

## **DRAFT SOUTH EAST PLAN EXAMINATION-IN-PUBLIC SECRETARIAT**

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**6 August 2007**

Dear Secretary of State

### **PANEL REPORT ON THE REGIONAL SPATIAL STRATEGY FOR SOUTH EAST ENGLAND**

We have pleasure in submitting to you our Panel Report following the Examination in Public of the draft South East Plan. The length and detail of our report reflects the very full debates that we held over a four month period between end November 2006 and end March 2007, and the high expectations of the role of Regional Spatial Strategies in the new planning system.

The Overview in Chapter 1 indicates some of the key issues. One particular subject covered within the Examination was policy for the protection and management of the Thames Basin Heaths Special Protection Area and the implications for housing provision levels in this part of the region. We benefited here from the findings of an Assessor who held a series of prior technical meetings to assist our consideration.

Our Panel comprised three members and this report reflects our joint conclusions. However in respect of one local issue, namely the location of future urban extensions to Milton Keynes, we were assisted by a fourth Panel member.

We hope that our work will assist you in finalising this important policy framework.

Yours faithfully

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## Preface

- i. The South East Plan was submitted to Government by the South East England Regional Assembly (SEERA) on 31 March 2006. The South East Plan is the Assembly's term for the Regional Spatial Strategy (RSS) for South East England, which will cover the period from 2006 to 2026. The Plan is the first for the region under the new style of spatial planning introduced by the Planning and Compulsory Purchase Act 2004 and replaces the existing Regional Planning Guidance 9 (RPG9) and County Structure Plans. Work on the sub-regional strategies within the draft Plan had been led by county and unitary authorities (termed here the principal authorities) but within the context of project briefs and coordinating guidelines by the Regional Assembly.
- ii. We were appointed by the Secretary of State to conduct an Examination in Public (EiP) of selected issues arising out of the draft South East Plan. The process that we used to conduct and organise the EiP is set out in Appendix D. Suffice here to note the sheer scale and complexity of the examination, with over 7,000 responses to the draft Plan, more than 350 separate individuals and organisations taking part as participants in our debates, and four different venues for those debates.

### The Context

- iii. We are very aware that the draft Plan is a complex and dynamic document and that it has been more than two years in preparation. Inevitably, circumstances change over time and new information becomes available. We think that in general the plan making authorities have coped well with such changes – for example, the Assembly took on board new requirements for an Appropriate Assessment under the Habitats Directive (AA) and produced a schedule of suggested changes to the submitted Plan policies to reflect those requirements just before the start of the EiP.
- iv. While the EiP was sitting, the Government brought out a number of important documents and we explored through the debates how well the draft Plan had anticipated the evolving policy content. Our report only covers the implications of new policy up to the close of the examination at the end of March 2007. It does not therefore reflect any implications of changes in policy, particularly in respect of housing, or changes in regional organisations that have been announced since then.

### Scope and Content of this Report

- v. Our report does not seek to provide a full account of the debates at the EiP, or to summarise all the individual representations and statements sent to us. These were all analysed and we took them into account both in how we structured the debates and in the conclusions that we have reached. We concentrate instead on the key issues and on setting out the reasoning behind our various recommendations.
- vi. Our report broadly follows the structure of the draft Plan itself, although we first consider the context and soundness of the Plan and separate out our thoughts on the vision and objectives, and on spatial strategy which has considerable importance under the new system. We report on those aspects selected for debates in respect of the regional schematic sections, and for each of the nine sub-regions plus the Isle of Wight special policy area. We then consider the adequacy of guidance for the remainder of the region outside these sub-regions (termed the 'rest of the region' or

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- 'rest of County' areas. Our final chapters cover implementation, monitoring and the format of the Plan.
- vii. The report does not cover topics for which Partial Alterations to RPG 9 had recently been adopted, namely Tourism and Related Sports and Recreation, and Renewable Energy and Energy Efficiency. In respect of Waste & Minerals, it covers three aspects where the draft Plan had included policy additions on the basis of subsequent work.
  - viii. We have set out a brief summary of our recommendations at the end of each chapter, and a composite list of all of them is at Appendix C. To understand a recommendation fully please refer to the appropriate paragraph in the text which is cross referenced from each of the summaries; any apparent difference in nuance between summary and full text is unintentional and the full text takes precedence. Where our recommendations suggest that the existing policy should be amended, we have set out our suggested redrafting in Appendix A. In some cases the debates identified implications for policies which were not amongst our selected matters. We have noted these in our report so that they can be considered by Government at the proposed changes stage. We make various recommendations for improving the presentation of the Plan, and for clarity we illustrate the eventual structure that we envisage in Appendix B.
  - ix. Although we have considered the other five the documents submitted as a bundle with the Core Document (particularly the Implementation Plan and Monitoring Framework which were considered to be formally part of the Plan by the Assembly), we have not sought to suggest detailed amendments to them. In respect of the Implementation Plan, on which the Regional Assembly lays great emphasis, we did not have the evidence before us to examine each and every project listed in it.
  - x. We make no apologies for the fact that this is a long and detailed report, given the extent of background material and the controversy of many issues. Our extensive reporting on sub-regional issues reflects the importance of providing clear guidance for joint working in the post structure plan era, and the need to set out recommended housing provision levels within a strong local context. Consideration of locational issues is most detailed in respect of Milton Keynes due to the configuration of regional and district boundaries.
  - xi. Our report also includes recommended policy for the Thames Basin Heaths Special Protection Area (SPA), and the extent to which it should influence housing levels in constituent districts. Our conclusions have been informed by the work of an independent Assessor who conducted a series of technical meetings in advance of the EiP debates (as described further in Appendix D).
  - xii. Where our recommendations have been shaped by suggestions made by participants, or where we have accepted changes put forward by the Regional Assembly, we acknowledge this. Where the participant is a consultant, the client(s) for whom they appeared is given in the Final List of Matters and Participants for each session at Appendix E. The EiP programme is at Appendix F.
  - xiii. We make extensive use of footnotes to refer to national guidance and other background material, and to highlight pertinent material submitted to the examination. This material is referenced to the numbering system in the EiP Documents List which appears at Appendix G.
  - xiv. To keep our report as concise as possible, we have used abbreviations. These are explained the first time they are used, and for ease of reference are all listed in Appendix H.
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- xv. Following receipt of our report, the Government Office for the South East (GOSE) on behalf of the Secretary of State will take account of all representations made and not just those discussed at the examination. Proposed changes will then be published for public consultation, together with any supplementary appraisal, before the formal issue of the South East Plan.

## **A KNOWLEDGEMENTS**

- xvi. We are grateful to all those organisations and individuals who participated in the examination process. In particular, we would like to thank the Regional Assembly for unfailingly responding to our requests for further information.
- xvii. Thanks are also due to those at the GOSE who provided help in organising the EiP, and to the Planning Officers from the Planning Inspectorate who helped us with our analysis – Chris Ford, Elaine Quinn, Hilary Templer and Liz Elford.
- xviii. Finally we are grateful for the loyal support of our Panel Secretariat: Sue Morgan, Panel Secretary, Sarah May, Panel Assistant, and Angela Crease, Panel Support Officer.

## **PANEL**

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## **1 U OVERVIEW U**

1.1 The Regional Assembly has had to reconcile significant tensions in preparing the draft South East Plan (the draft Plan):

- The South East has one of the most successful economies in Europe while at the same time having a high proportion of its land area covered by national environmental designations. The implications of some of these designations, such as Natura 2000 sites have been increasing in importance over the plan preparation period.
- It has pockets of severe deprivation while being one of the most prosperous regions overall.
- There are national aspirations for a step change in housing supply but at the same time an understandable desire to maintain and improve the quality of life of existing South East residents.
- It seeks to increase standards of living while stabilising and thereafter reducing the region's ecological footprint.

### **h Levels U**

1.2 A major weakness in the draft Plan from our perspective is the fact that it tries to face in more than one direction. In several cases, the words in one part of the document lead the reader to believe that a national objective is supported, but the later policy or figurework suggests otherwise. The draft Plan is honest however in its stated objective to accommodate a "reasonable" level of development need. But because of the importance of the South East to the national economy, its interrelationship with London, together with the scale of its own housing needs, we do not consider this to be a sufficient response. While we applaud the volume of background research that has been undertaken and organised by the Assembly, we do not always agree with the policy interpretations reached. In particular much of the work conducted since November 2004 appears to have been used to justify a pre-selected regional housing level.

1.3 The scale of housing growth proposed was the single most controversial issue within the representations to the draft Plan. While local authorities and environmental bodies generally endorsed the proposed rate of growth, of those taking a contrary view to the draft Plan based on technical evidence, almost all responses sought an increase in the proposed average of 28,900 dwellings per annum (dpa). Despite the figures in adopted RPG9 being clearly labelled as interim to be reviewed upwards by 2006, the irony is that over large parts of the region this draft Plan proposes housing levels below RPG9. In fact the regional total is less than the RPG9 level adjusted upwards for the effect of the Sustainable Communities Plan Growth Areas following the adopted sub-regional strategies (29,550 dpa). Until November 2004 the Assembly's officers were considering options in the range of 32,000-35,000 dwellings per annum (dpa), which had a clear relationship with past migration trends.

1.4 We accept entirely that the Assembly has had a challenging task in balancing all the different factors that need to be considered in setting a housing provision level. Nevertheless we consider that the outcome has put too much weight on the results of consultation with existing residents. Important though this is, inevitably it gives no voice to those of the next generation who will be seeking homes within the plan period, and no voice to those who may need to or wish to move to this region to take up job opportunities.

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- 1.5 In particular we find that the draft Plan gives insufficient weight to demographic and economic factors. Although recognising the Regional Assembly's scepticism about long-term forecasting the Plan should take account of best available forecasts at this point in time. In some parts of the region, e.g. the London Fringe, we consider that proposed housing levels are inconsistent with meeting the needs of both the existing population and continued in-migration, which would have adverse implications for housing affordability. In several areas, particularly to the south west and west of London, we share the South East England Development Agency's (SEEDA) concerns that the growth in labour supply associated with the draft Plan's housing levels would be insufficient to meet the needs of the economy, even allowing for the concept of 'smart growth'.
  - 1.6 Taking all these factors into account, our recommendation is for an increase of 10% over the draft Plan housing level for 2006-26. This translates into an absolute increase of 62,000 additional dwellings above the draft Plan's proposals. We therefore envisage the Plan making provision for 32,000 dpa ( as discussed in Chapter 7). This is right at the bottom end of what our analysis of strategic factors would suggest. Even at that level it would still be below the Government's latest household projections, as has been the case over much of southern England in recent RPG cycles. This level is also below the actual rate of housebuilding achieved in the last two years and in many parts of the region the proposed rate is below the trajectory for the next few years. But we accept that completions may fall off after that, until new Local Development Documents (LDDs) are in place to reflect the new RSS strategy. It is precisely because we accept the strength of the Assembly's arguments and much of its background work, that we do not go higher.
  - 1.7 It would be entirely wrong in our view to pro rata the housing increase that we are recommending between the 67 districts and unitary areas. Indeed this would make a mockery of the seven weeks of debates on more local issues that we facilitated at various venues around the region. We are confident in apportioning our suggested increases to sub-regional level largely on the strength of strategic top-down factors. But producing a district apportionment below this level, involves assumptions about capacity to accommodate new growth.
  - 1.8 This is probably the most difficult task that we faced and we have gone as far as we feel able to do, given that this is a requirement for RSS in the absence of structure plans under the new system. Our assumptions about capacity have of necessity to be indicative. It is possible that additional urban potential may be found when those local authorities who have not yet undertaken a site based assessment, and this applies to most in this region, do so. But it is inevitable that new greenfield land will have to be found, and we do not think it an appropriate yardstick that all land needs to have been identified before the Plan's housing provision levels can be confirmed.
  - 1.9 A huge variety of potential schemes were submitted to us as representations on the submission draft Plan. It would not have been feasible, nor would it have been appropriate, for us to examine all of these proposals in detail. There were a few proposals, of a scale that made them candidate Strategic Development Areas (SDAs), on which we encouraged discussion in the sub-regional and rest of county debates. Some of these more strategic proposals may well be able to contribute in those local authorities where we recommend a significant increase in their housing levels. But in the absence of consistent sustainability appraisal (SA) results in terms of their strategic implications for the draft strategy as well as any local implications, it would be wrong of us to give them any form of backing by naming them.
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- 1.10 For the most part though we are content that there should be sufficient flexibility for local authorities to find the necessary amount of new land implied by our recommendations, albeit that they will no doubt face extensive local resistance. The most sustainable solutions in some sub-regions will be for this new land to be found through a selective Green Belt release. Despite the sensitivities of this, we remain firmly of the opinion that RSS is the right place to identify such needs, and that a bold long-term spatial vision for the region should not shy away from incorporating such proposals if this is the most sustainable solution.
- 1.11 As important as getting the right numbers is to get the right type and size of new dwellings. We make recommendations to strengthen other housing policies (Chapter 8), given the preponderance of small apartments currently being built in the region. Affordable housing is the number one priority for the local authorities and many other participants, in order to respond to a backlog of unmet need, to future needs and the consequences of rising unaffordability of market housing. Lack of affordable housing also risks constraining the economy, particularly in buoyant parts of the region. We generally endorse the Regional Assembly's regional and sub-regional targets, but recognise that S106 contributions on their own will not be sufficient to support this level of affordable housing. We agree with many participants that it is not simply a case of "building your way out of this crisis". We therefore encourage the Assembly to work closely with the Government Office to seek to influence mainstream programme funding and the priorities of the relevant agencies (Chapter 8).

## **Spatial Strategy U**

- 1.12 The draft Plan attempts to provide a new spatial framework for the region, based on a 'sharper focus' concept which concentrates some 85% of new growth in nine sub-regions and aims to concentrate investment and economic growth in a network of regional hubs. Although the draft Plan is promoted as being a radical departure from past patterns of development, scratching below the surface reveals a somewhat different picture. Indeed in many respects the draft Plan continues the pattern of growth set out in RPG9 (which already incorporated the Thames Gateway), as supplemented by the Sustainable Communities Plan Growth Areas of Milton Keynes and Aylesbury Vale, and Ashford.
- 1.13 We firmly believe that this first RSS under the new system should present a bold spatial strategy, one that will endure for many years and not require an early review. While we largely endorse the sharper focus concept, we have sought to reinforce the spatial strategy and make it more locationally specific (see Chapter 4). In some instances this means making more explicit the assumptions used in the background work to the sub-regional strategies. In other cases where we have sought to define growth locations more clearly, it has meant drawing on options work already completed as part of previous structure plan rounds, and on developer representations as illustrative of possible additional capacity for development.
- 1.14 The result of our recommendations is to give a stronger profile to areas to the south west of London, the Thames Valley and the Oxford area reflecting their economic importance. The resulting strategy now reflects to a greater extent spatial growth concepts evident at the national and European scale (Chapter 4). We have also made it possible for a forward looking Key Diagram to indicate major growth locations by identifying six SDAs, including the two already recognised in the draft Plan, and identifying those areas with New Growth Point status which contain growth settlements.

## **Employment and Land Use**

- 1.15 A major deficiency in our view in the draft Plan is the lack of a clear spatial framework for economic development and employment land in the region (Chapter 6). Despite a strong objective of reducing intra-regional disparities, insufficient mechanisms have been included to ensure sustained economic growth throughout the region. Too much reliance has been placed on the smart growth concept without thinking through the mechanisms necessary to facilitate its delivery. And even assuming a large role for smart growth in reconciling economic pressures and demographic growth, it is almost certain that some new or substitute employment land will be needed. In advance of work being undertaken at both regional level and through joint employment land reviews, there is little that we can recommend to rectify this omission. Hence we suggest the need for an early partial review of RSS on this topic.

## **Infrastructure and Land Use**

- 1.16 The strategy as we recommend it be amended will undoubtedly have implications for infrastructure. This is one of the issues of most concern to the Regional Assembly. We agree with their 'manage and invest' approach, and have tried to strengthen elements of this. All participants agreed that behavioural change will be necessary both in terms of water use and natural resource use in general (in order to meet needs sustainably and stabilise the region's ecological footprint), and in transport, particularly road use (to minimise increases in CO<sub>2</sub> emissions and in congestion). With increased housing levels, this imperative will be even stronger. Nevertheless we are confident that Government policy will provide new levers/incentives to make the task easier, e.g. the new Code for Sustainable Homes that was published during the course of the EiP and the commitment to new transport legislation.
- 1.17 Pioneering work has also been done by the Assembly in coordinating the identification and costing of a comprehensive list of new infrastructure provision at the regional and sub-regional level. More recently this has been supplemented by the Environment Agency in respect of water-related infrastructure and green infrastructure including biodiversity enhancements. These potential schemes have been assembled in a draft Implementation Plan, which was subject not only to a SA/Strategic Environmental Assessment (SEA), but also to an AA with the result that a revised draft Implementation Plan was published immediately before the EiP (called hereafter the Implementation Plan). We consider that this listing is useful, despite the fact that in some cases it proved difficult to identify which individual proposals were necessary to deliver particular sub-regional policies as opposed to providing for background growth of the area. We consider that the Implementation Plan should be considered as a 'living document' rather than formally adopted as part of the RSS, and that it should be regularly updated as local planning progresses (Chapter 27).
- 1.18 We consider that the role of the RSS is to provide a firm basis for planning. Hence our recommended housing provision figures are intended to be targets. In this way the spatial strategy should provide a clear steer to infrastructure providers about the scale and timing of new infrastructure required. In relation to the water utility companies this should provide them with the ammunition needed to justify financial settlement with Ofwat for new sources of water supply and waste water treatment (WWT) capacity. In relation to the latter, it should also provide them with adequate warning of the engineering solutions that might need to be commissioned in order to avoid



exceeding new water quality standards as these are progressively tightened under the Water Framework Directive.

- 1.19 We do not consider that RSS housing levels in any sub-region or indeed the region can be made contingent upon the delivery of particular pieces of infrastructure - this would produce a 'stop-go' climate unhelpful to investment. Instead we encourage the Assembly to continue its coordinating and lobbying role, working jointly with the Government Office to influence mainstream programme funding, and to progress its innovative proposals for a Regional Infrastructure Fund.

## **Environmental Uncertainties**

- 1.20 There remain uncertainties over the distribution and phasing of housing in some parts of the region. These result from the implications of the Habitats Directive, and they relate to existing development just as much as to new development proposed in the draft Plan or any recommended increases. Despite the vast amount of technical background material, as it only became clear in 2005 that the Habitats Directive applied to Development Plans, it is perhaps inevitable that not all loose ends could be tidied up before the EiP. We have therefore had to exercise judgement on the likelihood of any significant adverse effects, and take comfort that RSS is only the first in a two stage development plan process. Where we have suggested additional housing levels in areas which are subject to flood risk or are in proximity to Natura 2000 sites, we have judged that the local authorities should have sufficient flexibility to distribute new developments in such a way as to avoid and if not possible to be able to mitigate against the likelihood of significant adverse implications.
- 1.21 In respect of the Thames Basin Heaths, we have felt it necessary to increase housing levels above that considered prudent by the Assessor within a 5 km radius, in three or four strategic locations. In each case we consider that there is a good possibility of on-site mitigation land. These proposals are also unlikely to come forward before the second half of the plan period when it will be possible to learn from the results of monitoring the effectiveness of providing alternative green space from early schemes. In each of these cases there are strong countervailing sustainability arguments for their incorporation into the strategy, as explained fully later in the London Fringe and Western Corridor Backwater Valley chapters.
- 1.22 We fully appreciate, if the Secretary of State is minded to accept our recommendations on growth levels, that this will require further SA/SEA work and AA testing, before any proposed changes are subject to public consultation. This iterative process, together with any further mitigation measures or adjustments that may result, will give the necessary confidence in the resulting plan. The more detailed implications will then be considered at the subsequent Local Development Framework stage. The effect of our proposals for additional SDAs, if accepted, will mean the need for joint or coordinated LDDs in the greater Reading and Oxford areas, as well as around Milton Keynes and in South Hampshire. We indicate other areas where such joint working will be important, such as at Didcot, in our locally-based chapters.

## **U**



## 2 b CONTEXT AND SOUNDNESS b

*We consider here the issues which set the context for our more detailed conclusions and recommendations in subsequent parts of the report. We also give our assessment of the soundness of the draft Plan as we recommend that it should be amended.*

### CONTEXT b

#### National Policy b

2.1 The South East Plan was prepared against an evolving national policy context. Of particular significance has been the Government's growing concern about the affordability of housing. The final report of the Barker Review on housing supply, March 2004, was available during the early stages of plan preparation. However the Government's response to this review together with draft new planning guidance on housing (draft PPS3) was not issued until December 2005, at which point the consultation draft Plan had been virtually finalised. In setting a national target to increase housing delivery rates to 200,000 dpa by 2016, the Government's response was continuing a train of thought that had begun in Sustainable Communities documents dating from early 2003, commonly termed the Sustainable Communities Plan<sup>1</sup> (SCP). The final version of PPS3 together with associated guidance documents was not issued until the first week of the EiP.

2.2 In addition to the SCP Growth Areas, there are two further national initiatives that may influence the South East Plan:

Seven New Growth Points for the region were named in late October 2006 on the basis of bids previously submitted by local authorities. The focus is on accelerating the pace of housing delivery to 2016 in comparison to the planned levels anticipated by RPG9 at 2003. We assess the compatibility of these New Growth Point locations with the Plan's spatial strategy in Chapter 4, and then in more detail in our area-based chapters.

The Government also announced support for a series of 'eco-towns' towards the end of the EiP. These are intended to be new zero carbon communities built on brownfield land. We make no further comment on this concept, other than to hope that compatibility with the RSS will be one of the criteria used to select candidates.

2.3 Also of particular significance during the plan preparation process was the publication of a new national sustainable development strategy in March 2005<sup>2</sup>. In many ways this provides a counterbalancing influence to the growth agenda. This new strategy embodies the concept of living within environmental limits although it also demands consideration of social and economic aspects. Climate change issues are covered within this strategy and have undoubtedly risen up the Government's agenda during the plan preparation period. Draft planning guidance in the form of the PPS1 Supplement, together with associated guidance on flood risk and sustainable homes, was issued in the third week of the EiP.

2.4 This evolving policy context is a normal occurrence within the British system. The test that we used in leading the debates was whether the draft South East Plan anticipated these changes, and if not, whether it could reasonably have been expected

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<sup>1</sup> Sustainable Communities: Building for the Future, ODPM, February 2003 [Sn6]

<sup>2</sup> Securing the Future, HM Government, March 2005 [Sn1]

to do so to a greater extent than it did, given the existence of prior consultations, draft documents, and ministerial statements.

## **Inter-Regional Planning Policy**

- 2.5 National planning policies by and large include a very limited spatial element – and we wish to add our support to those who argue for a stronger inter-regional policy context for RSS EiPs. The best contextual information available to us has been the economic and demographic forecasting work on regional futures commissioned by the English Regions Network<sup>3</sup>, and the later assessment of policy implications in the Hetherington Report commissioned by the TCPA<sup>4</sup>. We accept that because of the absence of a national spatial planning framework it is more difficult to set policies for the South East in a clear inter-regional context. These two documents have however influenced our thinking on the South East economy and inter-regional migration trends.
- 2.6 There are many interrelationships within the former South East region, the so-called 'Greater South East'. Here the pan-regional work undertaken by SEERA, the East of England Regional Assembly (EERA) and the Greater London Authority (GLA) on commuting<sup>5</sup> has influenced our thinking on the scope for adjustments to reduce the apparent mismatch between labour demand and supply (as discussed further in our Chapters 6 and 7). We also comment on implications for waste planning in Chapter 11.
- 2.7 In terms of the formal plans in neighbouring regions, the London Plan draft Early Alterations which proposed an increase in housing level proposed in London from 23,000 to 30,650 dpa was published in October 2005. This increase is used by the Regional Assembly as a partial justification for the draft Plan's housing levels. Draft Further Alterations were published in May 2006.
- 2.8 The East of England Plan is at a slightly more advanced stage than the South East. References made to the East of England EiP Panel Report, June 2006, and the Government's proposed changes, December 2006 during the course of our debates were largely of a procedural nature. There are however cross boundary implications for the expansion of Milton Keynes, as discussed in Chapter 23.
- 2.9 The South West Plan is slightly less advanced. Concerns were raised by its Regional Assembly and others about the implications for commuting levels arising from the draft South East Plan's housing provision levels. There is also a common need for water supply enhancement in the Swindon and Oxford areas in the longer-term.
- 2.10 The policy framework for the Milton Keynes South Midlands area was evolving during the course of plan preparation, with the adopted sub-regional strategy being published in March 2005. This set in train work on a long-term growth strategy for Milton Keynes (known as MK2031) by the Milton Keynes Partnership. The results were not fully reflected in the submission draft Plan, March 2006, but were available to be tested at the EiP.
- 2.11 An inter-regional planning statement was published on the Thames Gateway by the Mayor, SEERA and EERA in July 2004, and this has partly influenced the draft Plan.

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<sup>3</sup> Regional Futures Study, English Regions Network, RDA Planning Leads, ODPM, DfT, January 2005 [En10]

<sup>4</sup> Connecting England – A Framework for Regional Development (the Hetherington Commission), TCPA, 2006 [En11]

<sup>5</sup> Commuter Flows in London and the Wider South East, Cambridge Econometrics, WSP & the LSE for GLA, SEERA, EERA & others [Er10]

New Government impetus has recently been given to the Gateway, and an Interim Plan was published in November 2006, allowing its implications to be tested during the debates. The adopted Ashford growth area strategy was published in July 2004, and fully reflected in the draft Plan.

## **Procedur**b** Context b**

- 2.12 The draft South East Plan was prepared almost entirely within the context of the new planning system. Although some preparatory work had been completed before the Planning and Compulsory Purchase Act became statute in September 2004 (including the project plan, Spring debates, initial sub-regional studies), most work was undertaken within the scope of Planning Policy Statement PPS11, September 2004 and the relevant regulations. The section 4(4) authorities exercised their right to lead the work on the sub-regional strategies (termed the principal authorities in this report). Despite coordination and high-level editing by the Regional Assembly, because of the large number of drafting authorities, we have looked carefully at the internal coherence of the draft Plan.
- 2.13 Sustainability appraisal techniques are relatively well established, but guidance on their integration with strategic environmental assessment was only published in November 2005<sup>6</sup>, although with draft guidance available before that. There were those that sought to challenge the draft Plan on the basis that the SA/SEA process had been deficient. We consider however that most of these comments were in fact levelled at the extent to which appraisal results had been taken on board or not in plan content, rather than deficiencies in the process per se. However we ourselves flagged up concerns at our Preliminary Meeting about the extent to which options had been considered, and about the sub-regional SA work in terms of consistency and level of detail, as discussed further below.

## **H bitbts Directive bnd bppropribte Assessment b**

- 2.14 Preparation of the draft Plan was well underway before the implications of the European Habitats Directive provisions for plan making in the United Kingdom became clear. As a result, it was not until June 2006 that the Assembly appointed consultants to undertake research leading to an Appropriate Assessment (AA) of the potential effects of the draft Plan on Natura 2000 sites or European sites as they are commonly known. In response to the consultants' reports<sup>7</sup>, the Assembly agreed a number of suggested changes to draft RSS<sup>8</sup>. We comment on these in the relevant sections of our report particularly on biodiversity issues in Chapter 10. The implications of the AA for the proposed strategy were subject to continuous scrutiny throughout the EiP, with many participants raising aspects of particular concern during the topic and sub-regional debates. A recurring theme was what to expect in RSS in response to AA and what should be appropriately left to the LDF stage; the Thames Basin Heath Special Protection Area (TBH) is perhaps the foremost example to date of a case that requires a regional level response. Our conclusions and recommendations have been fully informed by this scrutiny.

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<sup>6</sup> Sustainability Appraisal of Regional Spatial Strategies and Local Development Documents, ODPM, November 2005 [ST3]

<sup>7</sup> Appropriate Assessment of the Draft South East Plan: Final Report, Scott Wilson/Levett –Therivel, October 2006 [SEP5C] Appropriate Assessment of the Draft South East Plan Implementation Plan: Final Assessment, Scott Wilson/Levett –Therivel, November 2006 [SEP5D]

<sup>8</sup> Regional Planning Committee 20 November 2006. Suggested changes to policies as a result of Appropriate Assessment of the Draft South East Plan, SEERA [SEP5E]

- 2.15 So far as the fundamental soundness of the AA process is concerned, we are mindful that the study came at an early stage in the application of AA to plans in the UK and therefore it is inevitable that some procedural and methodological questions have arisen. But the work was guided by an appropriately constituted steering group and it seems to us that it has been thorough, scientific, informed by the best available advice and as comprehensive as was reasonably achievable in all the circumstances. There was agreement amongst many participants including Natural England in the Matter 6A debate that the AA was 'fit for purpose'. We have found nothing to suggest otherwise, and we reject any suggestion from certain environmental interests that the South East Plan should be delayed while more detailed AA is conducted at the sub-regional scale. We make our recommendations on the understanding that the implications for European sites will need to be tested in further iterations of the AA, including the Secretary for State's proposed changes.

