planning Panel at its September meeting, where the Strategic Authorities agreed to try to provide advice within the original timetable with EERA's understanding that further advice can be submitted as evidence allows - by making an "initial" submission by 7 January 2009, and then any further section 5(5) (sub regional policy changes) advice one month later on 6 February 2009.
9. Given the reorganisation issues in Bedfordshire agreement for a slightly later response has been confirmed by EERA and will be sent following agreement by Shadow Executive. Bedford Borough will report to their Executive slightly later in March. The situation is also complicated by the fact that work to date for South Bedfordshire has been combined with Luton and will continue to be combined because of the production of a joint Core Strategy for the growth area. A report on the response to EERA was approved by the South Beds and Luton Joint Committee and then by Luton's Executive on 26th January, these reports also took into account the issues of growth around South Beds. A copy of the Luton report is attached as it usefully summarises the position for South Beds. However, as far as the formal Strategic Authority advice is concerned, the response of Central Beds must relate to the current Mid and South Beds areas.

Issues on which EERA requires advice.

Consultation and facilitation with all relevant authorities, sub-regions and stakeholders.

Joint working

10. Bedfordshire County Council as the strategic planning authority, initially led on the preparation of a response to EERA. An Officer technical group comprising all of the local authorities was set up and met at a series of workshops split between the north and south of the County. The workshops evaluated the potential of extending the current policy approach to accommodate additional growth implied under the governments 4 housing growth Scenarios. A representative from the Environment Agency was able to attend the County Workshop which allowed an initial but fairly sketchy input on issues of water infrastructure and other environmental concerns. More detail was available for the south than the north of the County.

Consultation

11. As well as consultation between the Bedfordshire authorities, EERA requested that the Strategic Authorities contacted key stakeholders within their area. Letters were sent by BCC and Luton to key stakeholders informing them of the review of the RSS and to explain that there will be opportunities for them to participate at future stages in the process. In addition, an article was published in the January edition of Bedfordshire County Council's magazine to inform the general public.
12. There has been limited opportunity to consult stakeholders such as the Highways Authority and the Environment Agency, particularly with regard to the 'call for sites proposals' and the Regional Scale Settlement study. We are also not clear as to whether the Highways Agency have been consulted about the above proposals.

Main Policy Issues

13. The adopted East of England Plan establishes a framework for development within the Region up to the year 2021 but the current review will extend that period to 2031 and will also consider issues beyond. The roll forward also needs to respond to recently published Government housing growth scenarios
14. As the Milton Keynes & South Midlands Sub Regional Strategy (MKSMSRS) already plans, provisionally for the period 2021-31, EERA intends to integrate the MKSMSRS growth areas within the East of England Plan review. However, the government's growth scenarios indicate pressure on these growth areas and indeed the residual rural areas in the East of England Plan up to and beyond 2021, to accommodate significantly higher housing provision for the period up to 2031.
15. To flush out alternative spatial options to inform the review, EERA issued a 'Call for Proposals' inviting developers to propose opportunities for new settlements and urban extensions of between 2,000 and 20,000 dwellings although these have no planning status and are speculative. Proposals submitted for the County are listed in Appendix 1 and dealt with from paragraph 33 below.

16. In addition, EERA has commissioned ARUP to produce a Regional Scale Settlement Study. The purpose of the study is to explore the merits of regional scale settlements as alternatives to smaller scale new settlements, dispersed urban extensions and generally dispersed urban growth. The study assesses scope for settlement(s)/major urban extension(s) of 20,000 or more dwellings within the region. This is discussed from paragraph 35 below.

Housing Scenarios

17. EERA has requested that the following four scenarios be tested:-
1. RSS policy H1 pro rata to 2031: taking into account completions since 2006 and residual housing still to find to 2021. The residual housing still to find is included in a calculation to get a required annual completions rate to 2021 this is then extrapolated to 2031 to calculate an approximate requirement.
 2. National Housing Planning Advisory Unit (NHPAU) 'lower level' target: based on annual net additions required to meet government targets for the supply of new homes.
 3. NHPAU 'upper level' target: aims to ensure that the national quartile house price to earnings ratio is addressed (i.e. improved house price affordability through increasing supply).
 4. GVA or gross Value Added: where economic productivity is assumed to increase, boosting employment in certain GVA sectors in line with Regional Economic Strategy expectations, and resultant housing demand
18. The individual figures required as a result for each scenario for the county are set out in detail in appendix 2. Mid Bedfordshire is already planning an additional 4,800 dwellings through its draft Core Strategy to 2026. If the current policy of protecting the greenbelt and concentrating most development in the major and minor service centres were rolled forward it is estimated that a further approximately 3,250 houses could be built. This figure includes expansion of Milton Keynes into Mid Bedfordshire of around 2,000 as currently included in the Mid Beds Core Strategy. This growth would take the form of dispersed urban extensions around major and minor service centres and large and small villages using broadly the same approach in the current Core Strategy.