## **OUN DNEb b**

### **ssessment bginst boundness Tests b**

- 2.16 We are obliged to consider the soundness of the draft Plan against the 12 tests within PPS11, para 2.49. Many people who made representations on the submission draft Plan sought to argue ways in which it was unsound against particular tests. We encountered some confusion amongst participants at one of our Preliminary Meetings about whether an outcome of our work might be that we referred the draft Plan back to the Regional Assembly as being unsound in various respects. This confusion arose from parallel events in the new LDF system. To our mind however it has always been the role of an RPG/RSS EiP Panel to test the draft strategy and policies against a whole range of criteria and where it may be found lacking to recommend an amended approach.
- 2.17 We did not attempt to structure the EiP around tests of soundness but instead used the substantive issues raised by the draft Plan itself, as revealed by the evidence base, the various appraisals and the entire consultation response. We used the issues raised by the soundness tests to inform our questioning, with a particular emphasis on whether
- the policies are regionally specific, and pitched at the appropriate level;
  - a regional case has been adequately justified for any departures from national planning policy;
  - the draft Plan is internally consistent;
  - the means of delivery is clear, including whether clear guidance is given for the LDF process and other delivery agencies.
- 2.18 The following section provides brief comments under each of the soundness tests to indicate the extent to which we consider the draft Plan to be sound in the form that we recommend it to be changed, and whether any remaining unsound aspects can be rectified. It is of course necessary to consider all our recommendations and the reasons for them in understanding how and why we suggest that the draft Plan is amended.
- 2.19 The Government's subsequent proposed changes are then an opportunity for there to be wide-ranging consultation on those of the Panel's recommendations that it chooses to accept, together with any of its own changes. We would also expect such amendments to the draft Plan to be subject to additional SA/SEA and AA, and for the

results of these processes to be published at the same time to inform this consultation process.

## **A Spatial Plan**

2.20 The draft Plan to our mind takes the former RPG9 well beyond a traditional land use planning approach. It seeks to incorporate the spatial implications of other related policy areas, such as health. It also provides a strong emphasis on implementation, and seeks to provide a spatial framework within which delivery agencies and infrastructure providers can align their priorities. However the draft Plan is not as locationally specific as many participants would like, and its overall spatial strategy is far from clear. We have sought to strengthen the spatial detail within the Plan, and on this basis we consider it sound.

## **Meeting the objectives for a RSS**

2.21 The draft Plan meets most of the expectations of a RSS set out in PPS11, para 1.7, or is capable of doing so with the recommendations that we make. In particular it contains sub-regional strategies for those parts of the region where future planning most needs to be coordinated across local authority boundaries, it generally provides a regionally specific justification for any modification of national policy, it does not descend to the site-specific level, it has a clear focus on delivery mechanisms and provides a monitoring framework. Overall we feel that it contributes to the achievement of sustainable development, and that with our recommended amendments, it can do this even better.

## **National Planning Policy**

2.22 PPS11 sets out advice on the relevant aspects of national planning policy which may need to be addressed in the preparation and revision of draft RSS. National policy continued to evolve over this period (see paras 2.1 and 2.3 above)<sup>9</sup>. In this dynamic environment, we consider that the Assembly and the principal authorities have sought to respond as quickly as possible to newly emerging advice, and we agree with the many participants who applauded the work that has been completed to date in regard to climate change mitigation and adaptation policies. In terms of the broad aspects of national policy that should be addressed by RSS we consider that the draft Plan is generally sound, although some detailed policies can and should be improved, e.g. on regional shopping centres. The key exception to this, where we find the draft Plan unsound, is in regard to housing levels, whether measured against the thrust of the advice in PPG3, draft PPS3 or its final form. We return to this, and ways in which we recommend the Plan is amended, in more detail later in the report, especially in Chapter 7.

## **Consistency with other Regional Strategies, and Neighbouring RSS**

2.23 We find the draft Plan broadly consistent with other regional strategies for the region and with RSSs for neighbouring regions. However, there are significant issues relating to jobs/housing alignment which causes tensions with the Regional Economic Strategy (RES), as discussed further in Chapter 6. Put simply there was an alliance at the examination between private sector representatives and all other regions who were concerned that the draft Plan does not provide enough housing for its own economic

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<sup>9</sup> In addition, PPS6 on town centres was finalised in August 2005

growth. The result would be that other regions would be forced to provide extra housing together with increased commuting. The implications are discussed in the following chapters on Economy and Housing, and with our recommended changes to housing levels we consider the Plan will be sound. Other cross-boundary issues are considered in relation to the relevant regional policies or sub-regional strategies.

### **Internal Consistency**

2.24 We have three points of concern on this test, all of which we have sought to rectify. The first relates to inconsistencies between a range of objectives on key topics with varying forms of expression in different parts of the plan, not all of which can be carried through into the subsequent policy framework (Chapter 3). The second is more specific, namely the relationship between the expected Gross Value Added (GVA) growth rate and the job estimates for monitoring purposes included in certain of the sub-regional strategies (Chapter 6). The third more generally relates to the consistency between sub-regional strategies in their treatment of key issues, and the extent to which they are locationally specific. As we made clear in the EiP we do not think it is necessary for there to be standardisation for its own sake. Nevertheless we have recommended ways in which the sub-regional strategies might be better integrated into the Plan in Chapter 29, and give presentational recommendations in Appendix B. Some participants criticised sub-regional policies for being inconsistent with the overall regional policy on that topic. However for the most part we found that this stemmed from inadequate explanation of why the sub-regional approach differed from the regional equivalent. As we recommend it to be amended, we consider that the Plan will now meet this test.

### **Robust and Credible Evidence Base**

2.25 The Regional Assembly claimed in its opening statement that its background work was the most extensive evidence base ever assembled. We have no reason to doubt this, from the sheer length of our document list. We do not always agree with how the background research was interpreted and how it has been incorporated into policy, e.g. on economic issues. A major gap would have been on implications of higher growth levels, but this was fortunately anticipated and plugged by work commissioned by GOSE before the EiP began<sup>10</sup>. We also had initial difficulty in assembling the evidence base underlying the sub-regional strategies, but this was largely an administrative inconvenience rather than a concern about quality. Although we still have concerns in a few instances that insufficient work was done on assessing alternative spatial options, we are confident that sufficient information emerged during the course of the EiP on which we have been able to base a robust set of recommendations.

### **Community Involvement and Partnership Working**

2.26 The preparation of the submission draft Plan has involved many thousands of people and organisations. The Pre-submission Consultation Statement describes the very extensive work undertaken by both the Assembly and the principal authorities in respect of the emerging sub-regional strategies, to engage communities and stakeholders within and beyond the region. It is claimed to have been the largest regional planning consultation ever conducted in the UK. Given the scale and complexity of the task and the numbers of individuals and organisations involved it is

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<sup>10</sup> Augmenting the Evidence Base, RTP, May 2006 [Sr3]



probably inevitable that not all participants were entirely satisfied with the process, but our scrutiny leads us to conclude that it was sound. The Assembly has clearly sought to exceed the minimum requirements for involvement and has successfully engaged with a wide spectrum of the population. Our one reservation is in regard to hard-to-reach groups, by definition a challenge for a plan-making body (as we discussed further in Chapter 15), and we would encourage the Assembly to seek new and more effective ways of engaging with these groups in the future.

### **Resources Realism**

- 2.27 There was considerable debate about the degree of commitment to resources and about the associated status of the Implementation Plan that is relevant to this test. We heard much about existing infrastructure deficits and about the necessity for all the schemes in the Implementation Plan to be delivered in order for the level of development proposed to be acceptable. Discussion of this issue arose throughout the examination and it is a recurring theme in our report, particularly in Chapter 27. There is an uncomfortable relationship between the short-term process of public spending reviews and the long-term commitment needed to deliver major developments. Hence it is unrealistic to expect firm guarantees of available resources up to and beyond 2026. Although we have recommended some changes to delivery policies we acknowledge the thoroughness with which the Regional Assembly has approached the implementation of the draft Plan and to make explicit the likely resource implications. Having regard to that background work we consider that this test is met.

### **Robustness to Changing Circumstances**

- 2.28 The Regional Assembly worked with the Forum for the Future to identify and take account of drivers of change in particular on climate, demography, technology, and globalisation. It used a range of scenarios to test relationship between population, households, labour supply and jobs. We express some reservations about the assumptions used in this work (see Chapter 6), and consider that the draft Plan sets out a high risk strategy since it is based on forecasts at the low end of the available range. Nevertheless with the adjustments that we recommend, we consider that the Plan will be sound.

### **Sustainability Appraisal**

- 2.29 The legal requirements to undertake SEA and an SA of draft RSS have been combined into one process; this reflects current best practice. In assessing the soundness of the SA process, we have noted firstly that it is a relatively new one, and that there are particular difficulties in carrying out SA of a regional plan because its spatial specificity is limited and this limits the ability to assess performance against some objectives. The tight timescale for the preparation of the draft Plan, and the split of responsibilities between the Regional Assembly and the principal authorities, also posed challenges; we feel this may go some way towards explaining the varied level of coverage between different sub-regions. Nonetheless, a very large volume of detailed work was undertaken and the SA and plan-making processes worked in parallel, guided by the independent SA Sounding Board. There is a clearly documented audit trail that shows how the submission draft Plan, including the Implementation Plan, has been influenced by the findings of SA. Against all of this background, participants generally endorsed the SA process as sound and we agree. This is not to say that the draft Plan is sustainable or that its response to the findings of

SA is satisfactory in every respect – our conclusions and recommendations on a number of issues clearly indicate otherwise. In particular we take a different view on the overall sustainability of options involving the selective review of Green Belts in several sub-regions. Further discussion of the influence of the SA on housing levels is in Chapter 7.

### **Proper Procedures**

- 2.30 As discussed above, we are satisfied that the Regional Assembly has exceeded minimum requirements for community involvement. In all other respects e.g. Committee procedures, Member endorsement of key stages, and publicity notices, we have no reason to doubt that proper procedures were complied with.

### **Mechanisms for Monitoring and Implementation**

- 2.31 The Regional Assembly clearly demonstrated the importance that it attaches to delivery under the new RSS system. It has probably gone further than any other region so far in thinking through delivery mechanisms both at regional and sub-regional level, and subjecting its draft Implementation Plan to both SA/SEA and AA testing. This work continued right up to the start of the EiP including a stakeholder event in autumn 2006 on the ways of influencing behavioural change. We comment further on the draft Plan's approach to implementation throughout report, and particularly in Chapter 27 and on monitoring procedures in Chapter 28. Overall we consider the draft Plan's approach to be sound.

**b**

## **3 U VISION AND OBJECTIVES U**

Matter 1A.1, 1A.2, 1A.3

*This chapter examines the performance of RPG9, suggests an amended vision for the draft Plan to embrace social and sustainable development elements, recommends that the Plan be based on providing 'sufficient' housing and sustaining economic growth, and recommends amended objectives.*

### **PERFORMANCE OF RPG9 U**

- 3.1 The South East has a good level of monitoring information<sup>1</sup> which allowed the EiP to start by looking backwards at the performance of RPG9 and its more recent topic-based updates to help judge whether the response of the draft RSS is adequate. This recognises of course that there are many other factors which influence the achievement of targets besides the effect of regional planning policies. These include globalisation, funding regimes, service delivery patterns, changes in lifestyle, and evolving national planning policy.
- 3.2 Policy areas on which good progress has been made include:
- the proportion of development occurring on previously developed land (PDL);
  - the more efficient use of land through increasing housing densities;
  - a reduction in the amount of derelict land;
  - an increase in waste recycling rates, although the amount of waste generated continues to increase; and
  - a reduction in fatal or serious road accidents.
- 3.3 A major cause for concern amongst participants is the scale of affordable housing completions, which have only been about half the RPG9 target level. Mechanisms for achieving higher rates of affordable housing, and in particular whether increasing overall housing levels would assist delivery in the affordable sector, was a continuing theme throughout the EiP. We discuss the draft Plan's response to this challenge further in Chapter 8. It was however acknowledged that taking account of the most recent monitoring results and following various interventions, the average completion rate for all types of housing over the last six years had now met the RPG9 target.
- 3.4 Other sources of underperformance against RPG9 are:
- lack of progress in reducing intra-regional disparities, including on economic, skills and health indicators;
  - little progress in improving access to services in rural areas;
  - continued growth in vehicle flows on the strategic road network, although overall traffic levels on the entire road network have remained broadly static ;
  - failure to provide necessary infrastructure in association with new development.

### **VISION U**

- 3.5 Against this background, and an analysis of challenges and drivers of change, the Vision proposed in the draft Plan is entitled The Healthy Region. It seeks a sustained improvement in quality of life as measured by the well-being of its citizens, the

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<sup>1</sup>Regional Monitoring Report 2005, April 2006 [SEERAIr6] and Annual Monitoring Report 2006, 2007 [SEERA20B]

- vitality of its economy, the wealth of its environment and the prudent use of natural resources (C, para 1.4).
- 3.6 While recognising the difficulties in writing an overarching vision that is bold and succinct, we agree with those participants who found the version in the draft Plan confusing. We contemplated whether instead to suggest using the same vision as the Integrated Regional Framework, June 2004 which seeks a prosperous region delivering a high quality of life and environment for everyone, now and in the future. Nevertheless we acknowledge that a decision has been made in this region to have a separate vision for the RSS, and that the underlying concepts of the healthy region and an improved quality of life have evolved through a process of consultation.
- 3.7 The vision in the consultation draft Plan contained a series of nine performance measures after the overarching statement against which to judge progress. These were shortened to focus on the core message, but in doing so we are concerned that there is insufficient elaboration of the intended meaning particularly of a healthy region.
- 3.8 Seeking a healthy region (or more explicitly a healthier region) is an interesting concept, when its components are identified. These could include
- the obvious medical interpretation in respect of its citizens – well-being as well as physical health, and the relationships between health and workforce productivity and sustainable transport;
- but it can be extended to cover
- the health of the environment including water and air quality, vegetation and habitat, wildlife, landscape;
  - the health of neighbourhoods, including good-quality housing (an important factor on human health as pointed out by NHS representatives), the provision of community facilities, green space, and a feeling of perceived security; and
  - the health of heritage assets and the building stock.
- 3.9 The other underlying concept is quality of life, which is more easily understandable, but more restricted in its application to the human element/to the region's citizens. Despite the support for quality of life concept by organisations such as Campaign to Protect Rural England (CPRE), we consider that the Vision would be clearer if it focused on only one of these broad concepts, and we would favour the healthier region as being broader. We are also conscious from the responses to the consultation draft Plan that a sustained improvement in quality of life is open to interpretation. Those who were comfortably settled argued for a lower scale of new development to maintain their quality of life, whereas the reverse was true for those without adequate housing.
- 3.10 There are two elements which appear to be missing from the Vision as drafted:
- **Social.** The RPG9 Vision sought opportunity and equity for the region's population. In introducing the social policies of the draft Plan, the vision is described as being for "a healthy and socially inclusive region, in which all residents are given the opportunity to share in its economic success" (D11, para 1.2). We agree with the South East Public Health Group that the concept of equity should be in the main expression of the Vision.
  - **Sustainable development.** Although some of the key components are included, the terminology is difficult, e.g. the wealth of its environment could mean its health and diversity or recognising its monetary value. Hence we are more comfortable with the concept of seeking "a more sustainable pattern of development" as it was expressed in the RPG9 vision.

- 3.11 In conclusion we favour the plain English used in the draft Plan's Executive Summary (para 2) to indicate the direction of travel for the RSS. To this end, we have included a reference to its citizens and the environment for clarity. Our recommended Vision would therefore be:
- “The Plan's vision for 2026 is for a healthier region for its citizens and of the environment, a more sustainable pattern of development and a dynamic and robust economy, the benefits of which are more widely shared.”
- 3.12 We recommend that the accompanying text would then spell out the different concepts intended to be included within a healthier region, as in our para 3.8. above. There are other useful pointers as to how the region might be at 2026 as a result of the RSS (e.g. C, paras 2.2.1-2) which could usefully accompany the formal statement of the Vision. We envisage that this explanatory text is the place to explain the applicability of the Vision to this region, which would compensate for the fact that there are no spatial references in the short vision statement. The explanatory text could also usefully introduce the concept of behavioural change which will be required in order to achieve a healthier region, including reducing the use of natural resources and managing demand for scarce resources e.g. road space.

## **OBJECTIVES U**

- 3.13 The draft Plan is very unclear on its objectives due to the inclusion of several sets of overlapping lists in its early sections. The Regional Assembly describes the list under a heading of Plan Parameters and Principles (A, para 4.2) as its objectives, but it was accepted that these were actually the issues that had informed the plan preparation process. Also included are the 25 objectives from the Integrated Regional Framework (IRF) (B, Table B1) which were used to structure the SA. A list of spatial objectives, akin to the development principles in RPG9, are included under a heading of the Preferred Spatial Strategy (C, para 3.4.1).
- 3.14 We see the role of objectives as translating the Vision into the key purposes which the subsequent policies seek to achieve. As this is the first RSS for the region, it is appropriate that the objectives should be broader than the land use focus contained within RPG9. But we are not convinced of the need for two separate lists covering broad objectives, followed by spatial objectives, and indeed there is a degree of duplication between the two, e.g. addressing intra-regional economic and social disparities, and protecting and enhancing the region's environmental assets.
- 3.15 Several participants, including Riki Therivel, the previous chair of the SA Sounding Board, argued that the IRF objectives should be used as the RSS objectives. We agree that they are comprehensive in their coverage of issues. Nevertheless it seems wrong to have a specific RSS Vision and then use the more general IRF objectives as a means of translating it into the spatial strategy and policies. Hence we favour basing the RSS objectives on the more focused issues identified in Part A, but using some of the IRF objectives to elaborate them. The Part A list for example usefully separates out the need for a substantial increase in the supply of affordable housing, from a more general housing objective and we agree with this emphasis. There is also no equivalent in the IRF list to some objectives, e.g. xvi and xxi.
- 3.16 While we support basing the RSS objectives on the Part A list, a fundamental difference between this and the IRF objectives needs to be reconciled in respect of the draft Plan's attitude to the scale of new development. The draft Plan seeks to plan positively for a "reasonable" level of both economic growth and housing development. This cautionary approach was justified by local authority representatives given the
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uncertainties of long-term forecasting and of assessing the consequences of future development. Like many participants, we have reservations about this approach. As we argue elsewhere we believe that planning should set out a clear long-term framework using the best available forecasts at the time. This recognises the lead times necessary in planning for major developments and the funding and provision of new infrastructure. Merely rolling forward existing development plans is the antithesis of long-term planning. While we accept the many uncertainties, including those arising from the full implementation of the Habitats Directive and the Water Framework Directive, we consider that by and large these will influence the phasing of development and more local site allocations rather than dictating the scale and strategic distribution of new development. We do not consider that such an approach will lead to premature development, given the strength of control functions within the planning system.

- 3.17 In respect of the housing objective we favour the use of the word "sufficient" as used in RPG9 development principle 6 rather than reasonable. We stop short of using the term "step change", based on our recommendations for the scale of housing provision in our Chapter 7. Neither do we suggest using IRF objective 1 which mirrors the national objective on housing, since we are not persuaded that it is feasible to provide such housing opportunities to "everyone". However we note with interest that a recommendation from the SA of the consultation draft Plan was to add into the Vision an aspiration to achieve decent housing for all<sup>2</sup>.
- 3.18 In respect of economic growth, we favour the phraseology used in IRF objective 21, namely "to sustain economic growth and competitiveness across the region". The accompanying text could then refer to the 3% GVA target for 2006-16 (see further discussion in Chapter 6).
- 3.19 We agree with most participants that there is no case for ranking objectives. Nevertheless there may be some scope for grouping them and broadly listing them in the order in which the subsequent topic-based chapters appear. An alternative would be to work from the general to the particular, as is done in the list of RTS objectives (D4, para 1.11).
- 3.20 The topics that we suggest are covered in the RSS objectives are:
- economic growth (IRF objective 21)
  - skills (Part A x, IRF objectives 25 and 5)
  - improve the alignment between jobs and homes (this is a new objective not currently found in the draft Plan)
  - reducing economic and social disparities (Part A iii, IRF objectives 4 and 22, Part C spatial objective v)
  - housing (Part A iv substituting sufficient for reasonable)
  - affordable housing (Part A v, possibly deleting the word "appropriate")
  - timely infrastructure provision (Part A vi, but excluding mention of a dialogue with Government)
  - improving access to services (Part A viii, IRF objective 8)
  - health (Part A x, IRF objective 3)
  - resource management and efficiency (Part A xi, but expanded to include reducing resource consumption including waste, water and energy efficiency in IRF objectives 17-19)

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<sup>2</sup> SA of consultation draft South East Plan, Table 4.4, ERM for SEERA, January 2005 [SEP10]

- climate change (Part A xii recast to plan new development in ways that mitigate the effects of or adapt to climate change, IRF objective 2)
  - protection and enhancement of the environment (Part A xiii but expanded to include historic and built environment not just natural, Part C spatial objective ix)
  - promoting a sustainable balance between economic, environmental, social and quality of life issues (Part A xiv)
  - ensuring high-quality development (Part A xxi).
- 3.21 Although the above list incorporates two of the draft Plan's Part C spatial objectives, in general we see them being incorporated in the stronger statement of the spatial strategy that we recommend in the next chapter of this report. Some of the aspects included in that list are already covered in the spatial cross-cutting policies, such as urban focus and Green Belt, which we have also recommended are included in a new spatial strategy chapter in the RSS.
- 3.22 The remaining items in the Part A list (objectives i, vii, xvi, xvii, xviii, xix, and xx) are to do with the plan preparation process, and as their purpose has now been served, they should be deleted.
- 3.23 In format terms, our aim is to simplify the early stages of the Plan. We envisage that Part B would be entitled Vision and Objectives, and would be a succinct presentation and commentary on these. We are attracted to the clarity of presentation in the RES where there is a very clear follow-through between the Vision, the three values and headline targets, and on to the three objectives which are each linked to their own targets and 2-3 transformational actions. We do not see the need to attach indicators to the RSS objectives since monitoring the achievement of the crosscutting policies will fulfil a similar function.
- 3.24 In addition there is a further description of objectives at the beginning of some of the topic-based chapters in Part D of the draft Plan. In some instances these objectives restate national objectives, even where the draft Plan takes a very different line. We consider this to be disingenuous. Any further elaboration of topic-based objectives should therefore be consistent with and tied back to the RSS objectives.

## RECOMMENDATIONS U

### **Recommendation 3.1 U**

Clarify the Vision by linking the healthier region concept to the environment as well as its citizens, and including social equity and sustainable development (para 3.11).

### **Recommendation 3.2 U**

Add accompanying text to the Vision to identify the different components within the healthier region concept and explain its applicability to the region and introduce the concept of behavioural change (paras 3.8 and 3.12).

### **Recommendation 3.3 U**

Base the RSS objectives on the more focused issues in the draft Plan A, para 4.2, but use some of the Integrated Regional Framework objectives to elaborate them (para 3.20).

### **Recommendation 3.4 U**

Base the Plan on providing for a "sufficient" level of housing and seek to sustain economic growth and competitiveness across the region, rather than a "reasonable" level of both economic growth and housing development (paras 3.17, 3.18).

**Recommendation 3.5 U**

Delete those objectives which relate to the plan preparation process (para 3.22)

**Recommendation 3.6 U**

Make any further elaboration of topic-based objectives in Part D of the Plan dealing with the core regional policies consistent with and tied back to the RSS objectives (para 3.24) U



## **4 c SPATIAL STc ATc c**

Matter 2A, 3.1

*This chapter first reviews the building blocks that lie behind the draft spatial strategy. It then gives our assessment of the key influences which we consider should drive the strategy at regional level. It makes the case for a stronger spatial strategy, key elements of which would be sub-regions for growth and regeneration, identified growth points largely corresponding to regional hubs, and locations for selective Green Belt review.*

### **INTc ODUCTIOcc**

- 4.1 The spatial strategy included in the draft Plan is to a large extent hidden. Its formal articulation is limited to a short sub-section (C3), which comprises a description of the spatial options considered, and a list of 10 policy criteria (C3, para 3.4.1) similar in nature to the development principles in RPG9. The situation is not helped by the fact that the Key Diagram largely illustrates the current situation, rather than depicting future proposals.
- 4.2 There are various components which together comprise the spatial strategy, and these are encapsulated within certain of the so-called spatial cross-cutting policies (Section D1). But what is lacking is a strong spatial vision. It is for example impossible to tell, without reaching for a calculator, which parts of the region are intended to accommodate higher levels of growth than the regional average, or higher than their past rates.
- 4.3 This lack of spatial focus is also carried through into the subsequent policy framework. There are very few attempts to indicate preferred locations for major new development. Hence the degree of locational guidance for subsequent LDFs is very thin. In part this is because there has been a reluctance to identify major areas for new residential or mixed use development, with the exception of the two SDAs in South Hampshire. There is also a reluctance to guide the location of new employment land provision.
- 4.4 We accept that an RSS spatial strategy should result from a mix of top-down and bottom up influences. The top-down perspective comes through strongly in some of the early work of the Regional Assembly officers, and in our view the structural thinking which led the spatial strategy to be based on a 'sharper focus' concept, with an important role for regional hubs<sup>1</sup>, remains highly relevant. However since late autumn 2004, when the consultation draft Plan was being finalised, the bottom up perspective appears to us to have been too dominant. This has manifested itself in:
  - a reduced emphasis on the hubs as a major policy driver;
  - a reduction in the proportion of development within the sub-regions compared to the rest of county areas<sup>2</sup>; and
  - an overreliance on urban potential estimates to determine housing provision levels in certain parts of the region.
- 4.5 This chapter seeks to focus on spatial aspects. It is intrinsically difficult to separate issues of distribution from the scale of new development. But as far as possible, the

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<sup>1</sup> As explained in Technical Note 6, SEERA, January 2005 [Hr2]

<sup>2</sup> 90% originally including Isle of Wight, but became 87% in July 2005 (figures by calculation from SEERA Technical Note 6)

thinking that lies behind our recommended higher growth levels is reserved for the Economy and Housing chapters.

## **STRATEGY & BUILDING BLOCKS**

### **Sub-regions**

- 4.6 The nine sub-regions are intended to be a linchpin of the spatial strategy (and a structuring device for any policy components below the regional level), and are shown in outline on the Key Diagram. The sharper focus basis of the preferred strategy purportedly focuses development on areas with strong economic potential, and areas with particular regeneration needs (C, para 3.2.5). As 85% of new residential development is proposed to be located within these nine sub-regions (87% with Isle of Wight), it is fair to assume that the sub-regions represent areas for growth and regeneration, although they are not presented as such.
- 4.7 Two of the sub-regions that correspond with the SCP Growth Areas (Milton Keynes and Aylesbury Vale (MKAV), and the Ashford part of East Kent), accord with the first category. The other (Kent Thames Gateway (KTG)) is both an area of growth and regeneration, as is South Hampshire. Central Oxfordshire, Western Corridor Blackwater Valley (WCBV), and the Gatwick Area sub-regions are also proposed for growth. The Sussex Coast and East Kent areas probably have the greatest regeneration needs, although there are pockets of deprivation in other sub-regions. The London Fringe sub-region does not appear in the draft Plan to be either an area for growth or regeneration. Nevertheless, with the changes that we suggest later, we recommend that the sub-regions remain an important part of the spatial strategy<sup>3</sup>.

### **Urban Focus**

- 4.8 The spatial strategy is also predicated on an urban focus, making the most use of previously developed land (Policy CC8a). We fully endorse this, since it reflects national planning policy to make effective use of land and it contributes to the achievement of the national annual target that 60% of new housing should be provided on previously developed land (PDL). With the polycentric settlement structure in the South East, it is inevitable that this focus will tend to spread development to all parts of the region. However the laudable objective of maximising the use of existing commitments and assumed future urban potential should not override other strategic considerations. In some parts of the region it appears that the housing levels have been tailored to these urban potential estimates from a bottom up perspective. We agree with several developer representatives who claim that inadequate attention has been paid to the possibility of major new development areas. However, on the basis that our recommendations are for a higher overall regional housing level, we see the need for some major development areas as being additional to making the most of estimated urban potential. Like others, we are also of the view that there was inadequate evaluation of new settlement options during the preparation of the Plan. However, in such a densely developed part of the country, with important landscape and wildlife assets, it is not easy to find suitable new locations with good or potentially good transport connections which are functionally well related to centres of employment and higher order services.

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<sup>3</sup> We have reservations however about the complexity of having so many districts split by sub-regional boundaries for subsequent planning and monitoring

## Regional Hubs c

- 4.9 The 21 regional hubs are also intended to be a linchpin of the spatial strategy. Hubs are defined as settlements where the provision of (or potential to provide) a range of multi-modal transport services supports the concentration of land uses and economic activity in a suitable manner (D1, para 1.21). They represent an expansion of a principle established in the partial review of RPG9 on transport<sup>4</sup>. The spatial strategy evolves and applies this concept to the wider role of regional hubs, where the concentration of transport and economic opportunity is intended to assist in providing foci for development in the future. Regional hubs should aspire to accommodate higher density development and Policy CC8b envisages the creation of 'living centres'.
- 4.10 However in very few instances do the local authorities concerned see their hub status as implying that they should accommodate a greater proportion of residential development. Indeed the Regional Assembly was at pains to point out that the role of each hub varies, and it suggests the inclusion of an Annex identifying the characteristics of each hub. Our preference is for more explicit guidance in the relevant area-based sections of the Plan.
- 4.11 11 of the regional hubs are associated with the eight Diamonds for Investment and Growth, identified by SEEDA in the RES (abbreviated in this report to RES Diamonds). SEEDA stressed that this was an economic rather than a land use concept and that the RES Diamonds are areas that have the potential to stimulate prosperity, with further growth being unlocked through targeted investment in infrastructure. SEEDA believe that the concept of 'diamonds' is consistent with the urban focus of the spatial strategy as well as with wider policy thinking on the role of city regions in regional economic performance. Although the full practical implications of designation are not yet clear, a prime intention is to encourage joint working among private and public bodies within the Diamond areas.
- 4.12 However the question arises as to whether, in the context of the spatial strategy, the RES Diamonds should be seen as any form of super-hubs? Clearly three of these correspond to the growth areas noted above (Milton Keynes, Medway and Urban South Hampshire). We recommend later that there is significantly greater potential for residential growth than envisaged in the draft Plan in the Reading and Oxford hubs/diamonds, and marginally more in the Gatwick and Brighton hubs/diamonds.
- 4.13 Seven of the regional hubs are also wholly or partially within so-called New Growth Points (see Chapter 2). All of the New Growth Points (NGPs) are hubs with the exception of Didcot. This Government initiative was established at a later stage in the preparation of the draft Plan. NGPs are intended to encourage higher<sup>5</sup> rates of delivery before 2016, amongst other things by facilitating the necessary infrastructure. Communities and Local Government (CLG) sees them as a long-term partnership between Government and the relevant local authorities, and clearly hopes that such higher levels of housing would be continued beyond 2016. This is not always the case for the seven proposed NGPs in this region, and there is some doubt about the extent to which the 8,000 or so extra dwellings implied by the agreed 2006-16 targets<sup>6</sup> represent additional growth (see discussion in sub-regional sections). Where we have established that higher growth is involved at particular settlements either from the

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<sup>4</sup> Regional Transport Strategy, paras 9.22-9.29 and Policy T4, RPG9 Alteration, July 2004

<sup>5</sup> than that required by extant RPG at 2003

<sup>6</sup> Summary of New Growth Point Dwelling Numbers versus draft SEP (2006-2016 only), December 2006

original bid or from our recommended changes, e.g. Didcot, Maidstone and Basingstoke, we recommend that these growth locations are identified on the Key Diagram. It would not be helpful to show NGPs related to a whole local authority area or where their qualification relates only to the frontloading of delivery. They should all but will however in noted in the supporting text to Policies H1 and CC5.

## **reen Belt c**

- 4.14 Green Belts have been seen as a critical input to the spatial strategy. There are three components within the region: the Metropolitan Green Belt (MGB), the Oxford Green Belt, and small part of the south east Dorset Green Belt. These are clearly shown on the Key Diagram and have been treated as inviolate. This is despite the fact that possible selective Green Belt reviews had been considered in previous structure plan rounds, notably in Surrey and Oxfordshire. To our mind this indicates how unchallenging the chosen housing provision levels are and that the guidance in Planning Policy Guidance (PPG)<sup>7</sup> has not been properly addressed. From the evidence presented to us at the examination and following a more detailed consideration in the relevant sub-regional chapters, we have later recommended a selective Green Belt review associated with at least two regional hubs (Oxford, Guildford) and possibly at Woking. We have termed this a ‘selective review’, not a ‘strategic review’, because the direction of review is already known from the last structure plan work. We also recommend strategic development of at least one major developed site in terms of PPG2 within the London Fringe Green Belt. Elsewhere in the MGB, our recommended increase in housing provision levels may require minor adjustments to boundaries. We refer to these as ‘small scale local reviews’, as referred to in Policy CC10a. Our thinking is expanded in Chapter 5 and in the relevant sub-regional sections.
- 4.15 Strategic Gaps have also featured strongly in some Structure Plans in this region. While we do not see them as sufficiently important to be shown on the Key Diagram, we acknowledge that there is a limited role at regional level for genuinely Strategic Gaps as a settlement shaping tool (see Chapter 5).

## **KEY REGIONAL I c FLU c C S c**

- 4.16 Although not documented as such, it is clear that a range of other factors have been taken into account, particularly in preparing the sub-regional components of the spatial strategy, ie working from the local to the regional. This section seeks to take a broader perspective on these factors and the extent to which we consider they should influence the spatial strategy.

## **conomic Potential c**

- 4.17 SEERA contend that the sharper focus concept has enabled the proposed spatial strategy to adequately reflect economic potential. We are less convinced. Accepting all the uncertainties of long-term economic and employment forecasting, it is beyond dispute that the areas of greatest potential are in what SEEDA term the Inner South East, broadly an arc from Gatwick round the southern side of London through Western Corridor/M4 and on into Central Oxfordshire and Milton Keynes. In large

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<sup>7</sup> Planning Policy Guidance 3 remained in force during the preparation of the submission draft RSS. Paragraph 68, while emphasising the Government’s commitment to Green Belts, advises that the review of tightly drawn Green Belt boundaries may be the most sustainable of available options for accommodating development needs.

part this accords with the Western Policy Area in RPG9. The central part of this area between the M3 and M40 was found by the Polynet study<sup>8</sup> to be increasingly functioning independently of London. The economic importance of this area is to our mind underplayed in the draft spatial strategy. A more detailed discussion is to be found in Chapter 6. We accept entirely that it is not a mechanistic exercise to balance new jobs and new resident workforce/homes and accept the complexity of commuting patterns in this region, with a high proportion of dual income households, and in the Western Corridor frequent job moves resulting from short-term contracts in the IT sector. Nevertheless we are mindful of the warning in the Polynet study that

*"Much of the wealth generation of the region comes from the highly networked information-rich knowledge economy centred in this western arc, and it would be dangerous to inhibit its 'natural' growth." (page 60).*

### **Intra-regional Disparities c**

- 4.18 We recognise that the proposed spatial strategy does seek to reduce intra-regional disparities to the extent that it can, or at least avoid them being aggravated. It does this by promoting economic development as part of a balanced package within the SCP Growth Areas of KTG and Ashford. It also seeks to balance new homes with new jobs in the more vulnerable areas, rather than adopting the concept of housing-led regeneration. It is also right in our view to be realistic about the extent of change that can be facilitated by the public sector in some of the vulnerable coastal areas, particularly since European Objective 2 funding (2000-06), which was until recently available to parts of East Kent, will no longer be available, and the new European Competitiveness Programme (2007-13) will not be targeted in the same way. We are however sceptical about any suggestion that constraining economic growth in the more buoyant areas will lead to some form of diversion of investment to the regeneration areas. This is not how we see the markets behaving. We agree with the Surrey Economic Partnership that over-constraining the growth prospects of the Inner South East is more likely to lead to investment outside the region, including overseas.

### **Town Centres c**

- 4.19 The draft Plan states that development of dynamic and successful town centres is central to the achievement of sustainable development in the South East, and we endorse this view. Much work has underpinned the definition of the strategic network of town centres and in broad terms we consider that it is soundly based. However, the network is dynamic in its nature and it should reflect policy intentions, not simply the existing situation. This may be implicit in the draft Plan's spatial strategy but it does not come through sufficiently clearly. It would be helpful to identify those centres that are likely to undergo the most significant change across the range of town centre uses, and for which it will be particularly important to have proactive, integrated strategies for their development. As a result, we recommend that 12 of the Primary Regional Centres should be identified on the Key Diagram as centres of significant change. This does not imply that the other centres would 'stand still' or decline; the overall aim should remain one of supporting a balanced network of centres that is not overly dominated by the largest centres.

**c**

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<sup>8</sup> South East England in North West Europe: Trends and Messages from Polynet, Sir Peter Hall et al, 2005 [Sr6]

## Demography and Housing Need c

- 4.20 There is accepted to be a high level of unmet housing need in the South East. Data limitations prevent a full mapping of its components, but suggest there are concentrations in older and larger urban areas, notably Oxford, Reading, Slough, Southampton, Portsmouth, Brighton and Hove, and smaller pockets throughout the region (D3, para 1.5.5).
- 4.21 The South East has an ageing population. This trend is most apparent in Sussex and the coastal areas of Kent. It is a common planning tool to identify the level of housing provision that would be required to meet natural change within the existing population, i.e. zero/nil net migration. All other things being equal one would expect this to be an input into a spatial distribution of new development. This does not seem to have been the case in this region. One might expect a sharper focus strategy to reduce the opportunities for the offspring of local residents to be able to find housing locally in the rest of county areas. Although the projections provided by the Regional Assembly<sup>9</sup> indicate that proposed housing levels would be sufficient to meet zero net migration in most of the areas outside the sub-regions, in reality without a sufficient margin above this it is likely that continuing in-migration will outbid local residents for available housing. The same would also apply in those sub-regions where proposed housing levels are insufficient to meet projections of locally generated household formation. We comment further on the implications of this in each of our area-based chapters.

## Transport Infrastructure c

- 4.22 The Regional Assembly contends that the focus on urban areas and regional hubs implicitly makes the best use of existing infrastructure. From Highways Agency stress maps<sup>10</sup>, the only part of the region with any spare capacity in the strategic highway network at 2026 is in East Kent and Ashford. However this does not take account of junction capacity constraints, only link capacity. Parts of East Kent will benefit from the only confirmed piece of new strategic rail infrastructure, namely the Channel Tunnel Rail Link (CTRL) which will enable the new Kent Domestic services to start running into central London in 2009. Nevertheless there are limits on the extent to which this part of the Region could accommodate significantly more residential development, without the risk of creating new dormitory settlements. Elsewhere in the Region, there is already considerable congestion on the strategic highway network, which suggests that new development needs to be located as close as possible to centres of employment and areas of high public transport connectivity, accompanied by access management measures on motorways as necessary.
- 4.23 Three regionally-significant new rail schemes could benefit orbital connectivity (East-West Rail, Crossrail and AirTrack) and one improve radial movement into and beyond central London (Thameslink). The East-West Rail project has just reached the second stage in the development process for rail projects; Crossrail has Government backing but funding arrangements have yet to be finalised; the Airtrack consortium is still progressing that scheme; and while the Thameslink upgrade has all the necessary legal and planning consents the Government is still considering its funding support. Hence it would be unwise in our opinion to base new settlement structures or to locate new

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<sup>9</sup> April 2007 [SEERA11b]. Projections provided immediately before close of EiP, but subsequently corrected

<sup>10</sup> Library Paper 1: South East Plan Model: Methodology Statement - Highways Agency, November 2006

[HA1]

growth points along these lines while the timing of their implementation or indeed whether they go ahead at all, is so uncertain.

## **Water c**

- 4.24 We consider that the greatest influence of water utility infrastructure will be at local level in terms of housing apportionment between settlements and hence districts, rather than influencing the regional level distribution. The Environment Agency (EA) coordinated a region-wide study on water quality<sup>11</sup>, but this work was too late to have any great influence on the spatial strategy. There are several sewage treatment works (termed generically WWTs in this report) where the EA has imposed absolute limits to new residential development. In some cases there appear to be possible engineering solutions albeit at a financial cost e.g. upgrading the works or transferring the discharge to another water course. In other cases there are real constraints on the capacity of some receiving waters to meet additional discharge flows given the implications for water quality and the requirements of the EU Habitats Directive and Water Framework Directive.
- 4.25 Constraints on the receiving capacity of the Solent Estuary, and headwaters e.g. the River Test could have and have had a justifiable influence on curtailing growth prospects at Basingstoke and within South and Central Hampshire. Further development in Basingstoke can be accommodated without breaching statutory water quality objectives, subject to the timely provision of infrastructure. Studies relating to implementation of the Habitats Directive also show that nutrient in sewage discharges is contributing significantly to excessive weed growth in some designated sites, in particular the harbours and estuaries of the Solent. Work so far indicates possible constraints on connecting further development to the relevant treatment works. These constraints are still being considered together with alternative solutions such as reducing sewage flows and relocating discharges<sup>12</sup>.
- 4.26 Work coordinated by the EA in association with the water companies suggests that the provision of water supply, as long as accompanied by demand management measures/water efficiency, should not have a major constraining influence over the scale or distribution of housing development that could be accommodated within the region. Some parts of the region including East Surrey and Sussex are already water shortage areas. Water meters, which are known to reduce consumption by around 10%, have been fitted to all new homes in the region since 1990 but can only be installed compulsorily in older homes when there is a change of occupant. Hence EA may seek to identify the whole of the region as a water stress area, paving the way for the introduction of compulsory metering by 2015. We acknowledge that this general approach to metering is supported by the Regional Assembly and that the water companies also accept that the proposal to consider compulsory metering in areas of serious water stress is an option that must be considered.

## **Climate Change c**

- 4.27 Climate change has been taken seriously in this region (see Chapter 5). However it is not felt to be a major influence on the particular spatial strategy adopted, although the sharper focus and role of the regional hubs should contribute to minimising journeys and hence travel emissions. Its main influence over settlement pattern is through the

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<sup>11</sup> Creating a Better Place: Planning for Water Quality and Growth in the South East, version 10.4, Environment Agency, June 2006 [Ar2]

<sup>12</sup> EA Position Statement – Water Quality and Growth in the South East, 24 March 2007 [EA35]

increased likelihood of flooding events, either coastal or fluvial. The EA was concerned that a regional flood risk assessment had not influenced the preparation of the draft Plan. An initial version of this was submitted in November 2006, and we saw evidence that strategic flood risk assessments at district level were being actively pursued and in some cases had been completed<sup>13</sup>. We are content that most local authorities have sufficient options available to avoid flood risk areas in allocating new development, with the exception of areas such as Portsmouth. We therefore see this issue as being of more importance at LDF level than at regional level in terms of spatial planning, although the need for increased funding for flood defences raises wider issues.

## **Habitats Directive c requirements c**

4.28 European designated wildlife sites, termed Natura 2000 sites (Special Protection Areas and Special Areas of Conservation) and also Ramsar sites have taken on a greater significance with respect to the Habitats Directive requirement to avoid or, if not possible, to mitigate any significant adverse effect arising from new development that could affect their integrity. An AA would in future influence a proposed spatial strategy, but as an inevitable consequence of the timing of the European Court decision, in this instance it was done retrospectively (see Chapter 2). Implications have been taken into account in most detail in and around the Thames Basin Heaths where they have undoubtedly influenced the proposed housing levels, as discussed in chapters on the London Fringe and WCBV. There have also been influences on the more detailed aspects of the sub-regional strategies for South Hampshire and the Sussex Coast, including as above limitations on the ability of the Solent Estuary and Chichester Harbour to accept further discharges, although uncertainties remain. Nonetheless, AA is an iterative process, and it will be applied in the next stages of the spatial planning process to test the implications of detailed proposals for internationally important sites.

## **High-quality Landscape c**

- 4.29 Minimising the scale of new development to be accommodated within areas outside the sub-regions implicitly also recognises the importance of protecting and enhancing areas of high-quality landscape, much of which is designated Areas of Outstanding Natural Beauty (AONBs), and existing or proposed National Park. Parts of these designations extend into some of the sub-regions. However we are content that with the urban focus of the spatial strategy, there should be sufficient flexibility for local authorities when allocating development to avoid adverse impacts.
- 4.30 In conclusion, we are content that adequate weight has been given to most of these key influences at regional scale in determining a spatial strategy, with the exception of economic potential and demography. This is in the context that more work will be needed at the LDF level to take account of the local implications of many of these key factors when determining site allocations.

## **EVALUATION OF STRATEGIC OPTIONS c**

4.31 The strategy that results from SEERA's building blocks as explained above is largely a roll forward of RPG9 with a slightly greater concentration of development within selected sub-regions. Medway Council described it as "mild tinkering with past

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<sup>13</sup> Updated Strategic Flood Risk Assessment Progress Map, Environment Agency, February 2006 [EA34A]



- trends". In fact only a handful of districts have a significantly higher level of housing provision than under RPG9, and these correspond to the SCP Growth Areas together with the two regional hubs and districts containing the two SDAs in South Hampshire<sup>14</sup>.
- 4.32 PPS11, para 2.34 requires RPBs to evaluate strategic options in formulating their spatial strategy. Various options were considered by the Regional Assembly at regional scale as documented in Technical Note 6, and various distribution options by the principal authorities in preparing sub-regional strategies. However this work was criticised by many developer and business representatives for not having given any serious consideration to more radical options. Much of this criticism relates to the alternative scales of development that were or were not considered, on which we comment in our Chapter 7, or to the lack of consideration of more detailed options for distributing growth within particular sub-regions. This applies particularly where such options would require a more flexible approach to Green Belt, on which we comment in relevant sub-regional chapters.
- 4.33 The Regional Assembly was right, in our view, not to spend time testing region-wide strategies that would have been contrary to national policy, e.g. dispersing new developments throughout the region, or concentrating it in small towns. However, more work could usefully have been undertaken on testing a strategic option which focused a greater proportion of development to support the more economically buoyant parts of the region. This could have taken a lead from the Polynet study and/or the Hetherington Commission<sup>15</sup>. The latter proposes a so-called Golden Arc, which extends from Bournemouth/Poole through the Western Crescent documented in the Polynet study (between the M3 and M40), and extends it north east to include the Oxford to Cambridge Arc. This is at one with a policy pointer from the Polynet study, namely
- "A higher level of development surrounding towns in the north-eastern arc from Reading and Oxford to Aylesbury, Milton Keynes and the MKSM sub-region would seem to fit well with the current spatial patterns of service economy clustering, linkage and economic growth potential" (page 60).*
- 4.34 We consider that there is much merit in this Golden Arc concept. We do not see it as an alternative to the Regional Assembly's spatial strategy, rather as a construct that has influenced our recommendations about the distribution of a higher regional housing level. It is compatible with the greater weight that we place on importance of the economy in the buoyant west of the region, to the country as a whole, and the fact that we place less reliance on the smart growth concept to close the apparent mismatch between labour demand and labour supply in these areas.
- 4.35 Nevertheless we consider that considerable caution needs to be applied to the prospect of achieving the major new orbital rail possibilities, e.g. Orbirail 3 mentioned in Polynet, which could incorporate the East-West Rail scheme supported by us in the Central Oxfordshire and MKAV sub-regional chapters below. Despite their attraction, we do not feel sufficiently confident to consider that they should be used as a structuring device for new development at a more local level, at this stage. What is certain however is the importance of the regional hubs as points of high public transport accessibility and connectivity, and our recommendations for a revised spatial strategy are based firmly on them.

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<sup>14</sup> Map submitted by GOSE for 2A.5 revisited debate

<sup>15</sup> Connecting England: A Framework for Regional Development, TCPA Hetherington Commission, May 2006

- 4.36 An alternative strategic option would have been to give greater consideration to particular bottom up opportunities, including
- the existence of surplus land, e.g. that held by Defence Estates, and other brownfield opportunities;
  - land which has previously been identified as possible reserve allocations in previous structure plans; and
  - extensions to towns that had previously been focal points for growth within these rest of county areas, e.g. Andover, Banbury.

Such opportunities were largely dismissed by the Regional Assembly if they fell outside the sub-regions.

- 4.37 In terms of settlement form, several participants suggested that insufficient consideration had been given to the possibility of new settlements and/or other strategically significant areas of development. These were often, but not exclusively, related to particular land opportunities of the type above.

- 4.38 We have considered all such opportunities put to us, as discussed within the relevant area-based chapters, and recommend there the inclusion of the opportunities which we think could be successfully incorporated into a spatial strategy without compromising the integrity of the sub-regions.

## **VISED SPATIAL STRATEc c**

### **Content c**

- 4.39 Our recommended spatial vision would maintain all the sub-regions as areas of growth or regeneration. The role of London Fringe which as noted above seems lacking in the draft Plan would be strengthened under our recommendations. Our recommended spatial strategy would also highlight those hubs and other growth points intended to support significant residential development. In recommending a higher regional housing level, we see the hubs as the logical place for much of this higher growth to be accommodated. In particular it is the hubs within the Inner South East where we have suggested most of this additional growth is located. This reflects a desire to avoid constraining the undoubted economic potential of the Gatwick, London Fringe, WCBV, and Central Oxfordshire sub-regions, and also the observation that in two of these sub-regions (London Fringe and WCBV) the proposed draft Plan housing levels are not even sufficient to meet natural change.
- 4.40 In addition we identify six Strategic Development Areas. Three of these are already within the draft Plan: two explicitly in South Hampshire (Fareham and north/north east of Hedge End), and one implicitly, pending further work, adjacent to Milton Keynes. Our recommendations on Milton Keynes would be for major urban extensions in two directions (south west and south east), qualifying as two separate SDAs. The two new SDAs that we suggest (adjacent to south Reading and south Oxford) are both within the Western Crescent identified in the Polynet study, and would complement those in Milton Keynes in taking forward the Golden Arc concept. All these SDAs should be shown on the Key Diagram.
- 4.41 We consider it essential that RSS provides a strong steer on broad locations for regionally or sub-regionally significant development where LDDs need this strategic

- framework<sup>16</sup>. We understand that locations for development are largely committed or known up to 2011/16 through existing local plans or emerging LDFs. What is needed now is a clear steer on longer-term development locations given the necessary lead times for planning major developments and for funding and providing new infrastructure.
- 4.42 The threshold that we have used to define SDAs either as new locations or expansion of existing settlements is 4-5,000 dwellings. For such sizeable developments a broad location can be indicated on the Key Diagram, and referred to by reference to points of the compass in the Plan itself. A more detailed spatial reference, or in the case of a brownfield opportunity a site name, may exceptionally be necessary for smaller but still strategically important developments where these would cross local authority boundaries.
- 4.43 However we do not consider it necessary for RSS to be so specific about all potential developments within the range of 2-3,000 dwellings, as suggested by Barton Willmore. This definition could include a larger number of urban extensions. Where such urban extensions have already been identified through the statutory planning process, e.g. a western extension of Crawley, we recommend that these are made explicit in the relevant sub-regional policies, but not on the Key Diagram. But an RSS EiP is not the place to test the appropriateness of urban extensions of this scale unless there are cross boundary implications which affect the district apportionment figures. Hence we made it quite clear at our Preliminary Meetings that we were not inviting developers or landowners to submit extensive information including Sustainability Appraisals (SA) about potential schemes – the right place for testing such proposals is at the LDF stage when there is opportunity for full public consultation.
- 4.44 We are disappointed that the draft Plan does not have more locational specificity about employment land provision. This is partly due to an overreliance on smart growth concepts and partly because detailed employment land review work has yet to be completed. Again we recommend in more detailed sections of this report that where new employment land has been identified through the statutory planning process, including previous structure plans, e.g. at Hailsham/Polegate in East Sussex, the broad location should be made explicit in the relevant sub-regional policy. Beyond this, more specificity will need to await the completion of employment land reviews, as discussed further in our Chapter 6.

### **Clearer Presentation of the Spatial Strategy c**

- 4.45 In our view a clearer presentation of this revised spatial strategy could be achieved by devoting an entire chapter within the draft Plan. This would summarise briefly the way in which it has taken account of the key strategic influences, and would explain the building blocks underlying the strategy, accompanied by the spatial policies that articulate these concepts (Policies CC8a, CC8b, CC9, CC10a and CC10b) which we discuss in our next chapter. It could include the summary vision statements for each sub-region currently in C, para 4.6, followed by the general points in C, para 4.5.3.
- 4.46 The spatial strategy should also be supported by a forward-looking Key Diagram, as described in paras 4.13, 4.19 and 4.40 above. We also recommend that a graphical representation of each sub-regional core strategy might usefully be included in the draft Plan, although these would be illustrative without the same status as the Key Diagram. It is not our intention that they should be insets in the Key Diagram, for fear

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<sup>16</sup> in accordance with PPS11, para 2.17

- of losing its regional coherence. We comment on the possible content of such illustrative sub-regional diagrams at paras 16.7, 18.5, 22.14, 23.12 and 24.13.
- 4.47 This new chapter would also provide a clearer context for areas lying outside the sub-regions. For the most part these are the rural areas. We accept the concern of many participants that such areas currently lack any spatial profile. But that is not the same as accepting that there is a major policy deficit for rural areas. To assist understanding of policy guidance for rural areas, we suggest that the existing Box B1 is located within this spatial strategy chapter, suitably amended as set out in Chapter 12.
- 4.48 To deal with the lack of profile for the rest of county areas we envisage a new section in Part E of the Plan. This would explain the housing allocations made to those parts of districts lying outside the sub-regions (currently only to be found in aggregated form in Table C3), and give the employment monitoring figures to be used for each rest of county area. It would also specify spatial policy guidance, e.g. relating to the two regional hubs lying within them e.g. Maidstone and Tonbridge/Tunbridge Wells. Part E of the Plan would therefore provide all guidance below the regional level, rather than specifically related to the sub-regions and the one Special Policy Area (see further discussion on nomenclature for the Isle of Wight in Chapter 25).
- 4.49 A text box could usefully be included in the spatial strategy section signposting a list of the later policies which are relevant to decisions about settlement pattern. The most relevant policies in the draft Plan are as follows:
- RE2 Employment and Land Provision
  - NRM3 Sustainable Flood Risk Management
  - NRM6 Coastal Management
  - BE5 The Role of Small Rural Towns
  - BE6 Village Management
  - TC2 Strategic Network of Town Centres
- 4.50 We consider existing locational pointers on urban extensions in both Policies C3 and BE4 to be confusing, and argue later for their amendment (Chapter 12).

## COMMENDATIONS c

**c**

### **Recommendation 4.1 c**

Devote an entire chapter of the Plan to the spatial strategy which should also provide a clearer context for areas lying outside the sub-regions. The existing Box B1 on rural issues should be located within this chapter (paras 4.45, 4.47)

### **Recommendation 4.2 c**

Acknowledge in the spatial strategy where a review of Green Belt may be necessary to accommodate major development (para 4.14)

### **Recommendation 4.3 c**

Create a sharper focus for the network of town centres, which distinguishes the 12 Primary Regional Centres that are expected to change significantly over the Plan period from the overall network of 23 Primary Regional Centres. (para 4.19)

**c**

**Recommendation 4.4 c**

Indicate in the spatial strategy that the regional hubs offer significant advantages for sustainable development, particularly those within the inner South East, which are the logical place for much of the recommended higher growth to be accommodated. (para 4.39)

**Recommendation 4.5 c**

Identify six Strategic Development Areas above a threshold of 4-5000 dwellings, at Fareham, north/north east of Hedge End, south west Milton Keynes, south east Milton Keynes, south Oxford, and south of Reading (paras 4.40, 4.42)

**Recommendation 4.6 c**

Include a reference to the seven New Growth Points in the supporting text to Policies H1 and CC5 to reflect their significance for higher housebuilding pre-2016 than previously planned and the partnership with Government in facilitating the necessary infrastructure (para 4.13)

**Recommendation 4.7 c**

Support the spatial strategy with a forward-looking Key Diagram which should identify major growth locations, including the six SDAs, three NGP settlements, and the 12 town centres of significant change. (para 4.46)

**Recommendation 4.8 c**

Include an illustrative spatial diagram to accompany each sub-regional core strategy (para 4.46)

**Recommendation 4.9 c**

Include a new section in Part E of the Plan covering policies for the two hubs outside the sub-regions and guidelines for the rest of county areas (para 4.48)

**Recommendation 4.10 c**

Include a text box in the spatial strategy section signposting a list of the later policies which are relevant to decisions about settlement pattern (para 4.49)



## **5 c CROSS-CUc POLcCES c**

Matter 1B.3, 1C, 1F.1, 2A.2-3, 2B, 5A.3, 6A, 6B.4

*This chapter examines and broadly endorses those policies dealing with overarching themes but recommends the deletion of one dealing with process, and the addition of a new policy on green infrastructure. It examines and recommends significant amendments to key spatial policies in line with our conclusions on the spatial strategy, and discusses the relationship between the cross-cutting policy and one in the economic section of the draft Plan both labelled intra-regional disparities. It recommends a significant amendment to the policy on infrastructure and implementation by removing the so called conditional approach but strengthens it in other ways.*

### **RODUcc Oc c**

- 5.1 Before setting out more detailed policies on separate topics the draft Plan contains 12 so-called cross-cutting policies which deal with integrating issues and spatial principles (section D1). The Regional Assembly's explanation of the intended role of these policies is that they
- apply to (or seek to integrate) more than one thematic area or topic;
  - set the overall objectives for the Plan as a whole;
  - provide overarching guidance on delivery and implementation;
- and in respect of the spatial cross-cutting policies,
- provide a strategic spatial framework within which thematic and sub-regional policies should be framed.
- 5.2 The way in which their thinking is integrated into subsequent policies in the draft Plan is graphically indicated in a table at the back of the Implementation Plan<sup>1</sup>. The one exception to this is Policy CC1 Sustainable Development which is said to underpin the whole Plan. The cross-cutting policies are also intended to be taken forward through other related plans and programmes, and the Regional Assembly provided an explanation from their audit of how each of these policies would be taken forward by mechanisms and/or agencies identified in the Implementation Plan.
- 5.3 The concept of cross-cutting policies was generally welcomed by participants, indeed so much so that there were at least eight themes put forward as additional candidates. While we find the idea of cross-cutting policies useful for 'big picture' themes, there is a danger of the concept becoming devalued if it is extended much further. Of the candidates we accept the case for a new policy on green infrastructure and its recommended form is included later in this chapter.
- 5.4 We have considered whether there is a case for a second new cross-cutting policy on sustainable communities which was favoured by GOSE. Elements of sustainable communities are promoted in Policy S3, and more comprehensively in sub-regional policies for the Growth Areas of Milton Keynes, Aylesbury Vale and Ashford. We agree that the attributes of a good living environment should be promoted more widely. However we are aware that the Government has now clearly identified the components of sustainable communities<sup>2</sup> and we do not see a need for an exact duplication of this. Nevertheless it would be helpful to add into this section of the Plan a general requirement for local authorities in planning major new development to

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<sup>1</sup> Annex 5, Summary of Cross-Cutting Policies Audit, Implementation Plan EiP submission, 30 October 2006 [SEP1C]

<sup>2</sup> Sustainable Communities: Homes for All, A Five Year Plan from the ODPM, Appendix 1, January 2005 [Hn1]

promote the creation of sustainable communities that are inclusive and safe, environmentally sensitive, well-designed and well-connected. These particular attributes appear to be the most relevant to spatial planning of the eight criteria given in the ODPM definition.