19. This figure equates roughly to scenario 1 above and is the only scenario considered to be sustainable and deliverable without departing from the approach of the Core Strategy. The higher scenarios could involve unsustainable growth of existing settlements a review of the greenbelt and further pressure on rural areas and the environment. If a regional scale settlement were identified for Bedfordshire the higher scenarios would be met. However, the higher level scenarios would all be unsustainable given current growth plans in Bedfordshire and pressures for growth from outside (Milton Keynes).
20. For the South Bedfordshire area, the emerging Luton and South Bedfordshire Core Strategy is planning for a housing provision of 43,200 dwellings to 2031 and thereby plans for scenarios 1 and 2. The consultations from work undertaken to examine the potential to exceed these concluded any further increase towards Scenario 3 would be untenable in sustainability terms and would put at risk the delivery of the emergent LDF strategy. The report approved by Luton Executive on 26th January also concludes this.
21. For the virtual County, EERA's forecasting model based on these scenarios, suggests a range of additional provision for testing of between approximately 78,400 and 108,300 dwellings for the period 2007 to 2031 compared to 70,900 if the current RSS policy H1 was rolled forward to cover the same period. This equates to an 11% to 53% increase on the rolled forward RSS. Completions and commitments equate to just under 51,000 dwellings which means that whilst progress is being made towards the current growth target, there is a significant challenge if anything other than the lowest scenarios are to be met.
22. The Strategic Authorities have been asked to advise on the potential consequences of achieving the growth associated with each scenario. In particular, EERA would like authorities to suggest which scenario most closely matches the authorities' aspirations for their local area.
23. The current RSS spatial strategy concentrates growth on key centres of Development and Change (KCDC). A key question for the review is whether this approach has the capacity to continue accepting development up to 2031 and beyond. In Bedfordshire's case the adopted Bedford Borough LDF Core Strategy plans to 2021. The other emerging core strategies are already planning to 2026 in the case of Mid Beds, and 2031 in the case of Luton and South Beds. In both cases work is ongoing to identify sufficient land to meet the challenge of the existing RSS.

24. One of the key objectives of the RSS review is to ensure the region's ability to deliver growth in a way which identifies the most sustainable strategy regionally. Therefore local testing of the scenarios must consider sustainability implications.
25. There is a need for the review to look beyond 2031 to ensure longer-term changes and implications are taken into account, of global issues for example.
26. The RSS Review Project Plan also stresses it is absolutely necessary for the review and scenario testing to address the quality not just quantity of development.
27. In addition the Project Plan raises the issue of the current target of 60% of development to be on previously developed land (pdl). The retention of this target is supported. Whilst it is recognised that the supply of pdl will diminish over time it is considered that the target will support the current emphasis on the regeneration and growth agenda for the KCDCs.

Overall Scenario conclusions

28. Through testing of the scenarios given by EERA it can be concluded that within Bedfordshire overall there is potential capacity for additional growth of around 78,000 which includes existing commitments. It is not possible to disaggregate the figure for Central Bedfordshire at this stage because South Beds figures are combined with Luton's.
29. This means that a level of growth consistent with the Lower End Scenario of 78,380 (RSS Policy H1 taking account of residual) could be met. **However this is dependent on the delivery of currently programmed infrastructure to deliver committed growth and remedy existing deficits, together with the provision of additional key infrastructure requirements and employment development which will be required to sustain further growth.** It is also dependant upon the housing market being buoyant and developers being able to deliver sites.

30. Amongst the Local Authorities in Bedfordshire and across the region there is a consensus that scenarios 3 and 4 are completely unacceptable in sustainability, quality and deliverability terms. There is a particular concern about the ability to generate sufficient job growth on a countywide basis for even the lowest scenario. In addition, the current spatial strategy is seen, based on the joint technical work carried out for this review, as the most sustainable approach to meeting future development needs and represents the most appropriate response to the critical issues of climate change, the emphasis on the regeneration of the existing KCDCs, wider technological, economic and demographic change and the very real challenges presented by the growth requirements of the current RSS. Higher growth levels would also require the whole regional strategy to be reviewed because the levels of growth required can not be accommodated within the existing policy framework.