- 5.5 The most appropriate policy into which this could be added appears to be Policy CC12 which covers environmental character and quality of life. The background text to this policy should include a list of the headline components of a sustainable community with a cross reference to the source document. The Regional Assembly acknowledged in response to a request from the Hampshire Police Authority that a reference to designing out crime could also be appropriate in this policy, and we recommend accordingly (as discussed further in Chapter 15). We make no further comment on Policy CC12 as it was not amongst our matters for examination.
- 5.6 We are not persuaded by the case for including new cross-cutting policies on
- environmental sustainability, since it would duplicate and possibly confuse and weaken the clear policy messages on sustainable development, climate change, resource use, sustainable construction and our new suggested policy on green infrastructure; therefore we do not suggest that Policy SH14 ought to be brought forward as a region-wide policy. Nonetheless we welcome Natural England's work on environmental sustainability as a means of informing and improving policy development and decision making<sup>3</sup>;
  - health, given its prominence in the Vision and objectives, and as taken forward through Policies S3 and S4 (see further discussion in Chapter 15);
  - culture, given that it is included in Policy S7, and also Policies BE1 and S3 (see Chapter 15);
  - community safety, given our recommendations to clarify Policy S8 (see Chapter 15);
  - smart growth, given our recommended new policy in the Economy section of the Plan (see Chapter 6), and our recommendation that each sub-regional strategy should identify the aspects of most relevance to that area;
  - River Thames, given our recommended new policy in the Countryside section of the Plan (see Chapter 12). Although a regionally-significant feature, such a policy would not meet the criterion of providing development principles applicable across the region.
- 5.7 Rather than include both the issue and spatial cross-cutting policies in the same section of the Plan, it would be clearer in our view to relocate the spatial element as part of the Spatial Strategy to become Part C of the Plan (see previous chapter). Existing policies CC8a, 8b, 9, 10a and 10b would be relocated in this way, where they might be relabelled Policies CC1 – 5. We have elsewhere argued that Policy CC8c on the Maidstone and Tonbridge/Tunbridge Wells Hub should be relocated to a section covering areas outside the sub-regions in Part E of the Plan (see para 4.48).
- 5.8 Section D1 would then relate solely to the overarching themes and contain existing Policies CC1 – 6, CC11 - 12, and the new green infrastructure policy. As the content of Policies CC5 and CC6 relates to implementation, we suggest that they would be better relocated at the end of the cross-cutting sequence. We recommend later that Policy CC7 be deleted.

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<sup>3</sup> Environmental Sustainability in South East England: Developing a Preliminary Evidence Base and Embracing the Concept, Land Use Consultants, October 2006 [NATEN2].



- 5.9 The remainder of this chapter gives our conclusions on those cross-cutting policies that we examined, in the order in which we suggest that they appear in the final Plan.

## **OVERARCHING THEMES**

### **Climate Change (Policy CC2)**

- 5.10 The clear recognition in the draft Plan of the importance of climate change issues has been unanimously welcomed. A number of participants congratulated the Assembly for the lead it has given in bringing appropriate policy and implementation measures to the fore and we strongly endorse this. The importance of the climate change debate at the EiP was underlined by the then imminent publication of the consultation draft Supplement to PPS1 on Planning and Climate Change. Further relevant announcements by Government, including the publication of the Climate Change Bill took place during the course of the EiP. There can be no doubt about the vital importance of climate change for planning in the region. In this context we agree that a cross cutting policy dealing with climate change is appropriate and necessary.
- 5.11 Policy CC2 of the draft Plan contains two main elements. Firstly it seeks to mitigate the effects of climate change through reduced greenhouse gas emissions. These mitigation measures are essentially about achieving greater resource efficiency. A specific set of targets for the reduction of CO<sub>2</sub> emissions is proposed. Secondly, the policy sets out adaptation measures that should be incorporated in local strategies and proposals. A proposed amendment of the policy in response to the findings of the Appropriate Assessment was agreed by the Assembly on 20 November 2006. This aims to strengthen the policy in regard to flood management, habitats and migration of species. As referred to in the supporting text of the draft Plan, the Assembly has also completed and published the Climate Change Mitigation and Adaptation Implementation Plan<sup>4</sup>, a supplementary planning document that provides detailed guidance for stakeholders on the topic. All of these were taken into account in the debates and in our considerations.
- 5.12 We consider that there are two inter-related issues associated with the Plan's approach to climate change and in particular with the proposed cross-cutting policy. The first is whether the draft Plan takes a sufficiently integrated approach to climate change and in particular, whether the cross-cutting policy and the supporting material provides appropriate guidance to stakeholders on the measures that should be taken to mitigate the effects of climate change and to adapt to the risks and opportunities posed by it. Secondly and more specifically, we have debated whether the regional target for the reduction in CO<sub>2</sub> emissions is appropriate and justified.

### **Integrated Approach to Climate Change**

- 5.13 Firstly, looking broadly at the integration of climate change factors into the draft Plan as a whole, respondents and participants did not agree about the extent to which this has been achieved. There was a general welcome for Policy CC2 and acceptance that the Plan has a limited role in addressing climate change, but views were divided about whether it should go further in dealing with mitigation and adaptation issues and the legacy of past development, especially in the sub-regional strategies. Some suggested that there are policies that run counter to or fail to develop Policy CC2.

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<sup>4</sup> Climate Change Mitigation and Adaptation Implementation Plan for the SE Plan: Collingwood Environmental Planning and Land Use Consultants, March 2006. [Cr1]

- 5.14 We agree that there is limited scope for the Plan to influence climate change. Much of the required action must take place at national and international levels, particularly in driving behavioural change. Detailed implementation at the local level, where decisions made about the location and design of development will influence behaviour, is also critical but is not directly controlled by the Plan. Nonetheless, it is important that the Assembly, in partnership with EA, SEEDA and many others, should continue to provide a lead for planning actions in this matter, and that the South East Climate Change Partnership (SECCP)<sup>5</sup> provides a broadly based forum for joint working. The Climate Change Mitigation and Adaptation Implementation Plan seems to be a most useful tool since it identifies the priorities for action and the key players involved. We support the retention of the references to these matters (subject to the necessary updating) in the Plan.
- 5.15 Turning to whether the Plan should go further in dealing with mitigation and adaptation issues and the legacy of past development, we have concluded firstly that some tensions between policies are inevitable, since climate change is only one of the factors that should shape development. As part of the Assembly's audit of cross-cutting policies, we have noted the extent to which Policy CC2 is linked to other relevant policies of the draft Plan and this has gone some way towards addressing concerns about integration. Nonetheless, there is scope to expand background text to certain policies to explain that climate change is one of the key drivers for those actions.
- The policies on sustainable construction (CC4) and mobility management (T5) should be supported by clear references to their importance for climate change mitigation and adaptation:
  - Also, the justification for Policies H5 (housing density and design) and H7 (making better use of the existing stock) should refer to climate change;
  - A cross-reference between Policies CC4 (Sustainable Construction) and H5 (Housing Density and Design) would help to make the link to climate change mitigation and adaptation strategies. Also, we recommend that the title of CC4 be broadened to include design, in order to encompass its wider focus.
- 5.16 In addition our recommendations on Policy NRM6, and for a new policy on green infrastructure, seek to address climate change mitigation and adaptation matters as well as other important interests. We agree with SEEDA and Surrey CC in particular that the Plan should make more of the economic opportunities to be derived from increasing the market for new environmental products and technologies. Accordingly we recommend inclusion of a specific reference to this sector of the economy and the need to facilitate its growth, e.g. in the supporting text to Policy RE1 (D2, para 2.4).
- 5.17 The sub-regional debates gave the opportunity to test in more detail whether the broad distribution, scale and phasing of development proposed in the draft Plan has taken sufficient account of the implications of climate change. In general, and noting that detailed work on flood risk remains to be completed, we were not convinced that there is any serious deficit in this regard. However, much will depend on site selection and development proposals at local level and on the proper application of relevant national and RSS policies. Chapter 16 onwards of our report provide our detailed conclusions on the sub-regional strategies.

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<sup>5</sup> SECCP is a partnership of over 40 public, private and voluntary sector organisations that seeks to investigate, inform and advise on the impacts of climate change in the region.

## Targets for Reductions in CO<sub>2</sub> Emissions

- 5.18 Policy CC2 includes specific targets for the reduction in the region's CO<sub>2</sub> emissions by at least 20% below 1990 levels by 2010 and by at least 25% below 1990 levels by 2015. It also commits to including a target for 2026 in the first review of the Plan. The targets have generated a range of responses. Some point out the difficulty that the key influences on the region's emissions - national policies and market forces - are outside the control of the Plan, while others suggest that since climate factors are a key baseline for SEA the adoption of targets is appropriate. There are calls for more than a simple repetition of the national target in the Government's Sustainable Development Strategy<sup>6</sup>, and views in support of sectoral targets, year on year targets, and targets based on consumption rather than production have been put forward. Representatives of the building industry feared that the targets would penalise new development, and the adequacy of the monitoring framework is a concern.
- 5.19 We appreciate that this is a rapidly developing field of knowledge and also that much will depend on actions that are outside the control of the Assembly or local planning authorities. Nonetheless, we agree with the Assembly that the reduction of CO<sub>2</sub> emissions is a vital part of a more sustainable future for the region and therefore that the setting of targets provides a context and direction for policy action. There is scope to refine the targets but we do not suggest any such refinement at this stage; it will be possible to introduce refinements with greater confidence, perhaps in the next review of the Plan, when on-going work on sector studies has reached a more advanced stage<sup>7</sup>.
- 5.20 Monitoring of the targets should become more effective and consistent, based on the work being undertaken by Defra and therefore we do not consider that this is an obstacle in principle to the inclusion of targets in the Plan. We do not however, agree with the call for imposition of more challenging targets for this region. While we recognise the impact of the region on the nation's ecological footprint, we believe the national targets are already demanding ones for the South East, given its polycentric settlement structure and associated movement patterns, the lack of orbital rail infrastructure and public transport generally, and the existing low base levels of renewable energy generation. This should not diminish the opportunity for the national targets to be exceeded, at least in certain parts of the region.

## Resource Use (Policy CC3) c

- 5.21 As referred to above, the draft Plan clearly recognises the importance of living within environmental limits. Policy CC3 on resource use reflects this overarching objective by seeking to stabilise and eventually reduce the ecological footprint of the region. Ecological footprint measures the amount of productive land (and water area) a human population requires to produce the resources it consumes and to absorb its waste. It is measured in global hectares (gha) and global hectares per capita (gha/cap) meaning that the land required is counted wherever it may be in the world. In 2001 the ecological footprint for the South East was estimated at 6.09 gha per capita, 14% higher than the UK average of 5.35 gha/capita. It is growing at an estimated rate of

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<sup>6</sup> Securing the Future: Delivering the UK Sustainable Development Strategy, HM Government, March 2005 [Sn1]

<sup>7</sup> We heard references at the EiP to work by the Assembly, SECCP, DTI, Defra and others that is contributing to refinements in data collection and analysis.

- 1.11% pa<sup>8</sup>, most of which is attributed to energy use and emissions from travel, including aviation.
- 5.22 In accordance with Policy CC3, the Assembly will promote measures that seek to stabilise the Region's ecological footprint by 2016, and to reduce the ecological footprint during the second half of the Plan period. The policy sets out a number of actions that will be required, in particular, increased efficiency in the use of resources in new development, adaptation of existing development to reduce demand on natural resources, complementary legislation and fiscal measures by Government, and behaviour changes by individuals and organisations. It is supported by a raft of complementary policies in the draft Plan, including CC4 and the policies in D5 on sustainable natural resource management. The Implementation Plan addresses what needs to be done to bring about these changes in resource use. Policy CC3 and the Implementation Plan are informed by work commissioned by the Assembly and published in 2005 in the report, *Stabilising the Ecological Footprint in the South East (the CURE report)*<sup>9</sup>.
- 5.23 The findings of the SA of the draft Plan and the of Implementation Plan, and the CURE report, highlight the magnitude of the task set out in Policy CC3. Most participants at the EiP acknowledged the challenge and some argued that the policy was unachievable. The limited role that can be played by RSS was generally accepted but a number of participants argued for a more visionary approach, given the environmental imperatives and the rapidly developing knowledge base in this field that will assist monitoring and implementation. Amongst many initiatives that were highlighted during the EiP, the World Wildlife Fund has agreed to fund annual measurement of the ecological footprint for the whole of the UK, disaggregated by local authority area; innovative pilot work is being undertaken, including by Southampton City Council, to refine measurement techniques and assist in setting trajectories for reductions in the footprint; and joint working between the Assembly and SEEDA promises to sharpen proposed actions and delivery mechanisms.
- 5.24 Against all of this background and the questions we posed about the realism of the policy and its integration into the draft Plan as a whole, we have drawn a number of conclusions. Ecological footprint is a very useful concept in the educational sense because it relates to the level of the individual and encourages behavioural change; it also offers a practical monitoring device. Its inclusion in a cross-cutting policy seems wholly appropriate and necessary, given the sustainability implications. The concept should be clearly explained and a definition included in the Plan. The targets set out in Policy CC3 should however be regarded as aspirational, not least because the Plan can only contribute to the drive to reduce ecological footprint and in some respects its implementation will increase it; we have concluded elsewhere that a significant increase in housing development is needed in the South East and this alone will trigger increases in the ecological footprint. But where increases occur, there is potential to offset them by measures driven by other regional strategies and policies, for example the RES's agenda for sustainable production and consumption across business sectors, and this should be made clear in the Plan.
- 5.25 We agree that there is a need to embed the concept more fully into other policies of the Plan so that it can play a stronger role in co-ordinating, influencing and enabling reductions in ecological footprint, especially where it has greatest potential to do so.

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<sup>8</sup> Estimates are from the report on *Stabilising the Ecological Footprint* – see below.

<sup>9</sup> *Stabilising the Ecological Footprint in the South East: a report to the South East Regional Assembly by the Centre for Urban and Regional Ecology, Manchester University and the Stockholm Environment Institute, University of York, July 2005 [Sr4]*

Mobility management is a particular issue in this regard and we make recommendations in Chapter 9 of our report. Improvement of the existing building stock and increasing the percentage of energy derived from renewable sources has great potential to bring about reductions in ecological footprint and as we refer to elsewhere, the linkages with Policies CC4, H7 and EN1 could be strengthened. The promotion of exemplar zero-carbon developments in the Growth Areas and elsewhere would also be appropriate and we suggest that reference could be made in the Plan to progress in this matter. But since the Plan should be read as a whole, we do not see any need to re-state the policy approach in the sub-regional strategies.

## **Sustainable Construction (Policy CC4) c**

- 5.26 Policy CC4 sets out the overarching objective that new construction and the refurbishment and redevelopment of existing stock should incorporate sustainable construction standards and techniques. It therefore complements other cross-cutting policies directed towards living within environmental limits (Policies CC1, 2 and 3) and its overarching objective is developed in topic-specific policies on energy (EN1), housing density and design (H5), water efficiency (NRM1), waste reduction and recycling (W2) and use of recycled minerals (M1). It has four elements that refer to
- high standards of energy and water efficiency,
  - design that increases the use of natural lighting, heating and ventilation and the provision of a proportion of energy demand from renewable sources,
  - reduction and increased recycling of construction and demolition waste and procurement of low-impact materials, and
  - designing for flexible use and adaptation to reflect changing lifestyles and needs and the principle of 'whole life costing'.
- 5.27 Public consultation and representations on this policy framework have coincided with the emergence of new national guidance and policy on the subject. The EiP debate took place on the same day as publication of the Code for Sustainable Homes, the draft annex to PPS1 on Climate Change, and the consultation document on Building a Greener Future: Towards Zero Carbon Development. As a result, a number of participants accepted that their cases against Policy CC4 had been overtaken by events. Others expressed the view that the Plan should seek higher standards than the current minimum in any event, given that the region's ecological footprint is the highest of all the regions and that there is potential to replicate and improve on the good examples in sustainable construction already taking place at Milton Keynes and Ashford. We endorse this approach and consider that it would be appropriate for the Plan to raise expectations about standards for sustainable construction.
- 5.28 The supporting text and Policy CC4 should be updated to refer to the new Code for Sustainable Homes, and should encourage new development to seek the highest possible sustainability rating in accordance with the Code, subject to economic viability. The text should also make clear that EcoHomes standards will continue to operate during the transition to the Code.
- 5.29 As referred to under Policy CC3 above, there is significant environmental benefit to be gained from raising the standard of the existing building stock. RSS has a role in raising awareness about this matter and Policy CC4 assists by including redevelopment and refurbishment within its ambit. However we suggest that the Plan could go further and could actively promote improvements to the existing building stock by exhorting local authorities and other public bodies to lead by example and retrofit public buildings. Where SEEDA or other public bodies have funded schemes
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it should be possible to require higher standards of construction; implementation of Policy CC6 is likely to assist in this regard. The publication of checklists for development by SECCP, SEEDA and others have helped to raise awareness on the sustainability aspects of building design and construction; the Climate Change Mitigation and Adaptation Implementation Plan draws attention to some of these<sup>10</sup>.

- 5.30 As a corollary, we support the way the Assembly has amended Policy EN1 since the partial alteration of RPG9 to encourage a percentage of a development's energy demand to be met by on-site renewables. The Assembly now proposes that this should be expressed as a requirement unless demonstrated to be unachievable for technical or economic reasons<sup>11</sup>. We note that this and other amendments are said to be supported by research commissioned by the Assembly that demonstrates the feasibility and viability of the proposed "at least 10%" target<sup>12</sup>. However energy issues were not examined in detail at this EiP and we leave it to the Government to decide how this policy should be strengthened to reflect PPS22. We suggest in any event that the linkage between Policy EN1 and strategies to address climate change impacts and reduce consumption of resources (Policies CC2 and CC3) should be emphasised in the supporting text.

### **Inter-Regional Issues (Policy CC7) c**

- 5.31 The draft Plan is set within the context of the wide range of functional and physical relationships with adjoining regions, the most powerful of which are with London. The Regional Assembly says that these relationships have underpinned the development of many policy areas in the draft Plan, including housing, economy, transport, and infrastructure. However while acknowledging that the regional policy framework does address linkages with adjoining regions we share the view of many participants that the Plan does not give sufficient weight to inter-regional relationships.
- 5.32 Policy CC7 says that there will be joint research and partnerships with neighbouring regions on issues of common interest. There is also text on the adjoining regions in Part B, paras 4.1 to 4.4, though this is fairly brief. We do not believe that this is an adequate response to the strong inter-dependence of the regions, especially those comprising the greater South East, namely London, the East of England and the South East. We recognise that there has been extensive joint working in relation to the Growth Areas of the Thames Gateway and Milton Keynes and South Midlands. However the question is less about cross-boundary liaison than about taking full account of the mutual inter-dependency of the components comprising the greater South East.
- 5.33 The Regional Assembly recognises that the relationship between the South East and London in particular is complex and has commissioned useful studies to assist understanding of inter-regional issues<sup>13</sup>. We obviously support the commitment in Policy CC7 to a programme of continuing research. However, like SEEDA, the Mayor of London and London Councils, we are concerned that while such research has been undertaken there is little evidence that a serious consideration of this functional inter-connectivity has informed the definition of policies within the draft

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<sup>10</sup> Cr1, Chapter 4.

<sup>11</sup> SEERA Matter 4B.3 statement

<sup>12</sup> The evidence base for sustainable energy policies in the South East: Final Report, AEAT/FPD Savills for SEERA, Sept 2006. [Enr1]

<sup>13</sup> Symbiosis or sibling rivalry? The Future Links between London and the South East, Centre for Economics and Business research Ltd for SEERA, May 2005. [Sr7]

- Plan. Policies need to reflect a clear sense of how patterns of connectivity might change in the future, what the implications might be, and how robust the strategy is in relation to changing forecasts.
- 5.34 National planning policies include a very limited spatial element – and we wish to add our support to those who argue for a stronger inter-regional policy context for RSS EiPs. At present we have little more up to date spatial context than the economic and demographic work on regional futures commissioned by the East Midlands Regional Assembly (EMRA) and the Hetherington Commission Report facilitated by the TCPA<sup>14</sup>.
- 5.35 Since Policy CC7 is only about process rather than policy we recommend its deletion. We discuss joint and inter-regional working arrangements in Chapter 27.

### **Ageing Population (Policy CC11) c**

- 5.36 The South East currently has a slightly higher than national average proportion of people over the age of 65. The percentage of the total population in this age group is projected to increase nationally, and the expected increase in the South East is projected to be above the national rate. By 2026 according to the Government's 2004-based sub-national population projections, the South East 65+ group will be 1% higher (at nearly 22%) than the national average. However that masks considerable intra-regional differences. The Social Inclusion Partnership in the South East's (SIPSE) 'Ageing Assets' report<sup>15</sup> indicates that by 2027 a large swathe of authorities in the coastal belt plus West Oxfordshire are projected to have 65+ populations of 25-37%. We are satisfied that given this particularly skewed pattern, and the large increase expected in the 85+ population, that Policy CC11 can be justified as being regionally specific.
- 5.37 We are also satisfied that it is genuinely cross-cutting, since supporting the elderly has implications for housing, health facilities, transport, leisure facilities and economic activity. Since these particular issues have recently been explored for the South East, we recommend that a reference is made in the background text to the very useful SIPSE report mentioned above.
- 5.38 We have described some of the implications of the Local Government White Paper, October 2006, in our Chapter 15. We note here that 'healthier communities and older people' is one of the four themes for Local Area Agreements (LAAs) and that funding is to be pooled. Now that local authorities are being placed more firmly in the driving seat and service providers must agree targets there should be a better chance of coordinated action. We are satisfied that Policy CC11 will provide an appropriate framework for the development of LAAs and Sustainable Community Strategies, and more particularly Older Peoples Strategies.
- 5.39 In respect of housing, we consider that Policy CC11 with its references to adaptation of the existing stock and lifetime homes goes much of the way to providing a suitable framework. This is then taken forward in Policy H6, which requires local authorities to consider the needs of the elderly in their LDDs. However we accept the case made

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<sup>14</sup> Regional Futures: England's Regions in 2030, Arup with Regional Forecasts and Oxford Economic Forecasting for English Regions Network with RDA Planning Leads Group, ODPM, DfT, Jan 2005. [En10]; Connecting England – A Framework for Regional Development (the Hetherington Commission), TCPA, May 2006. [En11]

<sup>15</sup> Ageing Assets Implications of Population Ageing for the South East Region, Population Aging Associates for SIPSE Older People Action Group, October 2005 [SCr3]

- by the Retirement Housing Group of the Home Builders Federation (HBF) that it is important to provide a choice of housing options for older people.
- 5.40 The HBF drew attention to the multiple benefits of sheltered and extra care accommodation, and Surrey CC also considered there was a significant need for the latter. On the other hand the Strategic Health Authorities and the Regional Assembly stressed the benefits of mixed neighbourhoods rather than concentrating accommodation for older people in one place. While we consider that the draft Plan is correct to emphasise that older people increasingly want to live independent lives, we are persuaded that if options are available some may choose to move out of the family home if and when it becomes too big for them, improving their own well-being and at the same time freeing up stock for younger people. Hence we recommend that the background text (D1, para 1.40) should refer to the importance of providing a wider choice of housing options, including sheltered housing and extra care housing and residential care homes as well as a supply of smaller units and bungalows<sup>16</sup>.
- 5.41 SEFS emphasised the health benefits of access to open space and the countryside for older people, coupled with healthier forms of transport, notably cycling and walking. While we agree that these are important, we are satisfied that Policy CC11 sufficiently captures transport and leisure issues, while leaving the detail to be covered in topic-based policies (including BE1, BE4, C4, T1, T2 and T5).
- 5.42 As we mention in Chapter 6 of this report, evidence presented to us<sup>17</sup> shows that people are working later in their lives, often beyond retirement age. Government policy as set out in the Pensions White Paper is to achieve an employment rate equivalent to 80% of the working population, which involves helping 1 million older workers into work nationally, requiring a number of initiatives to break down the barriers to work for older people. For the South East, as argued by CPRE at the examination, the increasing participation of older employees is an important element in smart growth and may go some way to closing the gap between jobs and labour supply. Policy CC11 already mentions access to training, and we recommend that the supporting text recognises that older workers may require help to achieve and maintain employment, but if they do so they can make an important contribution to smart growth.
- 5.43 This would help to introduce a positive element into what is currently portrayed as meeting the challenges of older people. The contribution that older people make to voluntary services and to community leadership could also be mentioned in the text, as suggested by the Brethren's Gospel Trusts.

## **ScAToAL c OLICcES c**

### **Urban Focus (Policy CC8a) c**

- 5.44 Policy CC8a confirms that the prime focus for development in the South East should be urban areas and that local authorities should seek to achieve at least 60% of all new development on previously developed land (PDL) and through conversions of existing buildings. It also states that opportunities for intensification around transport hubs and interchanges should be identified through urban potential studies. As the

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<sup>16</sup> see for example HBF Matter 1F statement, para 8

<sup>17</sup> White Paper: Security in Retirement: Towards a New Pensions System, Dept Work and Pensions, May 2006 [CPRE1] A New Pension Settlement for the 21<sup>st</sup> Century, 2<sup>nd</sup> Report of the Pensions Commission, Nov 2005 [CPRE6]



- explanatory text makes clear, this policy carries forward the twin themes of urban focus and urban renaissance in RPG9.
- 5.45 The representations give strong support to the urban focus of the strategy and we fully endorse it since it reflects national planning policy to make effective use of land. This is not to say that all new development can or should be accommodated within urban areas; there may be potential to create new sustainable communities by using PDL outside urban areas, and meeting housing needs for the Plan period will require use of non-urban land. However, the policy as currently drafted does not exclude such elements from the overall strategy and we see no need to amend its wording in this regard.
- 5.46 A wide range of views was expressed in answer to our question about whether the 60% target is sufficiently challenging. While CPRE argued that 75% for housing and 85% for employment would be appropriate and likely to be achievable, a range of other interests, including SECL and developer representatives, foresaw limits to what could or should be achieved on PDL. There was general acceptance that the greater the housing requirement, the more difficult it would be to achieve the 60% PDL target. The pressures that might force unsustainable losses of employment land to residential uses, and lead to town cramming and loss of open spaces were amongst the reasons adduced for not seeking to increase the overall target of 60%.
- 5.47 Our attention was drawn to the significant variations in urban potential between different parts of the Region and as a result, to the likelihood that the 60% target would not be achieved in some areas for the duration of the Plan period. DCSE warned that many councils do not expect currently high rates of re-use of PDL to continue in the longer term, based on the results of urban potential studies. Maidstone BC pointed out that a 60% target would require densities in the range of 90-130 dph and the use of sites that were considered unsuitable in the recent urban potential study. Also, there was concern that PPS3's guidance on windfall allowances in housing land supply studies would lead to a reduced contribution from PDL sources in future (as discussed further in Chapter 7). On the other hand, Kent CC suggested that in the light of recent achievements a higher target than 60% should be considered for housing.
- 5.48 On balance, we consider that it is right to maintain 60% as a monitoring target for the region as a whole given that this will not prevent higher rates of re-use being achieved in certain areas. From the limited evidence available, it appears that 60% is likely to be a more challenging target for uses other than housing but we suggest that it should be retained in order to maintain and strengthen the focus on urban areas for the location of new commercial/industrial development. While we accept the difficulties of testing the realism of PDL targets for the latter part of the Plan period, we have not found enough evidence to propose a split target for earlier and later phases. English Partnership's National Brownfield Strategy and the previously developed land strategies that will be prepared by local authorities in accordance with PPS3 will provide a more informed basis for reviewing the PDL target in due course.

### **Regional Hubs (Policy CC8b) c**

- 5.49 As we indicated in paras 4.9-4.13, while we agree that hubs should be a linchpin of the spatial strategy their role in accommodating development is less clear. As well as emphasising their transport role Policy CC8b refers to higher densities, mixed uses and "living centres". Although we endorse the latter concept, we consider that regional hubs have a wider role than promoting redevelopment close to public

transport interchanges in town centres. We believe that the key role of the 21 hubs should be set out more explicitly as centres for:

- investment in transport and other infrastructure
- economic activity and employment
- new housing development
- rebalancing travel patterns by behavioural change.

5.50 We accept that, as the draft Plan makes clear, each hub has and will continue to have a distinctive mix of these functions. However we do not consider that Policy CC8b gives sufficient weight to the relationship between the role of hubs as a focus of accessibility and economic activity and the location of housing development. We therefore recommend that the above four roles should be included in the text preceding Policy CC8b and an extra para (iv) should be added to the Policy:

“Focusing new housing development in locations close to or accessible by public transport to the hubs.”

### **Intra-Regional Disparities (Policies CC9 and RE5) c**

5.51 Policy CC9 of the draft Plan aims to develop co-ordinated and consistent approaches to addressing intra-regional disparities in the South East. It seeks alignment of policies and programmes between stakeholders and sets a specific focus for initiatives and funding to address two categories of identified needs: these are the extensive regeneration needs of the East Kent and Ashford (EKA), KTG, South Hampshire and Sussex Coast sub-regions and the Isle of White Special Policy Area, and secondly, the pockets of deprivation and broader exclusion issues facing other parts of the region both inside and outside sub-regional strategy areas. The suite of regional policies that seek to address these issues is identified in the supporting text (D1, para 1.30), and the sub-regional strategies provide further detailed guidance on particular locations. Policy RE5 (Addressing Intra-regional Economic Disparities) seemed to us to be particularly closely linked to CC9 and we brought them together for the discussion at the EiP. See also Chapter 6 of our report dealing with the Economy.

5.52 The background to the policies includes evidence of a centre/periphery pattern<sup>18</sup>; coastal areas of Kent, Sussex, Hampshire, and the Isle of Wight have relatively high concentrations of deprivation compared with rest of region. Hastings is the most deprived town in the SE and the 39<sup>th</sup> most deprived area nationally (2004 index of multiple deprivation). This seems to be primarily related to the weak economies in these areas<sup>19</sup>. But isolated pockets of deprivation are also scattered throughout more advantaged parts of the region (e.g. in parts of Oxford, Reading, Slough, and Milton Keynes) and these tend to be rooted in more localised problems of economic and social exclusion<sup>20</sup>.

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<sup>18</sup> See the Regional Economic Strategy 2006-2016, SEEDA, October 2006 [Er2E] particularly its identification of the Coastal South East.

<sup>19</sup> Draft Framework for a Coastal Strategy, Interim Paper, SEEDA, April 2006 [En18] describes the key economic characteristics of the coastal areas and sets out priorities for the future.

<sup>20</sup> Review of the Regional Economic Strategy 2006-2016: The Evidence Base (Interim Paper), SEEDA, November 2005 [Er2B] identifies the complex patterns of inequality and deprivation, including within the Diamonds for Growth. 6.4% of their population live in deprived areas, therefore they have a greater concentration of deprived people than in the Region as a whole, but this conceals significant differences between the diamonds. For example the percentage of the population living in the most deprived 20% of Super Output Areas (SOAs) nationally is 14.2% in S Hants, 8.3% in Brighton and Hove, 6.7% in KTG and 5.2% in MK, but it is only 1.8% in Reading and 0% in Basingstoke and Gatwick.

- 5.53 There seemed to be broad agreement amongst participants about the scale and nature of the socio-economic disparities within the region and also that the spatial pattern is more complex than a simple east-west or inner-coastal areas divide. Some participants detected a lack of focus in Policy RE5 and contended that the needs of the disadvantaged areas for productivity growth have been underestimated. We agree that the concept of smart working should be as relevant to the disadvantaged areas as other parts of the region and that SEEDA's role should be explicitly recognised in the actions listed in the second part of Policy RE5 which deals with the less favoured areas. We fully endorse the points made about the critical importance of 'place making' and environmental improvement in the regeneration areas, and that the potential for economic growth and the availability of employment land should be made very clear in the relevant parts of the Plan. But we do not consider that there would be a policy vacuum in the draft Plan in this regard, if amended in accordance with our recommendations.
- 5.54 Despite claims to the contrary, it seems to us that the draft Plan as a whole, including the Implementation Plan, is positive about the need for appropriate actions and new funds to benefit the regeneration areas and reduce spatial disparities. This is not to say that we are confident that the step change in socio-economic performance that is sought by the Plan and the RES will occur; some data indicate that the gap between the better and poorer performing parts of the region has increased in recent years, and the challenge of closing the gap should not be underestimated.
- 5.55 Policy RE5 also deals with more buoyant areas. Some participants contrasted the stated aims of this policy with the draft Plan's approach to economic development in the west of the region. We have noted claims that meeting economic potential in the more prosperous parts of the region could be undermined by the Plan's approach, and we have sought to address this in our recommended changes to the housing provisions and employment land policies in the relevant sub-regional strategies.
- 5.56 Overall, we conclude that subject to the amendments recommended in para 5.53 above, Policy RE5 puts forward a sound approach to addressing the economic development of the region. We have considered carefully whether there is additional benefit in retaining Policy CC9 in its current form. While there is undoubtedly some overlap between it and other more detailed policies, especially Policy RE5, we have concluded on balance that the retention of a cross-cutting policy on reducing intra-regional disparities is important, given the Plan's particular emphasis on the need to bring about socio-economic transformation of parts of the Region. Accordingly we consider that Policy CC9 should be retained and we later recommend that it is expanded to refer to health inequalities, and to community involvement (see Chapter 15). But in order to improve the clarity of the Plan, the policy titles of CC9 and RE5 should be differentiated. We recommend that Policy CC9 should be re-titled "Regeneration and Social Inclusion" and Policy RE5 "Promoting Competitiveness and Addressing Structural Economic Weakness".

### **Green Belts (Policy CC10a) c**

- 5.57 There are three Green Belts within the region: the Metropolitan Green Belt, the Oxford Green Belt, and a small part of the south east Dorset Green Belt. Policy CC10a confirms that the existing Green Belts in the region will be retained and supported and that the opportunity should be taken to improve their land use management and access as part of initiatives to improve the urban rural fringe. If there are any cases for small scale local review of Green Belts, the policy would

- enable these to be pursued through the LDF process but it makes clear that there is no case for any strategic review of the Green Belt in the region.
- 5.58 The debates at the EiP took place against the background of the recently issued PPS3 (para 37) which sets out locational criteria for new housing, including “where necessary, review of any policy constraints”. In our view this advice is consistent with that in PPG3 which remained in force during the preparation of the submission draft Plan. Paragraph 68, while emphasising the Government’s commitment to Green Belts, advised that the review of tightly drawn Green Belt boundaries might be the most sustainable of available options for accommodating development needs.
- 5.59 There was a large measure of agreement amongst respondents to the draft Plan and participants at the EiP debates that Green Belt policy should remain central to the Plan. We agree. It has been a successful policy tool for controlling the pressures for development in large urban areas and especially around London. However, there were widely diverging views about the way in which Policy CC10a is framed and its implications for the spatial strategy. A number of participants argued that it would unduly constrain the potential for sustainable development, especially around the hubs, and that the scope offered by small scale local reviews was extremely limited. We note that possible selective Green Belt reviews had been considered in previous Structure Plan rounds, notably Surrey and Oxfordshire, but that the current draft Plan sets its face firmly against them.
- 5.60 As we have discussed in Chapter 4 above, Green Belts have been seen as a critical input to the spatial strategy; in fact they have been treated as inviolate. This cannot be consistent with Government policy, which makes clear that Regional Planning Bodies (RPBs) may need to review existing policy constraints when considering options for the distribution of new housing development in areas where need and demand are high. From all the evidence available to the EiP, it is abundantly clear to us that these are precisely the circumstances in the South East. The scale of housing need is detailed in Chapter 7 of our report and in our view it is necessary to seek an increase of some 10% over and above the draft Plan provision figure. As we also conclude in Chapter 7 and the sub-regional and other sections of our report, the opportunities for existing urban areas in the South East to accommodate ever increasing numbers of dwellings in a sustainable manner are very limited. It will therefore be necessary to look beyond the existing urban areas to help accommodate future housing requirements. We consider that this must include the option of some selective reviews of the Green Belt while ensuring that it can continue to fulfil its long-term role in shaping the pattern of settlements.
- 5.61 As we detail in the relevant sub-regional chapters of our reports, there are particular tensions for the hubs within the Green Belt in fulfilling a development role. The draft Plan does not make explicit how these tensions should be resolved. Even if it is accepted that the regional hubs listed in the draft Plan vary in their respective roles, it is clear that they are intended to be the linchpin of the spatial strategy. In very few instances do the local authorities concerned see their hub status as implying that they should accommodate a greater proportion of residential development.
- 5.62 However, as we recommend elsewhere, significantly more residential growth should be directed to some of the hubs, including Guildford and Oxford, and to a lesser extent Redhill and Reigate and Woking, which are all tightly constrained by the Green Belt. Only some of the required growth can be accommodated by urban intensification and we consider that selective review of the Green Belt at Guildford and Oxford, and possibly at Woking, is likely to be the most sustainable solution in these cases (see para 4.14 for our definition of selective review). Smaller scale local review may be
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necessary at Redhill-Reigate. In addition to these hubs, the evidence has led us to conclude that there is at least one major developed site (as defined by PPG2) within the Green Belt that could make a significant contribution to development needs in a sustainable way. In both instances, RSS should provide appropriate policy guidance. Where, as in the case of Oxford, expansion would involve the crossing of local authority boundaries, the need for a clear steer from RSS for joint or co-ordinated approaches by the relevant local authorities is even greater.

- 5.63 For these reasons we have concluded that Policy CC10a is inadequate and requires amendment. It should provide for the protection of the general extent of the Green Belt in the region while identifying those broad locations where selective reviews of the boundaries are required to accommodate regional development needs. It should also enable more local reviews, and reviews of major developed sites in the Green Belt where the release of land for development extending beyond the existing built-up curtilage can be demonstrated to be the most sustainable option for meeting future development needs.

### **Enduring Boundaries**

- 5.64 As PPG2 emphasises, any development plan proposals affecting Green Belts should be related to a time scale which is longer than that normally adopted for other aspects of the plan. It advises that planning authorities should satisfy themselves that Green Belt boundaries will not need to be altered at the end of the plan period. In order to ensure protection of Green Belt within this longer time scale, this will in some cases mean safeguarding land between the urban area and the Green Belt which may be required to meet longer-term development needs.
- 5.65 Having regard to this advice, we consider that where Green Belt boundaries are reviewed in the region, the aim should be to avoid the need for further review before at least 2031. In the preparation of LDDs, it should be assumed that the rate of development 2026-2031 at the regional hub will be same as the average rate planned for 2006-26. The area that is safeguarded for potential needs after 2026 should reflect this assumption, provided sufficient suitable land can be identified taking account of locational constraints and other sustainability criteria. LDDs will need to test whether this scale of growth after 2026 will be achievable and if not, they should safeguard the maximum area commensurate with achieving sustainable growth to 2031. The land released for long term development needs after 2026 should be safeguarded in accordance with the advice in PPG2. Whether or not it will be required for development in that period will be a matter for later reviews of this Plan.

### **Strategic Gaps (Policy CC10b) c**

- 5.66 The explanatory text for Policy CC10b sets out the background to the existing strategic gap policies in certain structure plans<sup>21</sup> and local plans in the region and refers to the need for a more consistent approach to ensure that the protected gaps serve a strategic rather than purely local function. Where there is a need to prevent the coalescence of settlements in order to retain their separate identity, Policy CC10b

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<sup>21</sup> Policy SS3 of the Kent and Medway Structure Plan, CH3 of the West Sussex Structure Plan, and G1 and G2 of the Hampshire Structure Plan contain policies for identified strategic gaps. Policy DP7 (Strategic Gaps and Wedges) of the Berkshire Structure Plan also sets out a policy for gaps and green wedges while not identifying any gaps that are 'strategic' in nature. Policy LO1 of the Surrey Structure Plan seeks to maintain the Blackwater Valley strategic gap.

would allow local authorities to identify strategic gaps in their LDDs, subject to two criteria:

- the gap should prevent the coalescence of settlements each with a resident population greater than 10,000; and
- the gap must be no greater in size than necessary, and in all cases no greater than five miles at its widest point.

- 5.67 National planning policy does not recognise a need for strategic gap policies. PPS7 generally advises against local landscape designations, preferring instead a criteria-based approach in local policies that are specifically targeted at the features that require protection. Proponents of strategic gap policies argued at the EiP that these are not landscape designations but spatial planning tools, designed to shape the pattern of settlements. We have some sympathy with this argument where gaps would clearly perform a settlement-shaping role and it could be demonstrated that they would not be adequately protected by criteria-based countryside and landscape policies. The high level of public support for the existing strategic gap policies is also noted. However the research evidence on the effectiveness of these policies is inconclusive<sup>22</sup>. We agree with those participants who warned that gap policies are all too often used in an inflexible way, as long-term restraints on opportunities for sustainable development in urban fringe locations. In the light of the evidence of English Partnerships, North Hedge End Consortium and others, we consider that the existing strategic gap policies in West Sussex and Hampshire are particularly in need of review.
- 5.68 Against this background, we have concluded that Policy CC10b may serve a useful purpose in principle, by seeking to define and limit the circumstances in which it would be appropriate to designate a strategic gap. However, we share the concerns of a number of participants about the details of the policy and how it might be applied in practice. The need to accommodate new development in the most sustainable locations will require critical appraisal of all potential opportunities, including those on the edge of settlements, and therefore it should be made clear that strategic gap designations will be reviewed regularly. It would not be appropriate, as required by the current Hampshire Structure Plan, to define boundaries of strategic gaps that would only be reviewed in exceptional circumstances. For the same reason, policies should not seek to prevent development within strategic gaps that would normally be acceptable in the countryside; small scale change should be acceptable, provided that the overall integrity of the gap is preserved.
- 5.69 The criteria in Policy CC10b governing the size of settlements and the maximum permissible width of a strategic gap also generated some debate. We would be concerned if the threshold of 10,000 population were to encourage the identification of many new strategic gaps in LDDs. However we are reasonably content that this is unlikely to occur and we were not presented with enough evidence to suggest an alternative threshold figure. The proposed size threshold would help by removing a number of defined gaps in existing structure plans which in our view should not be regarded as strategic. So far as the width criterion is concerned, we consider that a gap of up to five miles width is unlikely to be necessary to maintain the separateness of settlements; much would depend in our view on locational characteristics, landscape character, physical and other features, but in many cases it seems likely that a considerably smaller gap e.g. two miles, may suffice.

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<sup>22</sup> Strategic Gap and Green Wedge Policies in Structure Plans: Oxford Brookes University for DETR, January 2001. [Sn11]

- 5.70 GOSE requested that if we accept that there is a case for designation of strategic gaps in the region, then the general extent and location of all of them should be set out. However, we do not consider that the evidence presented to the EiP was sufficient to determine which of the existing gaps are both genuinely strategic in nature and in need of special policy protection. Accordingly, we believe that this matter should be fully tested in LDDs in accordance with a revised Policy CC10b.
- 5.71 The revised policy should delete the reference to five miles. Also, it should be amended to require evidence that the proposed gaps could not be protected adequately by countryside and landscape policies, and that no more land is included within them than is required for the prevention of coalescence but that this is unlikely to be more than two miles in width. Where potential gaps would cross local authority boundaries, a joint or co-ordinated approach to LDDs will be required. Also, the development control element of the policy should be modified to make clear that small-scale development in keeping with the rural nature of the areas would not be prevented, subject to other planning policies. It should also be a requirement to review the boundaries of any defined strategic gaps in the review of LDDs.
- 5.72 The draft Plan refers to the potential for LDDs to identify local gaps in particular circumstances (D1, para 1.38). Responses on this matter broadly reflected the range of concerns about strategic gap policies. Picking up Kent CC's comments, we agree that maintenance of settlement identity at all levels is important but we consider that this is addressed by Policy CC12. We find little justification for retaining paragraph 1.38 in a regional planning document.

## **Environment and green infrastructure c**

- 5.73 The subject of green infrastructure, its significance and whether there is a need for more guidance on its development and protection was a recurring theme during the EiP. In response to the AA the Assembly has proposed inserting references to green infrastructure in Policies NRM4 and CC5. Green infrastructure is already mentioned in Policy BE1 and a definition of green infrastructure is included in the Implementation Plan<sup>23</sup>; on this basis the term embraces a network of multi-functional green spaces in urban areas, the countryside in and around towns, and the wider countryside. The wider roles served by areas that could be regarded as green infrastructure are acknowledged and supported elsewhere in the draft Plan, including in Policies NRM3, C3, S3, TSR2 and BE4. However this fragmented approach does not satisfy many of the interested participants including Natural England and the EA who regard green infrastructure as a key plank of sustainability. A number of interpretations of green infrastructure and suggested elements for inclusion in a specific policy on green infrastructure were put to us during the EiP. In response to these, the Assembly proposed that additional text could be added to Policy CC12 in order to provide a single, clear exposition of the concept of green infrastructure and its multi-functional role. We invited written comments on this proposal and we are grateful for the work undertaken by a number of participants in seeking to develop the green infrastructure concept and respond to the Assembly's proposal.
- 5.74 We agree that green infrastructure is by definition a cross cutting issue: it encompasses the full range of natural and historic landscape and if proactively planned and managed in a co-ordinated way can deliver positive outcomes in relation to a broad range of South East Plan objectives. These include biodiversity targets, opportunities for healthy living, enhancement of cultural heritage and sense of place,

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<sup>23</sup> Figure 2, page 12.

sustainable design, water resource management, and adaptation to and mitigation of climate change impacts. There is logic in linking the concept into Policy CC12 which is a very wide-ranging policy about character of the environment and quality of life. However, there is greater merit in our view in a free-standing policy on green infrastructure and it should, as the Assembly accepts, be a cross-cutting issue. Therefore we recommend a new cross-cutting policy and supporting text which draws upon the text proposed by the Assembly<sup>24</sup>. This would reflect and expand upon the definition of green infrastructure in the Implementation Plan with one exception: we would not recommend the inclusion of the wider countryside/agricultural land outside urban areas in the definition of green infrastructure since in our view this could devalue the concept as a planning tool (see below for the definition we suggest is added to the text of the new policy). And as we later explain in Chapter 10 we have used part of the wording which the Assembly recommended should be added to Policy NRM4 in response to the AA within our suggestion for this new cross-cutting policy.

#### **Box 5.1: Green Infrastructure Assets**

- parks and gardens - including urban parks, country parks and formal gardens;
- natural and semi-natural urban greenspaces - including woodlands, urban forestry, scrub, grasslands (eg downlands, commons and meadows) wetlands, open and running water, wastelands and derelict open land and rock areas (eg cliffs, quarries and pits);
- green corridors - including river and canal banks, cycleways, and rights of way;
- outdoor sports facilities (with natural or artificial surfaces and either publicly or privately owned) - including tennis courts, bowling greens, sports pitches, golf courses, athletics tracks, school and other institutional playing fields, and other outdoor sports areas;
- amenity greenspace (most commonly, but not exclusively in housing areas) - including informal recreation spaces, greenspaces in and around housing, domestic gardens and village greens;
- provision for children and teenagers - including play areas, skateboard parks, outdoor basketball hoops, and other more informal areas (eg 'hanging out' areas, teenage shelters);
- allotments, community gardens, and city (urban) farms,
- cemeteries and churchyards;
- accessible countryside in urban fringe areas
- river and canal corridors

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<sup>24</sup> Options for clarifying the role Green Infrastructure in delivering the objectives of the draft SE Plan, January 2007, SEERA [SEERA6]



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## **IMPLEMENTATION**

### **Implementation and Infrastructure: Policy CC5**

- 5.75 We welcome the greater emphasis that the draft Plan places on implementation than RPG9. As indicated in the draft Plan the timely provision of infrastructure is a fundamental tenet of the strategy's approach to implementation (D1, para 1.10). The Regional Assembly stressed throughout the examination the extent of public and political concern in the region about the pressure placed on existing infrastructure resulting from housing growth. We acknowledge the need to ensure that additional capacity is provided alongside new development has been a strong and consistent message throughout the plan preparation process.
- 5.76 We therefore accept that there is a case for a cross-cutting policy dealing with implementation and infrastructure. In particular we endorse the importance of maintaining a close relationship between the scale and phasing of development and the provision of infrastructure. We also recognise that the relationship will vary throughout the region and that where development is characterised by small scale urban intensification and rural infill rather than large urban extensions this presents a different set of challenges in relation to infrastructure delivery.
- 5.77 Policy CC5 makes the scale and pace of development dependent on adequate infrastructure capacity to meet current needs and the needs of new development, sets out several ways of achieving this objective, and proposes a package of initiatives. One of the proposed approaches, in sub-section iii) of the policy, is more specific about the proposed linkage between development and infrastructure. It states that development will not proceed until the infrastructure required to serve the development is available or will be provided in time. Although this 'conditional principle' is not amplified in the text preceding Policy CC5, it was the subject of considerable discussion at several of the EiP debates.
- 5.78 We consider that there are three overlapping issues associated with the proposed cross-cutting policy on implementation and infrastructure, which are also reflected in the content of the Implementation Plan. These issues relate to the conditional principle mentioned above, to funding and delivery mechanisms, and to the possible role of behavioural change in reducing demand for new infrastructure.

### **The Conditional Approach**

- 5.79 The question arising from the conditional principle in Policy CC5 is not about the desirability of infrastructure provision. It is whether this approach is both sound in concept and workable in practice. Participants are clearly divided between those who feel that the principle is essential to the Plan and those who consider it to be wholly unrealistic.
- 5.80 Among the participants almost all the local authorities express support for the conditional (or contingent) approach. They accept that this could mean growth commitments having to be deferred or abandoned if the necessary linked infrastructure was not delivered. While some, including DCSE concede that implementation of Policy CC5 will be challenging, we recognise that there is a strong and widely shared view that such a policy is absolutely essential. On behalf of counties SECL argue that in the past infrastructure has not kept pace with housing development and that this is the number one issue for residents and for many other

- stakeholders. In support of their case SECL quote specially commissioned research<sup>25</sup> that they say shows just how overloaded much infrastructure will be as a result of the growth proposed in the draft Plan. Advocates of the conditional approach stress that the intention is not to prevent development but to ensure that infrastructure is provided in time. Otherwise there will be unacceptable congestion and overloaded services. In the words of SECL the aim is provide a guarantee that the concept of sustainable communities is "not mere rhetoric".
- 5.81 Opponents of the conditional approach point to both risks for the region and practical problems in implementation. SEEDA says that if the planning process is led in this way by infrastructure delivery the possibility of restraint on housing could mean that economic growth targets are not achieved. This could risk damaging the region's competitiveness. Development interests including Woolf Bond say that the implication of a stop on development is likely to limit delivery of housing in the early years of the Plan since it is difficult for firm funding commitments to be made over the life of the Plan. TCPA insist that the housing crisis is so serious that lack of infrastructure must not be used as an excuse for inaction.
- 5.82 Given the strength of feeling about infrastructure provision in the region we can well understand the attractions of Policy CC5. However we agree with those participants including GOSE and some developers who feel that the policy is too aspirational and that it provides no effective guidance on implementation. While, as the HA says, decreasing the rate of development may be possible in theory it is very difficult in practice. In our view it is not practicable to match much infrastructure capacity exactly to a particular level of housing development. At the individual site level it is of course possible to identify essential infrastructure and to impose appropriate conditions on a planning permission. But at a strategic regional or sub-regional level in our view such conditionality is neither sound in concept nor realistic in practice.
- 5.83 We therefore recommend that Policy CC5 iii) should be deleted. It should be replaced in the policy by a rewording of the penultimate part of the policy. Policy CC5 should stress the close relationship between development and infrastructure, the importance of the timely delivery of infrastructure in relation to new housing, and the necessity of a joint approach to ensure that delivery agencies align their priorities accordingly (as stated in sub-section i). This would be consistent with PPS12 which, as GOSE reminded the examination, says that allocations should only be selected if there is a reasonable chance of infrastructure being provided<sup>26</sup>.

### **Delivery Vehicles and Funding**

- 5.84 We recognise that this still leaves the fundamental question of how to demonstrate that the principles of sustainable development set out in Policy CC1 are embedded in the implementation process. While resources and delivery mechanisms are discussed more fully in Chapter 27 there are some aspects of relevance to the cross-cutting policies in D1 of the draft Plan.
- 5.85 The first way of ensuring that housing is matched appropriately with its attendant infrastructure is by funding via the development itself. However we recognise that S106 contributions can only provide part of the total funding required for infrastructure and that this source is a particular problem where development takes place on a large number of small sites. In this context we have sympathy with the

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<sup>25</sup> The Cost & Funding of Growth in South East England, Roger Tym and Partners for the South East Counties, June 2005 [Ir2]

<sup>26</sup> PPS12, para 4.2

- Surrey authorities where such incremental development has led them to adopt a pooled approach to S106 funding across several planning authorities. However participants stressed the need for a business plan approach at local level if a pooled system was to be justified and to have credibility with the private sector.
- 5.86 In areas where the housing market is buoyant and particularly where large-scale development is proposed there is clearly more scope for leveraging out money for infrastructure by land value capture. Hence in the major growth areas consideration should be given to the possibility of special delivery vehicles. Given the likely need for joint funding of some major infrastructure, possibly via a tariff-type mechanism, we recommend that Policy CC5 should include reference to the scope for a more proactive and joint approach to pooling of infrastructure contributions, tariffs and local delivery vehicles. The supporting text to the policy should also draw attention to the possibility of a tariff on new properties that are proposed on a large number of small sites (as we discuss in Chapter 20 in relation to the London Fringe).
- 5.87 For strategic infrastructure it is equally clear that mainstream public expenditure must remain a prime factor, especially where service provision is reliant more on revenue than on capital expenditure. We discuss the proposed Regional Infrastructure Fund in Chapter 27, but the Concordat proposed in Policy CC5 requires comment. While acknowledging that the Regional Assembly has broken new ground in relation to implementation we heard that there had been no positive reaction to the idea of a Concordat between Government and the Assembly. While we commend the innovative approach of the Assembly we also recognise that it is difficult for any government to make binding commitments over the whole period to 2026. Even so the proposed joint approach with Government must be right. The funding of infrastructure has to be seen as an issue to be tackled in partnership. In this context we welcome the idea behind the Government's NGP initiative to focus extra funds in some growth locations. We would encourage the Government to view the financing of infrastructure to all growth locations as a shared challenge with regional bodies and local authorities together with the private sector. We therefore recommend that reference to the proposed Concordat be deleted from Policy CC5 and be replaced by a reference to the need jointly to develop forward funding mechanisms to facilitate development.

### **Demand Management**

- 5.88 We have already touched on demand management in the discussion of cross-cutting policies on sustainability and resource use and this theme is also discussed later in relation to particular elements of infrastructure. However the issue of moderating the demand for infrastructure figured in many of the EiP debates. It is therefore a little surprising that demand management does not feature more prominently among the cross-cutting policies (though we recognise that it is addressed in the revised Implementation Plan).
- 5.89 Policy CC5 and the supporting text appear to assume that new development by definition will require additional capacity in infrastructure. This is inconsistent with what is described as 'manage and invest' in the transport context and the 'twin track approach' in relation to water resources. In both cases some reduction in demand is envisaged as a result of behavioural change. Hence we recommend that Policy CC5 should make explicit reference to demand management and that the text should tie this into the manage and invest strategy in relation to transport and the twin track approach to water resources.

- 5.90 In our view it is vital that the Plan should distinguish between three elements of implementation that impact on infrastructure, namely:
- delivering efficiency by improved management of the asset base
  - reducing demand by promoting behavioural change
  - providing additional capacity by extending or providing new infrastructure.
- 5.91 The first two approaches above are essentially managerial in character and so are often subsumed under the general heading of demand management as distinct from new provision. But we acknowledge that all three elements require considerable effort and extra investment, if only in raising awareness. We are also aware that the responsibility for implementing the necessary management measures is shared by a wide range of private and public agencies as well as individuals and local communities.
- 5.92 Since the pressure on infrastructure generated by the draft Plan is likely to be small compared to that from existing development we share the view of those participants who stress that better management of existing infrastructure and behavioural change must be achieved if the strategy is to be sustainable<sup>27</sup>. Hence the need for Policy CC5 and the supporting text to make explicit reference to the role of demand management.
- 5.93 We also consider that it would be helpful to clarify the scope and types of infrastructure covered by Policy CC5. A clear definition of infrastructure is included in Figure 2 of the Implementation Plan and we recommend its inclusion in supporting text to this policy, although with the addition of places of worship within the social infrastructure category, as requested by the Brethren's Gospel Trust.

### **Use of public Land (Policy CC6) c**

- 5.94 Policy CC6 encourages government departments and public landowners to undertake strategic reviews of their landholdings in order to identify potential development and land management opportunities. We share the views of most participants that this is an appropriate reminder about the need to make best possible use of public land. The draft Plan refers to the review that has been commenced by the Ministry of Defence and, as part of this, a report identifying potential land releases was published just before the opening of the EiP<sup>28</sup>. We welcome this and other such initiatives.
- 5.95 However, concerns were raised about the policy's requirement that disposal and implementation strategies should be "agreed" at the regional level with the Assembly and other partners and it was also questioned whether this requirement would add value. We agree with Kent CC that the strategic objectives and policies of RSS should be taken into account in the use and disposal strategies and this would make clear how the policy adds value. Also, it would be appropriate to seek consultation, rather than agreement, with the Assembly and other partners. Kent CC's amended policy<sup>29</sup> refers only to major sites and it would be advisable to limit the scope of the policy in this way. As the Assembly suggested, this could be interpreted in terms of the guidelines for referral of major planning applications to the Assembly.

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<sup>27</sup> The challenge of modifying current behaviour and the need for clearer and stronger demand management, particularly in relation to transport was the subject of comment in relation to the Implementation Plan. Sustainability Appraisal of the Draft Implementation Plan for the South East Plan, ERM, October 2006 [SEP3C]

<sup>28</sup> Defence Estates and SEERA Joint Studies on the Development Potential of the Ministry of Defence Estate in the South East Region, GVA Grimley, October 2006 [Sr16]

<sup>29</sup> Kent CC Matter 10A statement

- 5.96 We support the particular focus of the policy on the need to maximise the potential supply of land for affordable housing. Kent CC wishes to have a reference included to employment land, and the EA reminded us that non-development land for compensatory habitat creation or mitigation land (e.g. for SANGS) may be a priority. We agree there are a range of potential uses that may be most appropriate in any particular case but we are satisfied that the policy does not need to attempt to identify them, since the reference to RSS strategic objectives and policies and to land management would encompass a range of potential uses. However, the supporting text could be expanded to acknowledge these issues.