Economic issues

31. As stated above, performance of the national economy is crucial to the successful delivery of development and to achieve a better balance between housing and job growth. Few in the sub-region can envisage job growth being substantially in excess of recent performance with scenarios of 4 to 5,000 jobs a year being well beyond credibility.

Potential Changes to the Existing Regional Spatial Strategy

32. The East of England Plan is up-to-date and therefore policy changes are unlikely to be anything more than reflecting the emerging LDFs/core strategies until the regional spatial strategy growth requirements become clearer. Changes to policies at this stage are considered to be premature.
33. With the planned integration of MKSMSRS into the RSS there will be a need to consider any consequential policy changes elsewhere in the strategy. Outside of the key centres, any development is likely to be focused on market towns and larger villages as key service centres. This is likely to be primarily within Central Bedfordshire, with its mix of major and minor service centres, and to a lesser extent in Bedford Borough. Such an approach is entirely consistent with the current RSS, Bedford Borough's adopted Core Strategy, the draft submission Core Strategy for Mid Bedfordshire and the emerging joint core strategy for Luton and South Bedfordshire.

34. Greenbelt

On a specific point, the adopted East of England Plan raises two particular issues relating to Mid Bedfordshire only that need consideration as part of this review process. Both stem from proposals contained in the MKSMSRS. They are:

- The need for the implications for Mid Bedfordshire of the south eastern expansion of Milton Keynes, as proposed in the South East Plan, to be tested; and
- The consideration of compensatory extension of the green belt in Mid Bedfordshire, to the north of Luton.

It can be argued that the two issues are interrelated. Mid Bedfordshire District Council, in its submission draft core strategy, is proposing the extension of the green belt in the vicinity of Aspley Guise to avoid the coalescence of Milton Keynes with existing settlements.

There are potential additional candidates for green belt protection at Cranfield, the southern Marston Vale and Arlesey / Stotfold.

Call for Development Sites

35. To allow early consideration of potential development sites and to inform the review, EERA issued a 'Call for Proposals' inviting developers to propose opportunities for new settlements and urban extensions of between 2,000 and 20,000 dwellings. It was stressed that submitting a proposal through this process did not indicate that it would be allocated, obtain planning permission or have the principle for the development established. Proposals submitted are listed in Appendix 1. This early identification allowed the suitability of such sites to be considered as part of the growth scenario testing.

36. In Central Bedfordshire, the responses received as a result of the Call for Proposals are being assessed for their potential impact and a more detailed analysis of the issues in each area will be given as part of the response to EERA. . Most of the sites submitted have also been identified by developers through the LDF process of Mid Beds and South Beds and Luton. But none are to date the subject of a planning application. For example submissions within the Marston Vale are among locations included as potential Eco-town locations. The submission at M1 junction 12 is in the location of a withdrawn planning application for residential, employment and a stadium.

Draft Regional Scale Settlement Study

37. In parallel with the call for advice from Strategic Authorities, EERA has commissioned ARUP to produce a Regional Scale Settlement Study. The study tests the provision of a large new settlement(s)/major urban extension(s) of 20,000 or more dwellings within the region. It looks at scenarios for settlement/extension size and location in order to assess whether this would be a sustainable alternative approach in delivering growth and, if so, where it could be located and what its impact will be. The suggested locations are a mixture of alternative and complimentary options for regional scale growth and it is not anticipated that all will go ahead. The favoured options are:
- Growth of large scale regional centres: Cambridge, Norwich and Chelmsford
 - Growth of other key centres: Ipswich, Colchester and Bury St Edmonds
 - Six potential new locations three of which are in Central Beds: Marston Vale Eco Town, A5120 midland mainline corridor and East Bedfordshire Strategic corridor
 - The report has highlighted the locations in Central Beds because of high population projections for the area, comparatively few constraints and good access to the transport network. However, the report identifies the Bedfordshire options as marginal in terms of economic drivers and indicates that they are the least favoured of the new settlement options.
38. Strategic Authorities had been informed of the work's progress on a confidential basis but had little opportunity to comment before the report was published. The authorities' initial concerns about the timescale and lack of consultation have been forwarded to EERA and it will be responding as part of the overall response to the call for advice in the strongest possible terms, objecting to the locations identified in Central Bedfordshire.
39. However, there are some general points which can be made at this stage as follows:

- The study should have examined the issue of a regional scale settlement in the context of what is the most sustainable spatial strategy for the region overall. In this respect there is no justification for the locations chosen in Bedfordshire as opposed to locations that could be more self sufficient particularly in terms of employment, for example Hertfordshire;
- Development of such a scale would undermine the planned growth and regeneration in the main urban areas in the north and south and the existing settlement hierarchy;
- Additionally, there is the issue of how it would relate to the role of the possible Eco Town;
- The forecast population figures for Mid Beds used in the report are extremely high when compared to recent population projections by the County and are very questionable.
- Given the delay in delivery of key infrastructure provision particularly in South Beds, the deficit for the area would be exacerbated and the impact upon existing communities would be unacceptable.
- There are key environmental constraints particularly flood plain, the Chilterns Area of Outstanding Natural Beauty and locally important landscapes such as the Greensand Ridge.

Other Issues

40. The consideration of Eco Towns outside of the RSS review process is of concern given the obvious links and implications between them.
41. Review primarily focused on the range of housing figures between the approved East of England Plan and the NHPAU lower, but with a longer-term view of capacity up to 2050. (Para 5.25 of Draft Project Plan). Consideration of capacity for development beyond 2031 is difficult and is likely to be inaccurate.
42. It is unclear how the revised Plan period of 2011-2031 relates to the period for scenario testing of 2007-2031. This needs to be clarified. For example how will any difference between required and actual dwelling provision for the period 2007-2011 be accounted for?

Next Stages

43. Following the submission of this advice and further technical work by EERA there will be a consultation on development options around Spring/Summer 2009. This will also allow any differences between EERA and Strategic Authorities to be highlighted. The consultation will include any proposed revisions to topic based generic policies.

General Conclusions

42. Central Bedfordshire has undertaken to make 'best endeavours' to assist in the review process and to provide advice where appropriate. Reflecting the widespread concerns of Strategic Authorities across the Region, the following general conclusions can be drawn:
- The timescale for a response to complex issues is very tight. In Central Bedfordshire's case the problems over this have been exacerbated by the additional pressures emanating from local government re-organisation. As a result it must be accepted that the advice is very much an initial reaction. As a result the Strategic Authorities reserve the right to refine initial responses in the light of further technical work and circumstances;
 - One of the more challenging aspects of the advice has been the need to undertake sub-regional assessments to explore how four increased growth levels for the region to 2031 might be accommodated within the authorities' areas. The timeframe for the provision of sub-regional assessment work is particularly ambitious and has limited the ability for wider engagement. As a result there are widespread concerns emerging across the region about the likely quality and robustness of the work, therefore outputs from technical work will need to be treated cautiously;
 - The relatively new, approved RSS housing requirements represent very challenging targets which, even without the current economic downturn, raise serious deliverability issues. In relation to this the authorities are aware of the findings of the House of Commons Environmental Audit Committee calling for the need for the Government to revisit its future housing targets;
 - Technical work for the review in progress suggests that the upper growth levels are so high as to be undeliverable as well as being completely untenable and their implications profound;

- Creating and sustaining the necessary levels of job growth for the current regional strategy is extremely challenging. There must therefore be serious questions raised over the ability to provide sufficient job opportunities for any higher growth levels; and
 - There is a very real danger of adding to the concerns of local communities already trying to get to grips with levels of growth identified in current plans and initiatives such as the eco-town proposals.
 - The potential for a Regional Scale Settlement(s) in Bedfordshire will exacerbate further the concerns of local residents, and sustainability and deliverability issues raised for growth already committed or planned.
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Appendix 1 – Development proposals submitted as part of EERA’s “Call for Sites”

Appendix 2 – Summary of growth scenarios

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| <i>Background Papers:</i> | East of England Plan (adopted May 2008) Mid Beds draft submission Core Strategy and Development Management South Beds and Luton Core Strategy documents EERA Regional scale Settlement Study - ARUP January 2009 |
| <i>Location of Papers:</i> | Forward Plans Team (Mid Beds documents) Joint Technical Unit (South Beds and Luton documents) Members Room Mid Beds DC or www.eera.gov.uk |
| <i>File Reference:</i> | N/A |