## RECOMMENDATIONS c

c

### **Recommendation 5.1 c**

Amend the supporting text to Policy CC3 to include a definition of the concept of the 'ecological footprint', and explain that where the implementation of the Plan might increase the footprint there is potential to offset the increase by measures driven by other regional strategies and policies. In particular, include a reference to the RES's agenda for sustainable production and consumption across business sectors. (para 5.24)

### **Recommendation 5.2 c**

Expand the supporting text for Policies CC4, H5, H7, T5 and EN1 to refer to their relevance to climate change mitigation and adaptation strategies and reducing the region's ecological footprint (paras 5.15, 5.25, 5.30)

### **Recommendation 5.3 c**

Amend the title of Policy CC4 to "Sustainable Design and Construction", and the policy to encourage new housing development to seek the highest possible sustainability rating in the Code for Sustainable Homes, subject to economic viability. (paras 5.15, 5.28)

### **Recommendation 5.4 c**

Update the supporting text to Policy CC4 by referring to the Code for Sustainable Homes and to clarify that the EcoHomes standard will continue to operate during the transition to the Code. Also refer to exemplar zero carbon developments in the region, and encourage the use of sustainability checklists. (paras 5.25, 5.28, 5.29)

### **Recommendation 5.5 c**

In Policy CC5: delete the reference to the conditional approach, and instead emphasise the close relationship between development and infrastructure; refer to a more proactive approach to pooling, tariffs and local delivery vehicles; delete the reference to a Concordat and replace it with a reference to the need jointly to develop forward funding mechanisms; and refer explicitly to the role of demand management (paras 5.83, 5.87, 5.89, 5.92)

### **Recommendation 5.6 c**

Expand the supporting text to Policy CC5 to link it to the manage and invest and twin track approaches; to clarify the scope and types of infrastructure covered by the policy, and to refer to the scope for putting developer contributions towards new infrastructure including as a result of the cumulative effect of small scale developments. (paras 5.86, 5.89, 5.93)

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**Recommendation 5.7 c**

Amend Policy CC6 to make clear that strategies for the use and disposal of public land should be related to the RSS's objectives and policies and to require consultation, not agreement, with the Assembly and other partners on major sites. (para 5.95)

**Recommendation 5.8 c**

Include explanation in the supporting text to Policy CC6 of the types of potential uses that would support delivery of the Plan, and relate the definition of major sites to the guidelines for referrals of major planning applications to the Assembly. (paras 5.95, 5.96)

**Recommendation 5.9 c**

Delete Policy CC7 since it relates to process not policy guidance (para 5.35)

**Recommendation 5.10 c**

Amend Policy CC8b to give more weight to the relationship between the roles of hubs as a focus of accessibility and economic activity and the location of housing development. (para 5.50)

**Recommendation 5.11 c**

Expand the supporting text to Policy CC8a to include four identified roles of hubs. (para 5.50)

**Recommendation 5.12 c**

Amend the title of Policy CC9 to "Regeneration and Social Inclusion". (para 5.56) See also Recommendation 15.11

**Recommendation 5.13 c**

Amend Policy CC10a to provide for the general protection of the Green Belt in the region while identifying broad locations where selective reviews of the boundaries are likely to be required; provide for local reviews, and for reviews of major developed sites where land release may be the most sustainable option for development; provide for a joint or coordinated approach where reviews cover more than one local authority area; ensure sufficient land is safeguarded to avoid need for further review before at least 2031. (paras 5.63 and 5.65)

**Recommendation 5.14 c**

Amend Policy CC10b to make clear that the designation of strategic gaps should only be necessary where gaps between settlements could not be protected by other landscape and countryside policies, that the proposed gap should be the minimum required to prevent coalescence and is unlikely to be more than two miles in width. Also add a requirement for a joint or coordinated approach to LDDs where gaps cross local authority boundaries; to require a review of the boundaries of identified strategic gaps in LDD reviews; and clarify that small-scale development in keeping with the rural nature of the areas would not be prevented, subject to other planning policies. (para 5.71)

**Recommendation 5.15 c**

Delete the reference in Section D1, para 1.38 to local gaps. (para 5.72)

**c**

**Recommendation 5.16 c**

Add a reference in the supporting text to Policy CC11 to the Ageing Assets report, and the importance of providing a wider choice of housing options for older people including sheltered and extra care housing and residential care homes, and to recognise the contribution of older people in the labour force, in voluntary services and community leadership. (paras 5.36, 5.40, 5.42, 5.43)

**Recommendation 5.17 c**

Add into Policy CC12 references to promoting sustainable communities and designing out crime. (paras 5.4, 5.5)

**Recommendation 5.18 c**

Add a new cross-cutting policy on green infrastructure, and supporting text based on the suggestions made by the Regional Assembly. (para 5.74)

**Recommendation 5.19 c**

Make a specific reference to the economic opportunities to be derived from increasing the market for new environmental products and technologies, and to the need to facilitate the growth of this sector in the supporting text to Policy RE1. (para 5.16)

**Recommendation 5.20 c**

Amend Policy RE5 to make clear that measures to encourage smart growth should be taken in those areas that are underperforming as well as in the most economically successful parts of the region involving both SEEDA and local partners, and amend the title to read "Promoting Competitiveness and Addressing Structural Economic Weakness". (para 5.53, 5.56)





## **6 v ECONOMY v**

Matter 1B.1& 2, 1G.1-4, 5A.1-2

*This chapter considers the influence of globalisation, and the relationship of the draft Plan to the RES. It finds internal inconsistencies in the draft Plan between its job estimates, labour supply assumptions and GVA growth expectations. While supporting the concept of smart growth, and recommending that it is the subject of a new regional policy, it argues that the Plan should seek a better match between new jobs and new labour supply through an increased housing provision. It suggests a strengthened policy on employment and land provision emphasising the importance of joint working on employment land reviews, supported by a set of job targets in the sub-regions for regeneration and growth and monitoring estimates elsewhere.*

### **Cv FOUND INFLUENCES v**

- 6.1 The South East's economy is worth £158 billion in 2004, almost 16% of the UK total, and larger than the economies of Denmark, Norway, Finland and Singapore<sup>1</sup>. Most indicators assembled by the DTI for the 1998-2002 period show that the South East is the fastest growing region apart from London, or as in the case of total investment, and services investment by foreign owned companies, the fastest<sup>2</sup>.
- 6.2 Clearly the health of the South East economy is of crucial importance to the performance of the national economy. Although this is acknowledged amongst the contextual factors, we do not consider that this importance has been translated into the draft Plan's spatial strategy and subsequent provisions.
- 6.3 The draft Plan's approach to the economy appears to be relatively passive, apart from in the sub-regions seeking regeneration. There are few measures included to foster or even manage success in the economically buoyant parts of the region. Hence we are concerned that the RES identifies complacency as one of the biggest dangers facing the region<sup>3</sup>.
- 6.4 The local authorities demonstrated a wholesale distrust of employment projections, on the basis of their volatility and that past relationships between GVA growth and employment growth were changing. Most local authorities were also highly resistant to the idea of translating employment projections into estimates for employment land and/or floorspace, because of the risk of compounding uncertainties on employment change, and its limited relationship with land requirements. Hence there appears to be a heavy reliance on the concept of 'smart growth', as discussed further below.
- 6.5 The result is that there is little quantification of the future needs of the economy in the draft Plan, hence it is difficult to understand the extent to which these have influenced housing provision figures. In particular there is virtually no consideration of the situation post 2016, when additional labour supply will be severely curtailed as a result of the ageing population. Having assessed the scope for economic and labour market adjustment, we have sought to recommend ways of mitigating areas of significant misalignment between labour demand and labour supply, while fully recognising that this is not a mechanical exercise.

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<sup>1</sup> Grimley Matter 1G statement

<sup>2</sup> Regional Competitiveness and State of the Regions, Tables 3aiv and 3aii, Mukund Lad for DTI, April 2005 [En4]

<sup>3</sup> The Regional Economic Strategy 2006-16, para 9, SEEDA, October 2006 [ER2E]

- 6.6 Equally with little identification of employment land needs either in terms of scale or location, there is little guidance for subsequent LDFs. The absence of information on employment land requirements in all but a few sub-regions is difficult for us to rectify, and will need to await more detailed employment land review work by local authorities as discussed below.

## **Globalisation and Competitiveness v**

- 6.7 Globalisation of the labour market and technological change were identified as two of the key drivers for change in the region in an extensive piece of research commissioned by the Regional Assembly<sup>4</sup>. We acknowledge that the draft Plan includes global competition and technological changes among its cross-cutting themes as well as drivers for change, though it does not discuss globalisation in detail. The Assembly explained that the certainty associated with a particular driver influenced how it was taken into account in the policy-making process, and we endorse the logic of that approach. However while in our view the draft Plan generally makes appropriate references to globalisation and technology we are less clear about how precisely these themes are taken into account in both regional and sub-regional policies.
- 6.8 Most participants outside the local authority sector feel that the draft Plan takes inadequate account of global forces and the full impact of international competition. In this respect we are inclined to agree with those who compare the RSS unfavourably with RPG9. The latter is clearer than the draft Plan in asserting that the region is a world player and should be developed as such. Global economic changes are likely to have a profound effect on the South East economy – which is why the RES links global competitiveness to a headline target (of at least 3% GVA per capita over the period 2006-16). In order to provide a stronger response to an increasingly global economy, we suggest that Policy RE1 (which was not amongst our matters for debate) could include a stronger reference to international business activity and the need to encourage and support it. The change to the title of Policy RE5 which we have already recommended in Chapter 5 would also serve to give greater emphasis to the need to maintain and enhance the competitiveness of the economically successful areas.
- 6.9 In relation to globalisation the Regional Assembly commissioned expert advice on the issue of off-shoring and we are satisfied that its potential impacts on the region's economy has been adequately considered (see para 6.55).
- 6.10 There is also a spatial dimension to the region's competitiveness. Not only are London and the 'Golden Arc' (including the Western Corridor/Blackwater Valley-Oxford-Milton Keynes/Aylesbury) the real powerhouses of the English economy<sup>5</sup>, but the region's polycentric structure has been identified in the Polynet study as one of its global strengths<sup>6</sup>. In contributing to the expected national economic growth, market pressures are likely to make towns like Reading, Milton Keynes and Crawley, and possibly those in South Hampshire, more independent of London. In addition to the need for strong pan-regional working relationships noted in Chapter 2, this trend will require good transport links between these towns as well as with London in order to realise their full economic potential. We agree with the Regional Assembly that the draft Plan appears to reflect the polycentric findings of the Polynet study, though there

<sup>4</sup> Planning for the Future: Final Project Report, Forum for the Future, 2005 [Sr5]

<sup>5</sup> Connecting England: a Framework for Regional Development, P Hetherington, 2006 [En11]

<sup>6</sup> South East England in North West Europe: Trends and Messages from Polynet, Sir Peter Hall et al, 2005 [Sr6]

is a case for more explicit recognition of the economic significance of the emerging 'Golden Arc'.

## **Relationship with the Regional Economic Strategy v**

6.11 The preparation of this draft RSS and the latest RES has largely been undertaken in parallel but each has been informed by its own evidence base. Thus although there has been some attempt to seek complementarity, there are in our view some significant differences. We are fully conscious that RSS is a broader document, based on an extensive consultation process, and needs to balance economic against other issues. The RES is able to contain stronger elements of advocacy, although is still subject to a SA and one of its three headline targets relates to the South East's ecological footprint. There is a reasonable match in terms of the assumptions made between both documents about sectoral performance. The major differences are between:

- the assumptions included on GVA, as discussed further below;
- the assumed upper limits of productivity improvements and increases in economic activity rates, and hence implications for the level of new labour supply needed, as discussed further below;
- the relationship between the RES contours and the sub-regions, particularly in relation to the policies/actions necessary to support the economy in the buoyant parts of the region;
- the significance of the Diamonds for Investment and Growth, a concept which appeared in the deposit draft RES, and which cannot fully be reconciled with the draft RSS's sub-regions;
- the degree of support for airport growth, as discussed in Chapter 9 below.

6.12 We are conscious of the warning in PPS11, para 2.11 that a region's ability to deliver will be compromised if the RSS and RES do not support one another and the key objectives and vision are not aligned. Hence we have sought in our recommended revisions to the draft Plan's spatial and sub-regional strategies to improve the consistency between the two documents. In doing so, we have been influenced by the Government's regional economic performance target<sup>7</sup>. Our perception is that, in its desire to reduce intra-regional disparities, the Regional Assembly has given insufficient weight to the need also to foster the economically buoyant parts of the region which make a significant contribution to overall regional economic performance.

6.13 We support the aim of using a common evidence base when both strategies are reviewed next time. We also support the intentions of both the Regional Assembly and SEEDA to prepare a joint Implementation Plan, and are confident that this will also seek to narrow differences.

## **OSS Vv LUE vDDED PvoJECTIONS v**

### **lignment with the RES v**

6.14 GVA is a measure of output, estimated in the Regional Assembly's work by adding productivity growth and employment growth. The draft Plan is expected to provide

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<sup>7</sup> quoted in Guide to Improving the Economic Evidence Base supporting Regional Economic and Spatial Strategies, section 1.3.3, Arup for ODPM, September 2005 [En2]

- for an average growth in GVA of 3% per annum for the first 10 years (B, para 7.3.2 and 7.4.2, C para 3.3.3).
- 6.15 On the other hand, the RES seeks to achieve an average annual increase in GVA per capita of at least 3%. GVA per capita is estimated on a workplace basis as given in the RES, that is allocating the income of commuters to where they work not where they live. SEEDA considers that this indicator is a better reflection of the type and pattern of activity and points to what can be done to improve productivity and economic activity.
- 6.16 As a matter of definition, there is therefore a difference between the two strategies, since a higher total GVA growth rate is needed to sustain a given GVA per capita growth rate to take account of the effect of population growth during the plan period. Indeed both the PUSH authorities and the South West RDA estimated that the RES target is equivalent to 3.4-3.5% GVA growth. The draft RSS has therefore pitched itself lower than the RES; the issue is whether this difference matters.
- 6.17 The draft Plan acknowledges that a 3% per annum GVA growth is lower than levels achieved in the recent past (C, para 3.3.3)<sup>8</sup>. We were told that a lower GVA growth in future is consistent with the expectation of a sustained slowing in consumer spending.
- 6.18 To our mind it is not necessarily inconsistent for the two documents to have different figures, given their different purposes and the different status of these indicators. GVA growth is an assumption in the draft Plan, not a target as such. GVA per capita is one of three headline targets within the RES, and it is there described as being ambitious<sup>9</sup>. We accept that economic performance is influenced by a range of global and macro economic factors, as well as factors more capable of being influenced by RSS.

### **Internal Consistency within the draft Plan v**

- 6.19 Of greater concern to us is that the draft Plan's provisions are not compatible with its expectations of achieving about 3% GVA growth. The submission draft Plan contains employment estimates for monitoring purposes for the 2006-16 period. These are based on projections assuming a labour supply consistent with a continuation of long-term migration trends in four of the sub-regions, above trend job targets in four sub-regions, and a labour supply estimate in the final sub-region.
- 6.20 Assuming a labour supply consistent with housing provision levels in the draft Plan (28,900 dpa) indicated a much reduced employment level and a GVA growth of 2.9%<sup>10</sup> pa 2006-16, with a longer-term average of 2.75% pa 2006-26. These projections, referred to later in this report as the Regional Assembly's dwellings-based projections, were of serious concern to SEEDA, particularly as in the intervening period Experian and Cambridge Econometrics had revised upwards their previous estimates of GVA growth and employment growth in their published forecasts based on ONS population trend data.
- 6.21 During the course of the EiP, SEEDA reached agreement with Assembly officers about employment figures for monitoring in all sub-regions apart from one. On the basis of these employment figures, SEEDA was content that there was a reasonable prospect of achieving a 3% pa growth in GVA. These employment figures, together

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<sup>8</sup> 3.46% 1986-2006, Economic and Labour Demand Forecasting Scenario 7 Forecasts, Technical Note 1 Annex, October 2006 [Er1D], and 3.9% 1993-2003, RES Evidence Base, para 4.2.4, SEEDA, October 2006 [Er2D]

<sup>9</sup> RES, page 6

<sup>10</sup> equivalent to about 2.5% GVA per capita, according to SECL

- with their implications for housing levels, are discussed later in the sub-regional chapters.
- 6.22 The other set of GVA projections available at the examination was by Cambridge Econometrics for SECL. Their modelling work based on the housing provision level included in draft RSS produced an average GVA growth of about 2.8% per annum for both 10 year periods of the plan, equivalent to 2.4% GVA per capita for 2006-16 and 2.5% 2016-26. This relies on higher productivity assumptions, and produces lower employment growth than the Regional Assembly's work, and is discussed further in the next section.
- 6.23 We therefore conclude that there is an internal inconsistency within the draft Plan, and later recommend revising other provisions of the plan to reconcile this. In line with many participants, we consider that a level of about 3% GVA growth between 2006-16 is appropriate for inclusion in RSS. This reflects the level from the standard regional forecasts published by Experian (3.04% in October 2006 – the latest available at the time of the EiP<sup>11</sup>), which have informed our recommendations on job estimates for monitoring purposes. It is also similar to that produced by the latest standard regional forecasts published by Cambridge Econometrics (2.93%) in February 2007. Regrettably we agree with the Regional Assembly that a GVA estimate for the longer-term will need to wait a future RSS review (B, para 7.4.2), at which point we hope that further economic and employment work should have been completed.
- 6.24 To improve understanding of the relationship with the RES, we recommend that RSS includes both GVA and GVA per capita indicators as part of its monitoring framework, as appears to be the intention (B, para 7.4.2, and the proposed performance indicator against Policy RE5 in the Monitoring Framework). As is already current practice, it will be important to continue to monitor differences in GVA per capita between virtual counties. The differences between buoyant areas in the west and north west of the region, and coastal counties is quite marked<sup>12</sup>, although this will hopefully reduce over the longer term.

## **LvBOUR DEMvND AND SUPPLY PROJECTIONS v**

### **Employment Projections v**

- 6.25 Total employment (full, part, self employed) is estimated at almost 4.28 million in 2006<sup>13</sup>. Recent growth has been strong particularly in the service sector. The region has a diverse manufacturing base, with high representation of knowledge intensive activities in research and development, pharmaceuticals and biotechnology, electronic equipment and instrumentation<sup>14</sup>.
- 6.26 A wide variety of projections was made available to the EiP based on different models, all of which expect lower rates of employment growth than experienced over the recent past. The main differences in approach relate to the extent to which employment demand is assumed to be constrained by expected labour supply, and assumed levels of productivity improvement.

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<sup>11</sup> Updated Table which shows comparison data for 2006-2016 and 2006-2026 between Experian scenario 7 (SEERA), Experian published & Cambridge Econometrics published forecasts for GVA & employment with Feb 2007 Cambridge Econometrics published forecast added, March 2007 [SEEDA2A]

<sup>12</sup> Annual Monitoring Report 2006, Chapter 4 Economy indicator 30, March 2007 [SEERA 20B]

<sup>13</sup> Technical Note 1 Annex Economic and Labour Demand Forecasting , Scenario 7 Forecasts, para 3.3.1, SEERA, October 2006 [Er1D]

<sup>14</sup> Final Report: South East Regional Property Market Study , page 4, CBRE Ellis, March 2007 [SEERA13A]

- 6.27 The Assembly has used a modelling approach designed by Experian which takes account of short term demand trends, but over time is increasingly a reflection of available labour supply derived from housing numbers<sup>15</sup>. The earlier work of the Assembly (July 2004) incorporated assumptions of a continuation of short and long-term migration trends (scenarios 3 and 4 respectively). However the model was later rerun constrained by the draft Plan's housing level of 28,900 dpa (scenario 7), and also incorporating updated base year information.
- 6.28 A similar exercise was commissioned by SECL from Cambridge Econometrics which adapted their standard model to reflect a future constrained by the draft RSS housing levels, leading to adjustments in input assumptions e.g. higher productivity improvements differentiated by sub-region.
- 6.29 Three alternative sets of employment forecasts with fewer supply constraints were submitted to the EiP:
- standard regional forecasts as published by Experian, aggregated from district data to the nearest equivalent unit to each sub-region and rest of county area, relied on by SEEDA;
  - demand forecasts produced by the Institute of Employment Research at University of Warwick, presented as nearest equivalent sub-regions and by virtual counties, submitted by Barton Willmore;
  - demand forecasts (continuation of current trends) from Tempro 4 later updated to Tempro 5 as used in transport modelling, available by districts, submitted by DLP.
- 6.30 In addition the regional level outputs from the standard regional forecasts published by Experian and Cambridge Econometrics were submitted by SEEDA.
- 6.31 The results in terms of the number of new jobs forecast to be created in the region between 2006-26 ranged from 305,000 produced by the SECL work to 766,000 produced by the Warwick model. The employment estimate corresponding to the Regional Assembly's scenario 7 is 444,000, but when adjusted to incorporate the job targets in the strategies for three of the coastal sub-regions together with MKAV rises to 570,000<sup>16</sup>.
- 6.32 Our own view is there has been a large element of post hoc justification in the way that the Assembly has considered employment projections. We do not consider that employment demand should be constrained to the extent that it has been by preferred housing provision levels. Hence we agree with those participants who were dismissive of the Assembly's scenario 7 approach as being a "self-fulfilling prophecy". We are also concerned that the employment projections within the SECL study are artificially deflated by assumptions about high levels of productivity improvements, as discussed further below.
- 6.33 We consider that a trend-based approach linked to macro assumptions about the national economy is the most appropriate baseline for the RSS. This will already reflect the effects of globalisation, the fact that output has been growing faster than employment in this region, and that overall growth is likely to be slower than the recent past. Any changes above or below this baseline should be fully justified in

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<sup>15</sup> Technical Note 1 on Economic and Labour Demand Forecasting , SEERA, March 2006 [Er1]

<sup>16</sup> These regional estimates are stepped down to either sub-regional level or virtual counties using shift-share techniques, with the exception of the Tempro forecasts which appear to be based on a simpler method of projecting forward local trends

accordance with national good practice<sup>17</sup>. The draft Plan contains a justification for above trend policy-based job targets for certain sub-regions. It does not contain any justified statement that the intention is to restrain the economy in the more buoyant areas. We are content to accept the advice of SEEDA that the Experian published forecasts for the South East region are the best starting point for this RSS. The sub-regional implications of this are discussed further in the section on job estimates below.

## Labour Supply Projections v

- 6.34 Various projections were also supplied to the examination. The Assembly's third round projections had been based on different migration assumptions as explained in the next chapter. But their most recent fourth round projection was controlled to housing provision levels in the draft Plan to produce what we have termed a dwelling led projection<sup>18</sup>. This applies the so-called mid range variant for labour participation rates which assumes that rates will increase for males and females within the 55-59 age group onwards and for females aged 25-44<sup>19</sup>.
- 6.35 The Regional Assembly's latest projections produced an estimate of nearly 270,000 additional workers for the region for the 2006-26 period, while SECL only anticipate about 160,000. Other participants who submitted labour supply estimates had also based these on the Anglia Ruskin University model and when run as a dwelling led projection produced similar results to those of the Assembly. All participants accept that there will be a significant fall off in the growth of new labour supply in the 2016-26 period. This reduction is the most exaggerated in the projections produced by SECL.
- 6.36 CPRE was the only party to challenge seriously these labour supply assumptions. They considered that a higher labour supply would be forthcoming because of the effect of longer working lives, i.e. retired people coming back into the labour force and/or later retirement ages. They consider that this trend is consistent with the Turner pension review. Towards the end of the EiP, they provided evidence from ONS statistics to show that this trend was increasing<sup>20</sup>. The Assembly claimed that they had captured some but probably not all of this effect through the use in their fourth round projection that was based on the most recent ONS economic activity projections (2004).
- 6.37 SEEDA also considered that higher economic activity rates than the mid range variant would be more likely, and hence they envisaged a slightly higher labour supply than that forecast under the Assembly's fourth round projection. They also conceded that the effect on longer working lives was very recent and probably had not been fully taken into account of in these projections.

## Alignment between Labour Supply and Demand v

- 6.38 There is currently a surplus of around 100,000 jobs over workforce in the region (see Table 6.1 below). The draft Plan acknowledges the possibility of a significant gap between projected new jobs and labour available, although expects this to be reduced by a series of offsetting factors, as discussed in the section on adjustments below.

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<sup>17</sup> Guide to Improving the Economic Evidence Base supporting Regional Economic and Spatial Strategies, Arup for ODPM, September 2005 [En2]

<sup>18</sup> Technical Note 5 (Revised ) updated on Demography, SEERA, October 2006 [Hr1A]

<sup>19</sup> Economic Technical Note 1, para 2.4.3 i) [Er1 as above]

<sup>20</sup> Updated annual population survey: Web page from Nomis, ONS, 25 March 2007 [CPRE10b]

- 6.39 On paper at least the apparent mismatch between 2006-26 represents an absolute level of 175,000 on the Assembly's scenario 7 and 4<sup>th</sup> round projections, but increases to 450,300 on the Tempro 4 job projections submitted by DLP (later updated to Tempro 5 for some sub-regions), and 621,200 on the Warwick demand forecasts submitted by Barton Willmore. On SECL's assumptions all, or virtually all, of this mismatch occurs in the 2016-26 period<sup>21</sup>. Considerable discussion took place at the examination on the nature of this relationship and whether the concept of "balance" was still applicable.
- 6.40 Like many participants, we consider that it is still good practice to plan for broadly similar numbers of new homes to the number of new jobs expected over parts of the region which have distinctive, albeit interlocking, labour market characteristics. Giving new residents the opportunity to work locally is still a fundamental tenant of national policy (PPG13, para 30). It was also a concept stressed by the Highways Agency in order to manage demand on the strategic highway network.
- 6.41 The draft Plan broadly achieves this in the east and south of the region, but not elsewhere. Hence on paper at least the largest misalignment on the Assembly's most recent projections is within the WCBV (90,000 more jobs than labour supply expected 2006-26) and London Fringe (nearly 51,000) sub-regions, and to a lesser extent Central Oxfordshire (over 15,000).
- 6.42 We accept that travel to work patterns are highly complex in the South East given the amount of inter-regional commuting. New research commissioned by the Regional Assembly<sup>22</sup> demonstrated that choice of residential location is often driven by personal reasons or to give access to a range of job opportunities for different family members and to avoid relocation when moving jobs. This is important within this region given the proportion of households with dual earners, and that short term contracts are commonplace particularly in the ICT sector within the Western Corridor. Although we find this work useful in highlighting the benefits of focusing new development at the regional hubs to take advantage of their connectivity, it is not persuasive as a reason for not seeking a closer match between labour demand and supply on the west side of the region.

## **SMv T GROWTH v**

- 6.43 The Regional Assembly and all local authorities argue that the economy will adapt to this apparent labour shortage by a series of mechanisms, collectively termed 'smart growth'. This concept also has implications for the amount of new employment space required, as discussed in the final section of this chapter.
- 6.44 There was considerable support and indeed enthusiasm among participants for the pursuit of smart growth. However notwithstanding these positive comments we consider that smart growth raises issues both in concept and application within the draft Plan. It is important in conceptual terms since the RES identifies smart growth as a key challenge and driver of prosperity; and it is important when applied to policy because it underpins the regional growth assumptions. We discuss each of these aspects in turn.
- 6.45 In our view there are four problems arising from the way that the concept of smart growth is used in the draft Plan:

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<sup>21</sup> EiP Panel Note 3 used in 1G debate, 5 December 2006 [EiP18]

<sup>22</sup> Drivers influencing the Spatial Decisions of where People choose to Live and Work, Experian for SEERA, November 2006 [Er22]



- It is open to differing interpretations and at one extreme it can appear to be so all-embracing as to be of limited value as a planning tool.
  - Despite the reliance on smart growth to reconcile housing and economic forecasts it does not appear to form part of the overarching strategy and the only up-front reference in the draft Plan is in the context of factors influencing labour supply and demand (section D2), though we accept that it is implied by Objective 23 of the IRF in section B.
  - The only dedicated policy on smart growth in the draft Plan relates to the WCBV sub-region (Policy WCBV5) but it is clear from the examination debates and the Regional Assembly's contributions that the concept is applicable to the whole region.
  - There do not appear to be any actions listed in the Implementation Plan that are geared specifically to smart growth and the mechanisms for its delivery are unclear.
- 6.46 All participants agree that if the concept is to be useful in planning, and particularly for preparing LDDs, it requires clarity. The Regional Assembly's focus on smart growth as a way of de-coupling economic growth from requirements for land and labour in the South East is helpful in understanding the draft Plan's approach. However we prefer the somewhat wider description adopted by SEEDA, namely, that the essence of smart growth is to increase the region's prosperity without increasing the region's ecological footprint. We also favour use of the six components of smart growth identified in the RES i.e. enterprise, skills, competition, transport, physical development and employment<sup>23</sup>. Inclusion of these smart growth components as drivers of growth in the RSS would help the Plan to achieve greater alignment with the RES, and we recommend accordingly.
- 6.47 Since we agree that smart growth is relevant to economic activity in all parts of the region we considered whether it should be the subject of a cross-cutting policy. However we feel that the ingredients of smart growth amount to a strategic principle rather than being appropriate to a pan-regional planning policy and that the real challenge is to adapt the concept to the differing circumstances in each part of the region. Hence we disagree with the idea of adding a new cross-cutting policy on smart growth.
- 6.48 In tailoring the smart growth principle to the needs of the individual sub-regions we are conscious that there is a fundamental difference between the more pressured areas and those where the thrust of policy is to stimulate the local economy. This distinction between areas where the economy is strongest and the coastal belt is made in Policy RE5 in addressing intra-regional disparities. While we considered the merits of grouping the sub-regions in similar vein as part of a regional economic policy on smart growth we feel that the subject would be better discussed in the text of the respective sub-regional sections of the RSS. This means, for example, that Policy WCBV5 would be deleted and the content of the policy would be brought forward into the Economy section. While the text relating to the WCBV sub-regional strategy would emphasise the role of smart growth in responding to a tight labour market the text supporting the Sussex Coast would stress the importance of upgrading local skills etc.
- 6.49 We therefore recommend that the text supporting each sub-regional strategy should include a brief comment on the role of smart growth in achieving delivery of the

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<sup>23</sup> RES, pp 66-83, SEEDA, October 2006. [ER2E]

- strategy. These sub-regionally distinctive comments would be set against an explanation of the principles and implications of smart growth at regional level, based on redrafting the text of section D2, paras 1.20-1.24.
- 6.50 Several participants not only want the draft Plan to embrace the concept more fully but also want more guidance on measures to deliver smart growth. While the desire to see the economic aspirations of the draft Plan translated into a set of practical actions is understandable, given that the South East has a recently reviewed RES this would simply duplicate the latter document. In our view the RES is the right place to spell out the various steps that need to be taken to achieve the objectives of smart growth and there is thus no need to include these in the RSS or the Implementation Plan. A cross reference to the RES is all that is needed, perhaps amplified by examples of relevant delivery processes in the sub-regions.
- 6.51 The Regional Assembly and other participants recognise that further work is required to continue exploring the concept to ensure that the region benefits from the opportunities available. We welcome that learning process and particularly the work involving Surrey CC who is leading the Interreg project on Smart Economic Growth. We agree that this work should help to take forward the smart growth policy approach as a joint exercise with SEEDA.
- 6.52 Despite this endorsement of the concept, there are nevertheless limitations to the numerical adjustments that we consider prudent to assume.

## **EAULISTIC SCALE OF ADJUSTMENTS TO MvTCH Lv OUR DEMv ND v AND SUPPLY v**

### **Factors affecting Labour Demand v**

- 6.53 The draft Plan identifies three factors that could reduce employment demand (B, para 7.3.5). Like other participants, we see the most potential being attached to the third item discussed below, i.e. productivity improvements.
- 6.54 **Changes in industrial structure** are already incorporated in the Regional Assembly's employment projections through the use of the shift-share technique. This indicates for example high rates of growth in financial and business services, expected to represent 29% of total employment by 2026 compared to 23% at 2001<sup>24</sup>. Sub-regional groupings were given the opportunity to comment on early forecasts (scenarios: 3 and 4) in the course of preparing their strategies, e.g. Central Oxfordshire made minor adjustments to the sectoral split by increasing education and reducing business services, but considered the overall projection reasonable. Although we heard assertions that the region would favour sectors and types of higher value business activity that can function with less labour, we are not convinced that planning has sufficient levers to influence this to any great extent.
- 6.55 **Off-shoring** is already incorporated into past trends, and hence will be reflected in the Assembly's projections. Background work estimated recent job losses at between 3-4,000 pa, equating to about 60-80,000 over the 20 year plan period<sup>25</sup>. The most extreme scenario considered in this research found that up to 220,000 fewer jobs might be created compared to the then scenario 3 baseline projection of 665,100 new jobs, 2006-26. This outcome (445,000 new jobs) almost exactly corresponds to the

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<sup>24</sup> Economic Technical Note 1, Figures 5 and 6, SEERA, March 2006 [Er1],

<sup>25</sup> The Impact of Off-shoring on the South East Economy, para 3.2.4, Experian for SEERA and SEEDA, November 2004 [Er8]

employment estimate produced by the Assembly's dwellings-based projection (scenario 7), hence we do not foresee any additional scope for moderating the labour demand and supply mismatch from this source.

6.56 **Productivity improvements per worker** are already incorporated as an input assumption into the Regional Assembly's scenario 7 projections at a rate of 2.28% pa for 2006-16, with an average over the whole RSS period of 2.24% pa 2006-26<sup>26</sup>. We agree that productivity improvements will be a powerful driver in this region particularly through the adoption of new working practices including greater use of ICT for homeworking, flexi locations, and varied contractual arrangements. However, we consider that the baseline assumptions are already ambitious, and are very sceptical about the assertions of SECL<sup>27</sup> that considerably higher additional productivity improvements could be achieved (2.38% pa 2006-2016, 2.6% pa 2016-26) for the following reasons:

- Early work for SEEDA suggested that an additional 5% productivity improvement on top of the then assumed 2.27% (to 2.39%) was the maximum feasible, and would make the South East one of the most productive regions in Europe<sup>28</sup>. During the debates, SEEDA suggested that their RES headline target of increasing productivity per worker by an average of 2.4% pa to 2016 was at the outer limits, the feasibility of which they were discussing with DTI economists.
- The SECL assumptions significantly exceed those within the standard published forecasts for the region by the same consultants, Cambridge Econometrics (2.21%, February 2007) and also exceed the published forecasts of Experian (2.2%, October 2006)<sup>29</sup>.
- Productivity improvements will be substantially more difficult to achieve within some sectors, e.g. public and consumer-related services, which form a significant proportion of total employment in some sub-regions. On the other hand productivity improvements are easier to envisage in the advanced manufacturing sector from the substitution of capital for labour.
- SEEDA indicated the possibility of a time lag before higher productivity kicks in, since the parallel objective of bringing the economically inactive into the workforce may initially drive down productivity before it goes up

## Factors affecting Labour Supply v

6.57 The Draft Plan identifies several factors that could influence the scale of labour supply (B, para 7.3.5 and D2, para 1.23). These are discussed below.

6.58 **Double jobbing.** An average of 4.6% of the South East workforce held two jobs in 2001 according to the annual Labour Force Survey<sup>30</sup>. This applies particularly to part time workers. The extent to which the Assembly's projections already take account of this is unclear, although it is more explicit in SECL's work. We accept therefore

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<sup>26</sup> Economic Technical Note 1 Annex, page 4, SEERA, October 2006 [Er1D]

<sup>27</sup> Maintaining Economic Growth in a Pressured Region: Final Report, Cambridge Econometrics for South East County Leaders, September 2006 [Er20]

<sup>28</sup> Sustaining Success in a Prosperous region: Economic implications of the South East Plan, para 1.5 – Deloitte for SEEDA, March 2005 [Er5]. The baseline 2.27% productivity increase already results in the South East moving from the 16<sup>th</sup> most productive region in Europe in 2004 to the 9<sup>th</sup> in 2015

<sup>29</sup> SEEDA's comparative table [SEEDA2A]

<sup>30</sup> Economic Technical Note 1, para 3.3.4, SEERA, March 2006 [Er1]

that allowing for this factor may reduce labour demand and therefore in effect increase available labour supply.

6.59 **Economic activity rates** are already high in the region at 83%, and are assumed to increase to 85%. This broadly corresponds to one of six targets supporting smart growth in the RES (i.e. to bring 110,000 net additional South East residents of working age into the labour market by 2016, apparently from a 2001 base). We consider that this baseline assumption is already ambitious. However we are very sceptical about the possibility of achieving even higher economic activity rates, as argued by SECL<sup>31</sup> (just under 86% by 2016 and 87% by 2026, and as a sensitivity test 89% by 2026, despite an aspiration in the RES to bring up to 250,000 residents into the labour market by 2026, for the following reasons:

- SEEDA explained that these higher assumptions would involve for example halving those currently economically inactive due to long-term sickness or disability, and reducing by one third those looking after children, a prospect considered unlikely in the draft Plan (D2, para 1.23 ii.).
- We agree with the Assembly's comment in their Technical Note 1, page 14 that " ... squeezing more workers out of the existing population is going to be difficult and should not necessarily be relied upon as a potential source for increasing the workforce".
- The greatest effect on reducing economic inactivity would need to take place in the less buoyant parts of the region. This in turn relies on there being strong economic demand here. In our view this is by no means guaranteed as aspirational job targets have been used in these sub-regions.
- Economic activity rates approaching 90% would be the highest in Europe (D2, para 1.23 ii.).

6.60 Nevertheless, we were persuaded by evidence submitted by CPRE SE that the effect of later retirement or retirees seeking to re-enter the labour market could have an influence on increasing labour supply. As we understand it the Regional Assembly's latest (4th round) projections use updated 2004 ONS data on economic activity, but since then there has been a noticeable increase in older workers. CPRE used official data to show that the number of economically active 65+ males and 60+ females had increased by 5% in the year Q1 2005- Q1 2006, but over the 15 month period Q1 2005 – Q2 2006 it had increased by over 11%. While we agree that the influence of longer working lives should have a noticeable impact, there is still the issue of whether such people have the right skills and are in the right places to mitigate labour shortages. In addition we would not wish to place too much reliance on very short term statistics. We are not convinced by CPRE's arguments that this effect is sufficient to counter the scale of mismatch between labour demand and supply set out above.

6.61 **Commuting** flows are not overtly taken into account in the Assembly's figures, save in so far as at 2006 they explain the gap between labour demand and labour supply. The South East has a net outflow of workers to London but a strong net inflow from all adjacent regions. An overall reduction in out-commuting for the South East as a whole is anticipated by the pan-regional study<sup>32</sup>. Within this context, we acknowledge the scope for additional reverse commuting, as noted during the KTG and London Fringe debates, arising from the fact that employment growth in the south-eastern and

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<sup>31</sup> SECL study 2006 [Er20]

<sup>32</sup> Commuter Flows in London and the Wider South East 2001 to 2016/21, Cambridge Econometrics, WSP & the LSE for GLA, SEERA, EERA & others, October 2005 [Er10]

southern suburbs is anticipated in the latest projections by the GLA to be lower than in the adjoining parts of the South East (the same may not be the case on the west, because of the effect of Heathrow Terminal 5). However, we do not consider that changes in commuting flows will be of a sufficient scale to provide a balance between new jobs and new labour supply, and consider that the reliance placed on this adjustment by SECL to be unrealistic, for the following reasons.

- The highest level of job growth anticipated in London is in the central area, which is the main magnet for South East commuters.
- An increase in commuting by rail is forecast from Kent to London by the pan-regional study.
- The South West region is planning to achieve a more balanced relationship between its own labour demand and labour supply, e.g. in Swindon<sup>33</sup>.

6.62 **Migration** is a final adjustment factor which could increase labour supply. This mechanism was not considered in the Regional Assembly's work because their labour supply and to a lesser extent their labour demand assumptions were constrained by the selected housing provision level. This is where we think some adjustment needs to take place, tailored to the sub-regions with the greatest apparent mismatch between labour demand and supply, as discussed in the next chapter.

### **Overall conclusions on labour demand-supply mismatch v**

6.63 Our overall conclusion is that the concept of smart growth does not avoid the need to plan properly on the basis of the best available forecasts. The Regional Assembly's approach gives too little weight to the output of normal projection methods. When it has retrospectively attempted to justify its provision levels, it relies on assumptions at the extreme end of the possible scale of economic and labour market adjustments. This to our mind is a high risk strategy.

6.64 We have suggested in Table 7.1 upward revision of housing provision levels within most of the sub-regions, taking account of all the factors required by PPS3, para 33. The net effect of our recommendations is that the highest increases would be where labour shortages appear to be the greatest. By suggesting an increase of some 3,100 dpa (62,000 additional dwellings over the 20 year period, see Chapter 7), we are assuming an increase in the level of in-migration into the region compared to the Assembly's scenario 7, in fact up to the equivalent of the long-term 10 year migration rate. Using a simple ratio of the regional average number of workers per dwelling might yield an additional 67-73,000 workers (using 2026 and 2006 ratios respectively), although in reality high ratios would be expected in the buoyant parts of the region. This figure goes some way to close the gap between the projected increase in new labour demand and supply, as shown in the table below.

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<sup>33</sup> Swindon BC in 1G.4 debate pointed to the higher level of housing provision that it is making to counterbalance the current excess of jobs in its borough

**Table 6.1: Additional New Labour Supply from Panel Recommended Housing Increases**

	<b>2006 Balance*: labour supply and jobs</b>	<b>2006-26 Balance* on SEERA projections</b>	<b>2006-26 Balance adjusted for draft Plan's job targets</b>	<b>Panel recommended additional dwellings (see Table 7.1)</b>	<b>Estimated additional workers from Panel recommendations (rounded)</b>
<b>SE Region**</b>	<b>-97,000</b>	<b>175,000**</b>			<b>67,000</b>
S Hants	+600	- 3,500	-30,200	Zero	Zero
Sussex Coast	+10,100	+ 3,800	-18,700	5,400	5,800
E Kent Ashford	+16,600	+ 9,000	-37,000	5,000	5,400
KTG	+39,400	+ 2,000	-42,200	1,000	11,00
London Fringe	-13,300	-50,900		8,760	9,500
WCBV	-66,300	-90,000		18,080	19,500
MKAV	-20,500	+ 4,900	-4,100	3,800	4,100
C Oxon	-33,900	-15,400		6,100	6,600
Gatwick	-23,100	+ 800		1,500	1,600
Isle of Wight	+1,200	+2,400		Zero	Zero
Rest of county areas	-7,900	-37,000		12,380	13,400

\* Sourced from SEERA's scenario 7 projections in Technical Note 1 Annex, and SEERA fourth round projections in Technical Note 5 Demography

\*\* Calculated from total employment count. Reduces to 105,350 using Full Time Equivalent jobs

6.65 These revisions would not of themselves be sufficient to provide an exact balance between new jobs and new labour supply. Nor do we consider that this necessary because we accept:

- the uncertainties involved in long-term forecasting when assumptions have to be made about so many variables;
- that a lower rate of labour supply is a national phenomenon based on demographic factors, and that the economy will increasingly have to adjust;
- there will be some additional scope for productivity improvements which will reduce labour demand, and some additional labour supply in part due to longer working lives and taking account of double jobbing ( but not to the extent considered feasible by the Assembly and SECL);
- there is some scope for commuting adjustments, particularly additional reverse commuting from outer London (although not to the extent assumed by SECL);
- possible future policy interventions, such as road pricing, would change these relationships.

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## **EMPLOYMENT LvND/FLOORSPvCE PvOVISION v**

### **Job Estimates/ Targets v**

- 6.66 The Regional Assembly attempted some consistency by ensuring that some form of job estimate for 2006-16 was included in each of the sub-regional strategies, albeit that their basis differed, and in some cases has been updated subsequently (see paras 6.15-17 above). We consider it essential that RSS includes such job estimates:
- to provide the context for employment land assessment required in Policy RE2;
  - as a basis for monitoring the success of the economy;
  - to assist the read across with the adequacy of labour supply as above.
- 6.67 Despite the seeming inconsistency, we accept that some sub-regions have a stronger aspirational flavour and in these circumstances consider that a job target gives a strong welcoming message to investors. We recommend a similar job target for the Sussex Coast, given the priority it attaches to sustainable economic regeneration (see Chapter 17). A target signals that additional interventions may be made if jobs fail to materialise at the hoped for rate. Providing a job target for the 20 year plan period highlights continuity of objectives and the need for long-term actions. We therefore recommend that where sub-regional groupings have felt able to provide such guidance, namely in the three SCP Growth Areas and in South Hampshire, this should remain in the draft Plan.
- 6.68 For sub-regions in the more economically buoyant parts of the region, we have strong reservations in principle about the Assembly's supply constrained employment projections for the reasons given above. We consider that the Experian standard published forecasts have more legitimacy. Nevertheless we are content to use the job estimates agreed between SEEDA and the Regional Assembly during the debates except for the London Fringe and Central Oxfordshire sub-regions (see Table 6.2 below). We have also sought to rectify the perceived vacuum for rest of county areas by including generalised employment estimates suggested by SEEDA, based on the Experian published forecasts.
- 6.69 We recommend that a table, similar to Table 6.2, showing these job targets and monitoring estimates is included in the supporting text to Policy RE2 to give that the overall context for the later sub-regional and rest of region sections. Although we accept in principle the merits of a consistent pan-regional approach, we do not consider the estimates are sufficiently robust for them to be included in policy (as in Policy E1, East of England Plan, Government's proposed changes).

**Table 6.2: Recommended Job Targets and Monitoring Estimates**

	<b>Job Target 2006-26</b>	<b>Job Estimate 2006-16</b>	<b>Source</b>
South Hampshire	59,000		SEERA8 & E1, para 2.19
Sussex Coast	30,000 (2006-16)		SEERA8
East Kent & Ashford	50,000		SEERA8 & E3, para 2.15
Kent Thames Gateway	58,000		SEERA8 & E4, para 2.13
London Fringe		39,500	SEEDA 8Hi statement
Western Corridor Blackwater Valley		79,300	SEERA8
Milton Keynes & Aylesbury Vale	49,950* for MK & 21,500* for AV		SEERA8 & Policies MKAV1 & 2
Central Oxon		18,000	SEEDA5
Gatwick		17,400	SEERA8
Rest of Kent		15,000	SEEDA7
Rest of Hants		14,500	SEEDA7
Isle of Wight		7,000	SEEDA 9B.1 debate
Rest of region		20,500	SEEDA7

\* adjusted as a result of amendments to housing numbers, see Chapter 23

- 6.70 We recommend that the next RSS review should include indicative job estimates/targets reflecting a convergence between the RES and RSS, if possible for groups of districts councils within these sub-regions or rest of region areas. This will provide a stronger steer for LDFs and ongoing monitoring. Joint employment land review work may well provide a bottom up input to these estimates, but a major contribution will still be needed from top-down employment projections in order to give regional consistency and to incorporate strategic demands.

### **Employment Land (Policy RE2) v**

- 6.71 There is surprisingly little quantification of the amount of new employment space that might be required within the draft Plan, despite a good practice guidance that employment land forecasts should be prepared by RPBs<sup>34</sup> and the requirement that RSS sets out the overall need for additional office floorspace over the plan period and for five year periods within it (PPS 6, para 2.13).
- 6.72 Policy RE2 requires local authorities in preparing their LDDs to assess the needs of their local economy and take account of the "quantity" of employment land and

<sup>34</sup> Employment Land Reviews, guidance note, page 17, ERM for ODPM, December 2004 [En3]



premises in sub-regional strategies. The only fully developed projection is for South Hampshire, which identifies the scale of new employment floorspace required (Policy SH6). We were told that the constituent local authorities were now working together to subdivide this estimate between them. The scale of floorspace “currently planned” is given for EKA, and “committed” for KTG and an estimate of new employment land required is given for Basingstoke in the WCBV sub-regional section. Several other sub-regional strategies acknowledge that new employment land is needed but without any scale attached (Sussex Coast, Aylesbury Vale, Central Oxfordshire, Gatwick). There is therefore little context to inform LDDs.

- 6.73 We find this lack of quantification regrettable. To our mind, it means that the RSS risks:
- providing insufficient guidance to LDFs, since employment growth estimates on their own cannot give an indication of the type and quality of additional floorspace or land needed;
  - giving an inadequate steer on implementing the locational and land use elements of the RES;
  - giving the wrong message that some areas do not need a planned approach to their continued sustainable economic growth;
  - weakening the ability to protect sites for employment generating uses where residential land values are significantly higher and investors are reluctant to provide new business space speculatively (a case made strongly by the East Sussex Economic Partnership and Hampshire CC).
- 6.74 We understand the reservations expressed by local authorities particularly within the buoyant parts of the region, that they do not want to undermine the reuse of existing employment land by inferring an additional need for new greenfield land. However this risk could be ameliorated by including new floorspace requirements together with a sequential policy of the kind in the South Hampshire sub-regional strategy, allied to strong development control procedures. We are less sympathetic to the concerns that we heard about the changing relationship between employment growth and land use, the so-called ‘spaceless growth’ phenomenon. With adequate local knowledge of the needs of different sectors of activity, there should be a methodological way of handling this, again as exemplified by the South Hampshire background studies<sup>35</sup>.
- 6.75 We heard varying views about the respective merits of floorspace targets compared to employment land targets. Floorspace estimates are equally applicable to town centre uses and mixed use locations, as business parks or B2/B8. Employment land estimates are perhaps easier to monitor against in terms of take-up and supply. The calculation of both is dependent on a set of assumptions. It would serve no purpose for us to express a strong preference for either measure, as there is so little numerical information available.
- 6.76 Nevertheless, we hope that a future RSS will be able to provide stronger guidance on this issue, particularly as the Assembly has now set up an Employment Land Task Group. Achieving this will depend on the results of **employment land review work**. Some has already been undertaken but DCSE admitted that it had largely been from a bottom up perspective so far. Progress on this early work was reported following

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<sup>35</sup> Economic Drivers and Growth: Productivity Growth, Employment and Housing (Phase 3) DTZ Peda Consulting 2005 [SH10]

submission of the draft Plan<sup>36</sup>, but there was little by way of coordinated findings that could usefully inform employment policy this time round. We are concerned that the district level in many cases will be too small to capture all the elements that should be included within an employment land review. This particularly applies to the identification of strategic sources of demand. Hence we were pleased to hear examples of joint employment land review work, e.g. between Crawley, Horsham and Mid Sussex DCs. The results of the recent Property Market study<sup>37</sup>, which identifies 13 key market areas, some of which straddle the regional boundary, should also provide a useful input into this work. This identifies the area to the west and south west of London, linking with the Thames Valley, as having the greatest need for cross district cooperation because of highly linked local markets.

- 6.77 In the meantime, the Experian standard forecasts could be used as a guide to inform LDF work, as these are available at district level although we fully accept the uncertainties involved in projecting to local level. Their use in this way appears to have been the intention at one stage in Surrey<sup>38</sup>.
- 6.78 Overall we consider that the lack of guidance on employment space requirements is a serious deficiency within the draft Plan. Nevertheless it is one that cannot be rectified until further work has been completed. We therefore agree with Hampshire CC that this might usefully be the subject of an early partial review of RSS.

### **dequacy of Locational Guidance v**

- 6.79 Policy RE2 requires local authorities to provide for a range of sites and premises based on a list of general criteria. This is supplemented in most sub-regions by additional guidance on favoured locations and criteria to be followed. Once again, guidance is most explicit in the three sub-regions containing SCP Growth Areas and in South Hampshire. Only in London Fringe and WCBV is the focus almost entirely on more efficient use of existing employment land (apart from an identified requirement for new land at Basingstoke). No locational guidance is given at all for areas outside sub-regions, except in Policy CC8c relating to the Maidstone, and Tonbridge/Tunbridge Wells hubs, even though some towns like Banbury and Winchester have sizeable employment bases. In addition Policy TC1 says that town centres will continue to be the main focus for office development in particular primary and secondary regional centres.
- 6.80 The draft Plan is honest in accepting a poor understanding of employment land supply at the local level (D2, para 3.1). The Assembly's approach has been to coordinate work on employment land including setting a common brief for sub-regions, rather than any form of high-level analysis at regional level<sup>39</sup>. We find it regrettable that greater impetus has not been given to employment land issues nor a stronger steer given at regional level to ensure that strategic needs are identified.
- 6.81 The draft Plan is deficient in our view in not providing any strategic context on the type of employment opportunities to be sought within different parts of the region. Policy RE2 concentrates entirely on providing criteria for the identification of general employment land. There is a vacuum on regionally-significant development despite advice in one of the background studies that the RSS should develop a long-term

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<sup>36</sup> Audit of Employment Land Reviews in the South East – DTZ for SEERA, July 2006 [Er1E]

<sup>37</sup> South East Regional Property Market Study, CB Richard Ellis for SEERA, March 2007 [SEERA 13a]

<sup>38</sup> LF7 and SurCC3

<sup>39</sup> Employment Land Reviews, SEERA Briefing Note, October 2006 [Er1F]

strategy for the provision of sufficient science park capacity particularly in Thames Valley, Oxfordshire and Surrey<sup>40</sup>.

- 6.82 We understand the Assembly's fears about identifying new strategic employment sites, given other objectives of the Plan. However we consider that some strategic context could usefully be drawn together from the sub-regional strategies. The following messages could usefully therefore be included:
- Locations for regionally-significant development, that is major inward investment opportunities, are to be found in the four sub-regions for growth, including Ebbsfleet, Ashford, Milton Keynes, Aylesbury Town, Eastleigh and the two Strategic Development Areas in South Hampshire.
  - Other locations for major development should be focused on the regional hubs and the gateways, especially where there are nationally significant resources such as world class universities.
- 6.83 We therefore recommend that Policy RE2 contains a requirement that through joint employment land reviews, local authorities should identify strategic employment land for those sectors showing potential for growth in that part of the region. Being locationally specific to the extent possible will provide advance warning to infrastructure providers, and in those sub-regions with less buoyant economies will alert to the possible need for public sector pump priming.

### **Mixed Use Development and Employment Land Protection v**

- 6.84 Numerous submissions were received on the locational criteria for the identification of new employment land in Policy RE2. These criteria largely relate to general employment provisions made in most LDFs. We make minor recommendations to the draft wording, in part informed by suggestions made by Barton Willmore. Our comments are more significant in relation to mixed-use development, and employment land protection.
- 6.85 On balance we consider it would be unwise for Policy RE2 v) to give the green light to mixed use development "where appropriate", because of the risk of undermining sites which provide for necessary but lower value employment uses. Opportunities and threats from mixed use development should be considered in employment land review work. We consider that it is better for particular sub-regional strategies to identify the circumstances of relevance to their local authorities. For example Policy SCT3 iii) recognises that introducing mixed uses could allow previously unviable employment allocations to be brought forward, with a residential element providing a cross subsidy. In other instances adding complementary uses into an employment site could benefit the labour force, as happened with the introduction of ancillary retail and leisure facilities into Milton Park in Central Oxfordshire.
- 6.86 Similarly, we consider that the weight to be given to protecting or safeguarding employment land should generally be expressed in sub-regional strategies in order to reflect local circumstances. However, recognising the fact that large parts of the region which are still subject to high levels of development pressure fall outside these areas, we consider that it is right for Policy RE2 to include a general statement on this topic. Hence we recommend retaining the first sentence following the numbered paragraphs.

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<sup>40</sup> Spatial Requirements of Key Sectors in the South East, Table 5.1, Atkins for SEERA, January 2005 [Er6]

- 6.87 We were made aware by Marine South East of the particular threats from higher value uses, often mixed uses, to **marine industries** on waterfront sites. The draft Plan deals with safeguarding transport-related sites and depots in Policy T11. We recommend that there is a cross reference to this in the supporting text to Policy RE2. However there is a wider issue in relation to industries within the supply chain for ports and marinas. We heard that the outcome of the current pilot waterfront strategy commissioned by SEEDA along the South Coast centred on the Solent will be to identify key sites for the marine sector. We recommend that the need for such sites to be safeguarded in LDDs should be added to Policy RE2 rather than any particular sub-regional strategy. This is because the pilot strategy will affect both South Hampshire and the Sussex Coast, but once future strategies have extended right around the coast including the Thames Estuary, the outcome would be of relevance to local authorities in KTG and EKA too. Our recommendation for a new policy on the non-tidal Thames Corridor (see Chapter 12 below) also strengthens the case for protecting sites which support River use such as boatyards, of concern to the British Marine Federation.
- 6.88 We support the proactive stance towards rural economic diversification in the last paragraph of Policy RE2, and comment further on the implications of changes in agriculture in Chapter 12.
- 6.89 There is little guidance on the distribution and logistics sector in the draft Plan. The Regional Property Market study does not appear to provide evidence of any particular supply shortages although noting that consistent data on property market patterns is relatively sparse. We discuss the particular issue of inter-modal freight interchanges in Chapter 9 on Transport.

## **OTHER ECONOMIC GUIDANCE v**

- 6.90 Policy RE5, titled “Addressing Intra-Regional Economic Disparities”, sets out a number of measures that should be used to enhance competitiveness in the economically buoyant areas and also to address structural economic weakness in those areas that are underperforming. It is closely inter-related with Policy CC9 in the draft Plan and we considered the policies together in the debate at the EiP. Our conclusions and recommendations about both of the policies are set out under Policy CC9 in Chapter 5 above.

## **Integration with Sub-Regional Strategies v**

- 6.91 We have already identified that Section D2 of the draft Plan does not provide sufficient spatial context for economic and employment issues at regional scale. There is also some duplication between the regional policies and certain sub-regional policies. In order to assist the Government in reformatting of the final Plan, we suggest the following:
- Policy RE2, as amended, should give sufficient guidance on general locational criteria for the identification of new land, hence all or part of Policies SH7, EKA6, KTG5 could be deleted.
  - Specific locations favoured for new employment land should be included at sub-regional level (Policies SH6, SCT3 as amended, EKA7, KTG4 & 6, MKAV1, CO5, GAT4) and if possible replicated in the remainder.
  - Any special protection for employment land that differs from national guidance such as PPS3 para 44, should also be included at sub-regional level (Policies

SCT3, WCBV4). Guidance in Policy LF6 should be included in the new Rest of section in Part E.

- Any phasing criteria that affect the release of new land should also be included at sub-regional level , e.g. Policy WCBV4 as amended.
- The supporting text within sub-regional strategies should include contextual information about the scale and adequacy of existing employment land, and the nature of any identified needs for new land based on sectors to be attracted. Ideally the scale of new employment land would be included in sub-regional policy, but as indicated above in all but three sub-regions this will need to await further work.

## Other Economic Policies v

6.92 We also make the following suggestions, although these topic areas were not formally identified for debate at the examination:

- Policy RE1 should continue to express strong support for nationally and regionally significant and locally important sectors, and the promotion of a culture of innovation. The emphasis on clusters could be reduced given that they do not feature strongly in the RES. Information from SEEDA's note on regionally significant sectors that have the greatest capacity to deliver growth through a focus on innovation and development of new products and services could be used to inform the background text. These sectors are digital media, marine technologies, health technologies, environmental technologies and services, built environment, and aerospace and defence<sup>41</sup>. The importance of environmental technologies has already been emphasised in connection with the implications of climate change, see Chapter 5. There is scope to edit this policy leaving reference to employment land reviews and employment land provision to Policy RE2 (see also suggestion for including a stronger support for international business activity, para 6.8 above).
- Policy RE3 could be expanded to incorporate any additional information relevant to the whole region in Policies SH9 and SCT5. The South Hampshire and Sussex Coast sub-regional strategies could then cross reference back to the regional policy, given the special emphasis placed on upgrading skills within these areas.
- Policy RE4 could be incorporated into our suggested new policy on smart growth, given the importance of ICT to all parts of the region.

## ECOMMENDATIONS v

### Recommendation 6.1 v

Amend Policy RE2 to strengthen the guidance on joint employment land reviews, amend the locational criteria for identifying new employment land, and include the need to safeguard key marine-related sites (paras 6.83, 6.85 and 6.87).

### Recommendation 6.2 v

Include a table, similar to Table 6.2, showing a job target or monitoring estimate for each sub-region and the remainder of the region in the supporting text to Policy RE2 (para 6.69).

<sup>41</sup> Note 1 on Sectors and Clusters, SEEDA, December 2006 [SEEDA4]

**Recommendation 6.3 v**

Include a new policy on smart growth as an objective to be pursued throughout the region. Incorporate the policy content of Policy WCBV5 as reflecting the approach to be adopted in the more economically buoyant parts of the region (paras 6.46-6.48).

**Recommendation 6.4 v**

Expand section D2, paras 1.20-1.24 dealing with the principles and implications of smart growth, including referring to the six components of smart growth identified in the RES, together with a cross reference to the RES which details the actions necessary to implement smart growth (paras 6.46-6.48).

**Recommendation 6.5 v**

Include a brief comment on the aspects of smart growth most applicable to that area in each sub-regional strategy (para 6.49).

**Recommendation 6.6 v**

Include both GVA and GVA per capita indicators as part of the Plan's monitoring framework (para 6.24)

**Recommendation 6.7 v**

An early partial review of RSS should strengthen guidance on the scale and location of new employment land and floorspace required based on the results of joint employment land reviews (para 6.78). This should also include indicative job estimates/targets reflecting a convergence between the RES and RSS, if possible for groups of districts within the sub-regions and rest of region areas (para 6.70)

## **7 c HOUSING c PROVISION LEVELS c**

Matter 1G, 1H, 8 and 9

*This chapter discusses the factors that influence the selection of the housing level, first from a top-down regional perspective and then from consideration of sub-regional influences. It then sets out the overall level of housing provision that we recommend should be included in the Plan for the region and its main subdivisions, and how this might translate into district housing levels in Policy H1. The following chapter comments on the other housing policies, since we fully recognise that RSS is trying to ensure that the right type of housing is built, and not just to influence housing numbers.*

### **INTRODUCTION ON HOUSING c LEVELS c**

- 7.1 The draft Plan's housing policies are set within an overall objective of planning positively for a "reasonable" level of housing development with stronger encouragement for a "substantial" increase in affordable housing (see Chapter 3).
- 7.2 Recent history in the South East has been for regional plans to set housing provision at below the level suggested by national household projections. Even then there has often been an underperformance against such levels. Housing delivery rates have however been increasing over the last four years, with the result that total completions 2001/02-2005/06 were slightly above the RPG9 rate when it was adopted in March 2001, i.e. minus subsequent alterations to accommodate the SCP Growth Areas<sup>1</sup>. In 2005/06 completions totalled 33,333<sup>2</sup>.
- 7.3 Within this context, the draft Plan proposes a regional level of 578,080 dwellings 2006-26, an average of 28,900 dpa. There is no explicit basis for this very precise figure other than the sum of the district/unitary components within Policy H1. The Regional Assembly justify this figure as the best fit taking account of best available information covering a wide range of factors. Of particular importance to its arguments are the results of extensive public consultation, and concerns about realistic deliverability, including the timely provision of new infrastructure, and bottom up considerations. Some claimed that national household projections had been used as a tail end filter on this process, as discussed in the next section.
- 7.4 The process of agreeing a regional housing figure has not been an easy task for the Regional Assembly, not least because of the scale and administrative complexity of the region giving rise to a huge range of local bottom up considerations. Because of the extended timescale over which the draft plan has been prepared, there have also been various changes in national policy. Of critical importance has been the Barker review on housing supply culminating in the publication of PPS3, November 2006, a few days before our regional debate. The covering letter asks us to have regard to PPS3 in testing this draft Plan. There have also been several iterations of national household projections, with the 2003-based projections being published the same month as the submission draft RSS (March 2006), with the 2004-based projections being published within the last two weeks of the EiP, as discussed further in the next section.
- 7.5 The draft Plan should be seen within its historical sequence. RPG9, March 2001, contained an interim housing provision level to apply to 2001-06 of 28,050 dpa (although the Government's proposed changes following the EiP had included a higher

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<sup>1</sup> A total of 144,000 completions giving an average of just under 28,800 dpa against the original RPG9 rate of 28,050, AMR 2006, SEERA, Chapter 5 Housing, Annex 2 [SEERA 20B]

<sup>2</sup> 27,993 new build net of demolition, 1,804 net conversions, 3,536 net change of use [SEERA 20B]

rate). RPG9's Policy H1 contained the requirement that this interim level be reviewed before 2006. Subsequently the result of two partial reviews on the SCP Growth Areas of Milton Keynes and Aylesbury Vale, and Ashford<sup>3</sup>, took the implied regional housing level up to 29,550 dpa<sup>4</sup>.

7.6 Concerns were raised, including from the Minister<sup>5</sup>, that an inadequate range of numerical options were being tested during the preparation of this draft Plan. The early work of the Regional Assembly's officers during 2004 pointed in the direction of a higher regional total. Indeed their third round projections were based on two scenarios which continued previous migration trends over the short term (previous five years 1997-2002) and the long-term (previous 10 years 1991-2001), and these translated into a range of 31,300 to 35,500 dpa<sup>6</sup>. Advice from the Regional Assembly's officers in mid 2004 was that a housing level below existing RPG9 levels could not be justified. Yet the options included in the consultation draft Plan (January 2005) sought comment on three levels: 25,500, 28,000 and 32,000 dpa. It was the failure to include a higher housing level in the consultation draft that caused concern to the Minister. However, SECL maintain that the total of the options considered at sub-regional level sum to around 35,000, although we do not consider that this implication would have been clear to most consultees.

7.7 Following the clarification sought by the Panel at the demography data meeting prior to the EiP, the inference drawn by the Regional Assembly is that about 70% of its regional housing level is required to meet natural change (i.e. locally generated household formation assuming nil net migration), about 10% is required over the first 10 years to comply with the political commitment to meet the backlog of housing need, leaving the remaining 20% for continued net in-migration into the region. This notional allowance for in-migration would be higher in the second 10 years. Neither allowance for in-migration would be sufficient for current trends to continue whether based on the short or long term. In addition we have severe doubts about this way of describing the housing levels, since in reality in-migration is likely to continue with many in-migrants, particularly those moving out of London or moving to take up well-paid jobs, being able to outbid local candidates for available housing. We comment further in the next section.

## **FACTORS INFLUENCING THE SCALE OF HOUSING**

7.8 PPS3, para 33 lists five factors against which we now test the draft Plan's housing levels. We fully appreciate that this policy was not available to the Regional Assembly when preparing the draft Plan, but most of the factors were listed in earlier guidance<sup>7</sup>. One aspect which was new to draft PPS3, December 2005, and reaffirmed in final PPS3, is the Government's ambitions to improve housing affordability, as translated into a series of new assessment methods, as discussed below.

### **Latest household projections, PPS3, para 33 i) c**

7.9 The Government's household projections "are not a statement of housing need. They also do not take account of future policies. They are an indication of the likely

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<sup>3</sup> The implications of Thames Gateway had already been included in RPG9

<sup>4</sup> although according to the Regional Assembly Policy H1 was never formally altered

<sup>5</sup> Letters of 25 November 2004 and 7 December 2004

<sup>6</sup> Demography Technical Note 5 (Revised) Updated, paras 9.14 and 9.5 respectively, October 2006 [Hr1A]

<sup>7</sup> PPG3, para 5, March 2000



- increase in households given the continuation of recent demographic trends”<sup>8</sup>. We fully accept that they are one of many factors that the Regional Assembly needs to take into account in preparing draft RSS. Nevertheless household projections are one of the important starting points, not least because they give a consistent view across the English regions and are controlled to a national total. Although we do not subscribe to a return to a "predict and provide" approach, we consider that proposed housing levels that significantly differ from these projections, should be explicitly justified, both at the regional and sub-regional level.
- 7.10 Professor King on behalf of CLG estimated that of the household growth expected in the South East 2003-26, some 60-65% resulted from an increase in the adult population, 25% from the ageing effect and 10-15% due to household formation, including single person living<sup>9</sup>. The effects of the last two factors mean that the largest growth in single person households is in people aged 55+. In temporal terms the highest increase in household growth is expected to occur in the 2011-16 period, declining thereafter.
- 7.11 1996-based national projections, published in 1999, were the latest available during the early stages of plan preparation. These suggested an additional 32,900 households pa, 2001-21<sup>10</sup>. The next two rounds of Government work revised these estimates upwards to 36,300 households pa, 2003-26 (interim 2002-based), and to 36,950, 2006-26 (2003-based). The 2004-based projections published just before the close of the examination suggested a downward revision of the 2006-26 figure to 34,500 households pa<sup>11</sup>. This was apparently due to reallocating an element of international in-migrants back to London, which had been incorrectly allocated to the South East in the 2003-based projections, following errors in the International Passenger Survey. The 2004-based national household projections are the results that the CLG representative said should inform the South East Plan.
- 7.12 Many developer representatives sought to convert the resulting household projections into dwelling requirements by the addition of an allowance for vacancies, sharing rates etc giving housing levels of up to and slightly beyond 40,000 dpa.
- 7.13 The Regional Assembly has undertaken a large amount of highly complex demographic work. Its demography group produced or commissioned from Anglia Ruskin University three rounds of household projections which up to July 2004 bore a good relationship to the then current national projections, including a specific adjustment for the 2002-based sub-national population projections. The earlier rounds had also fully taken on board the results of the 2001 Census for specific regional characteristics.
- 7.14 By contrast no account was taken of the 2003-based sub-national population projections, published in November 2004. We accept that the equivalent household projections which followed these were only published at the same time as the draft RSS was submitted to Government in March 2006, but the question arises as to whether the Regional Assembly could have anticipated the results to a greater degree.
- 7.15 The Assembly consider that the 2003-based official household projections present an extreme demographic structure for 2026, particularly the number of single and divorced people, and it has methodological concerns such as disparities between the

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<sup>8</sup> DCLG statistical release for 2003 and 2004-based household projections, CLG web site

<sup>9</sup> Demography data meeting, November 2006 [Minutes at EiP11A]

<sup>10</sup> Demography Technical Note 5 (Revised) Updated, para 4.2, October 2006 [Hr1A]

<sup>11</sup> although this reduction (7%) was not constant across the whole region

- numbers of divorced males and females, and the controls used to ensure that each level sums to the tier above.
- 7.16 It therefore makes the case for a smaller increase in one-person households than reflected in the national projections. This it says has been subsequently borne out by a reduction in divorce rates nationally in 2005 whereas official projections assume an increase to 2013 and a constant level thereafter.
- 7.17 However any small differences in longevity, fertility and household size assumptions, pale into insignificance in relation to the effect of migration assumptions. Migration trends have undoubtedly fluctuated over the last 10 years. The largest component is inter-regional, and traditionally the biggest component has been out-migration from London into the South East. Net in-migration from London has increased since the mid-1990s while net in-migration from the rest of the UK has been declining<sup>12</sup>. Of greatest uncertainty are trends in international migration, where the South East has been a net recipient since the late 1990s, with recent increases from EU accession countries.
- 7.18 The draft Plan's housing levels are set below long-term net migration, let alone short-term. While we accept inevitable uncertainty over future migration levels, we do not consider that this situation is tenable for the following reasons.
- Although the London authorities have been seeking to increase their level of house building (London Plan Early Alterations, 30,000 dpa) this by no means matches the level implied by the 2004 national projections of about 40,000 dpa assuming a 3% vacancy rate. This results from high levels of natural increase as well as migration effects. It would be unrealistic for the South East not to accommodate continued out-migration flows from London.
  - Although it is national policy to rein back international migration, national projections already include constrained assumptions compared to recently experienced levels<sup>13</sup>.
  - Although household size initially tends to be larger amongst international in-migrants, because of a higher propensity to share accommodation and hence a lessening effect on housing requirements, they tend towards the average for the resident population over time, according to the CLG statistician.
- 7.19 Given the volatility of migration patterns, we therefore consider that the most robust strategy would be to be guided by long-term (10 year) migration trends. We have therefore been influenced as a starting point by the Regional Assembly's scenario 4 which assumed a continuation of long-term migration trends (regional level of 30,300 households, 31,300 dpa, which equated to the option of 32,000 dpa in the consultation draft Plan, January 2005). This was related to 2002-based sub-national population projections, hence was before the anomaly of increased international migrants being allocated to the South East in the 2003-based round. These projections also include the Regional Assembly's fine tuning as far as calibration with the regional results of the 2001 Census.
- 7.20 However, the scenario 4 result takes no account of more recent national household projections. And we are concerned about the shortfall that assuming 32,000 dpa would imply within the Greater South East. Taking the three regions together, the 2004-based household projections suggest that the total number of dwellings needed to

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<sup>12</sup> Hr1A, paras 2.4-2.5 and Kent CC Matter 1H statement

<sup>13</sup> 125,000 per annum net international in-migration assumed for England, compared with actual levels of 200,000 in 2004, CLG in 1H.1 debate

accommodate the projected household increase would be some 103,000 dpa assuming a 3% vacancy allowance. There would still be a deficit of over 15,500 dpa in comparison to the provisions of the RSSs, if the South East is set at 32,000. Most misalignment occurs in London and the South East rather than the East. Several participants, including Barton Willmore, suggested making an additional allowance on top of the most recent national household projections for the region. We do not subscribe to such a mechanistic view, but it reinforces the need for any reduction below the official household projections to be explicitly justified.

- 7.21 Our testing of sub-regional housing levels during the examination debates took account of the 2003-based national household projections, and following the publication the 2004-based set. Our reporting largely refers to the latter since this follows CLG advice (see para 7.11).

### **Future need and demand, PPS3, para 33 i) c**

- 7.22 The Regional Assembly's approach focuses to a greater extent on identifying the need element, since it sees demand as almost limitless within this region. Early work by the Cambridge Centre for Housing and Planning Research<sup>14</sup> assembled base data including indicators of unmet housing need, and made projections of newly forming households unable to access adequate housing without financial assistance. This analysis also took account of any housing need arising from planned demolitions of occupied dwellings. Estimates of newly arising need and demand were derived from household projections divided into social and market sectors. The tenure split between these sectors was forecast by rolling forward base year proportions in relevant age groups.

- 7.23 We support the work undertaken by the Cambridge Centre as providing a realistic estimate of the need for social housing, at about 25% of the regional total<sup>15</sup>. This overall proportion did not apparently vary significantly between the initial work based on the Regional Assembly's second round household projections, and an updating study<sup>16</sup> which used the Assembly's third round household projections based on long-term migration. We note that the equivalent regional dwelling total arising from both these projections was higher than that eventually included in the submission draft RSS. Even at such levels, the Cambridge Centre expressed caution that their analysis was based on a household projection that

*"puts a considerably smaller proportion of the overall England population increase in the South East than did the official 1996-based projection" (Dec 2004 Summary, para 6).*

- 7.24 Further comments about the implications for future housing demand has been given in the previous section, particularly in relation to the migration component, and are given in the following section on affordability.

### **Current need, PPS3, para 33 i) c**

- 7.25 The draft Plan purports to include an allowance of 29,000 to represent the backlog of unmet housing need within the region (Policy H1). There is an objective of seeking to clear this backlog by 2016 (C, para 3.3.2). The Regional Assembly defines backlog as

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<sup>14</sup> Housing Need in the South East, Cambridge Centre for Housing and Planning Research, University of Cambridge, December 2004 [Hr11]

<sup>15</sup> 7000 out of 31,000 2001-11, and 9000 out of 36,000 2011-21, Table 4.1 [Hr11]

<sup>16</sup> Housing Need in the South East Update, CCHPR, July 2005 [Hr10]

the number of households in unsuitable housing at a given point in time who cannot improve their situation by staying in the current home and are unable to afford market prices. In its view it is a need related explicitly to social rented homes. The 29,000 comprises three categories of the wider backlog identified in the Cambridge Centre work<sup>17</sup>, namely:

- households in accommodation arranged by local authorities (bed and breakfast hotel, hostel and refugees) from ODPM statistics,
- half the estimated number of concealed household's preferring separate accommodation from Census 2001, and
- sharing households wanting separate accommodation taken from the Survey of English Housing.

- 7.26 The National Housing Federation (NHF) and various developer representatives considered a higher estimate for backlog should be used, to include the effects of any likely increase between 2001-06 (although the Regional Assembly maintained that there was no evidence to suggest a deterioration since 2001<sup>18</sup>), a larger estimate for overcrowding, an estimate of the homeless in temporary accommodation, and the effects of further loss of social stock through Right to Buy from 2001 onwards. Such estimates ranged from 40,000-80,000. Others, including Peter Anderson, sought to link the backlog to an aggregation of the findings from Housing Need Assessments. However we consider that this would be unrealistic given the aspirational element within such surveys.
- 7.27 For our part, we do not see merit in trying to identify a more precise estimate of the backlog without there being any explicit mechanisms that the Plan could offer for meeting the backlog. We are concerned that there is a logical inconsistency in the Regional Assembly's position. It defines backlog specifically as social rented need. Its affordable housing target for social rented (Policy H4) is 25%. This already fully equates to the estimates of newly arising need from the Cambridge Centre study noted above. Regardless of its specific objective, we fail to see how the backlog could be cleared within the first 10 years of the Plan, unless more than 25% of social housing is achieved, or there are other measures to improve access to housing.
- 7.28 If on the other hand a wider view is taken of backlog, then some of the initiatives envisaged by SECL<sup>19</sup> including access to a wider range of intermediate housing options, could provide a greater chance of assisting the situation.
- 7.29 Despite being sceptical about how the Regional Assembly's objective could be achieved, we are generally supportive of mentioning the scale and as far as possible the geographical distribution of the backlog. Map H2 identifies that households in hotels/hostels and concealed households are relatively more concentrated in the older urban areas, but also in some rural areas. This spatial pattern is said to be illustrative of the sharing element of backlog, for which no data are available. However in our view there would be a case for arguing that sharing levels might be higher in the more buoyant areas and where land values are high.

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<sup>17</sup> The wider backlog totalled 98,000 including 2 elements of private sector need, Cambridge Centre for Housing and Planning Research, Table 5.10, December 2004 [Hr11]

<sup>18</sup> A detailed analysis is given in SEERA 1H follow up note from which it appears that there is a decline in those in most acute need, but overall local authority waiting lists have increased and the number of social housing re-lets available has reduced, December 2006 [Hr1E]

<sup>19</sup> Meeting Affordable Housing Needs in the South East through Intermediate Housing, Three Dragons and Herriot Watt University for the South East County Leaders, Final Report, Sep 2006 [Hr24]

- 7.30 There was no explicit mention of a backlog in RPG9, despite DETR statisticians accepting 20,000 as an estimate of the backlog<sup>20</sup>. Nor was it clear whether any explicit allowance was added into the housing provision figure. We are content for Policy H1 to retain the statement that local authorities should demonstrate how they have addressed any backlog of unmet housing need in their areas. The main significance of any such references to backlog is to provide a clear impetus to increase the delivery rates of affordable housing. But we see no need to provide separate 10 year averages within Policy H1 to frontload provision for meeting the backlog (as suggested by NHF), because of the lack of implementation mechanisms to achieve such a step change in affordable housing.
- 7.31 Our recommendation for an increased regional housing level is in part designed to give greater flexibility to assist in meeting the backlog. As discussed elsewhere, we recommend that this increase is focused on selected hubs, which should assist in meeting some of the identified backlog e.g. Reading, Oxford, Brighton and Hove, provided that a wider definition is adopted for the backlog concept. We remain doubtful however that it would ever be possible to clear the backlog fully, because to our mind the concept refers to a pool of affected people which by definition is transient.

### **Current and future demand and affordability levels, including the c Government's ambitions for affordability, PPS3, para 33 i) and iii) c**

- 7.32 The region had an average of 8.2 against an English average of 6.5 in 2004 Q2, using the standard ratio of lower quartile house price to lower quartile earnings (D3, 1.6.3). Affordability has since worsened as shown in the regional AMR 2006, indicator 51. The distribution shown in Map H3 indicates that poor affordability levels do not just reflect areas of high land prices or high demand (both economically buoyant areas and attractive rural areas), but are also associated with areas where earnings are below average e.g. along the Sussex Coast.
- 7.33 The Government's response to the Barker review has been to encourage local authorities to take more account of housing market price signals in planning for housing. Initial guidance on conducting housing market assessments was provided in 2004, expanded with draft PPS3, and released in published form on the last day of the EiP. Map H6 indicates an initial definition of 21 sub-regional housing market areas produced for the Regional Housing Board in 2004<sup>21</sup>. Apart from four pilot studies within the region, there has been so far little progress in taking forward the suggested tools of analysis. In our view it is not realistic to hold up this RSS until strategic housing market assessment work has been undertaken – such work will need to inform the next review, together with the advice from the National Housing and Planning Advice Unit recently set up by Government. The issue here is whether the regional housing level for this RSS should be increased in an attempt to stabilise or even improve affordability levels.
- 7.34 The Government's national objective at the time of the EiP was to increase the net number of additional homes nationally to 200,000 per annum by 2016. In setting this housing objective in December 2005, the Government was informed not only by work on housing affordability but also on an assessment of sustainability implications. In respect of the former, the Government place great faith in a relationship between increasing housing supply and improving affordability. This is based on the results of

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<sup>20</sup> Housing Technical Note: Housing Need and Capacity in the South East, April 2000 [GOSE5]

<sup>21</sup> South East Sub-Regional Housing Markets Study: Executive Summary, DTZ, May 2004 [Hr15]

- a nine region model created by a team of academics led by University of Reading<sup>22</sup>, which links demographics, housing supply and labour markets via three interrelated modules. The Government claims from the results of scenario testing that increasing housing supply can beneficially affect affordability, and that these effects are permanent. But the increase needs to be spread across functionally related regions and not focused in a few hotspots.
- 7.35 Developer representatives welcome this approach. Barton Willmore for example quoted from the model's simulations to suggest that an increase to 41,000 dpa would reduce the affordability ratio of 8.02 (2004) to between 7.06 and 7.14 in 2016. This compares to a predicted fall to between 7.46 and 7.59 in the base case related to current RPG plus the effects of the Sustainable Communities Plan<sup>23</sup>.
- 7.36 SECL caution against relying on over simplistic relationships between new housing supply and house prices, because new housing would still represent a small proportion of the total number for sale even if housing levels were increased significantly<sup>24</sup>, and because of the distorting influence of the buy to let market since 2000. They claim that the results of the Government's affordability model demonstrate that a very substantial amount of new housing is required to have a small impact on affordability<sup>25</sup>. The NHF also maintains that the Plan is unlikely to have any detectable impact on house prices given that there is already an eight year land supply on average in the region. The Regional Assembly also maintains that the Government has ignored cyclical effects in their headline indicator on the proportion of 30-34 year olds able to afford to buy over recent years.
- 7.37 We are also cautious of relying too heavily on a supply-side solution given the complexity of influences on housing affordability. We note the reservations of the House of Commons Committee that a model cannot be applied uncritically, and that a range of demand factors, such as interest rates, the availability of credit and taxation, are also capable of being influenced to stem price rises and improve affordability. We also agree with CPRE and the Federation of Green Parties that making better use of the existing housing stock should also be part of the solution.
- 7.38 We also question whether likely cyclical effects have been fully recognised. The University of Reading work indicates that with their assumed base case plan level in the South East (which admittedly is higher than this draft Plan, Table 6) affordability ratios at 2016 may be marginally lower than in 2004 (Figure 2 and Table 8). Any internal work based on the model done by CLG has not been published and therefore could not be tested at the examination. We therefore find it hard to know what weight to place on statements made in the Government's response to Barker<sup>26</sup> that:  
*"In some high demand regions in the base case, affordability worsens markedly over the period to 2016", and*  
*"Beyond 2016 affordability worsens".*
- 7.39 What is certain though is that to set a regional level of 28,900 dpa, while at the same time seeking to increase the proportion of affordable housing, implies a reduction in market housing in this region compared to previous plan levels. This decrease in

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<sup>22</sup> Affordability Targets: Implications for Housing Supply, University of Reading for ODPM, December 2005 [Hn6]

<sup>23</sup> Ibid. Tables 6, 10, 12a & 12b

<sup>24</sup> estimated at 12.6% for 36,000 dpa against some 10% in 2004/05, SECL 1H.2 statement

<sup>25</sup> We note that the highest scenario which models double this draft Plan's housing levels is predicted to reduce the ratio to between 6.07 and 6.34 at 2016, Tables 10 and 12a & 12b [Hn6]

<sup>26</sup> Annex 2, Technical Appendix on Affordability and Sustainability Research, December 2005 [Hn2]

market housing would in reality be greater when compared against current completion levels of just over 33,000. A constraint on market housing of this magnitude<sup>27</sup> would suggest, on common sense grounds if nothing else, that affordability would worsen.

- 7.40 Our recommended increase in regional housing level would allow current levels of market housing to continue at similar levels to the present. As explained elsewhere we also encourage everything possible to be done to increase the provision of affordable housing.
- 7.41 Our recommendation would not lead to a pro rata increase for all local authorities. Much of our targeting would be in favour of areas of economic buoyancy where house prices are high and existing supply constrained, hence this may help affordability in some locations, e.g. in Oxford. But we have been conscious of warnings from the sub-regional example within the Affordability Targets report that a large increase in housing supply at only one location could increase in-migration hence reducing overall benefits for existing households<sup>28</sup>. We cannot say whether there would be any discernible benefit at the regional level on affordability from our recommended increase in housing levels. This is not the primary driver behind our recommendations. But we hope that the situation would be better relative to that resulting from the housing levels currently proposed in the draft Plan.

### **Economic growth forecasts, PPS3, para 33 i) c**

- 7.42 The Regional Assembly and many local authorities clearly have little faith in employment forecasts. We heard time and time again about the uncertainties, particularly in relation to long-term forecasting. Nevertheless there has been an attempt to include a jobs estimate for 2016 within each sub-regional strategy to act as a monitoring indicator. The modelling approach used by the Assembly, which several participants described as a self-fulfilling prophecy, and the basis of alternative forecasts presented at EiP is described in Chapter 6.
- 7.43 Even on the Regional Assembly's supply constrained approach, there is a severe mismatch between forecast labour demand and labour supply within WCBV and London Fringe sub-regions. The magnitude of this apparent misalignment increases on the demand-based forecasts, and encompasses Central Oxfordshire and the Gatwick sub-regions. The Regional Assembly and SECL argue against a mechanistic interpretation of such mismatches, as discussed in our previous chapter on Economy.
- 7.44 We are however concerned about the degree of apparent misalignment. Although we acknowledge considerable scope for smart growth initiatives within this region, we consider that there are upper limits to the extent to which productivity improvements and increases in economic activity rates can close these gaps. We do not think the South East should be planning to significantly increase in-commuting from surrounding regions.
- 7.45 We have therefore been persuaded by SEEDA's prognosis that with the draft Plan's housing levels there is a risk that either:
- the economy will not achieve its potential within the economically buoyant part of the region hence resulting in a significant loss of gross value added to the region and country as a whole, and fiscal revenues to the UK; or

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<sup>27</sup> A reduction of about 5,000 market houses pa (about 27,000 in 2005 against 75% of 28,900)

<sup>28</sup> Hn6, pages 45-46

- economic growth will continue but there will be further deterioration of housing affordability and growth of long-distance commuting.
- 7.46 The regional housing level that we recommend at the end of this chapter equates to that recommended by SEEDA for the short term (32,000). SEEDA also recommended that post 2011 this should rise to nearer 35,000. We do not go as far as this, but place great importance on monitoring and evaluation of the labour market situation to feed into the next review of RSS.
- 7.47 Some environmental interests e.g. South East Protected Landscapes considered that the draft Plan's housing levels had been over influenced by economic considerations. We do not consider this to have been the case. On the contrary we consider that the Regional Assembly has been too timid in recognising the importance of the economically buoyant areas to the well-being of the region and country as a whole, and has been too influenced by urban capacity and perceived local constraints.

### **Housing land availability, PPS3, para 33 ii) c**

- 7.48 Formally identified land supply at 2006 equated to just over 235,100 dwellings<sup>29</sup>. Some 55% of this comprised extant planning permissions, and the remainder land allocated in adopted local plans or deposit draft replacements. Land supply has increased every year since 2001, and is now 34% higher than in 2001. Region-wide, it represents some 8.4 years' supply compared with the draft Plan housing levels. Within this there are wide variations, with Surrey and West Sussex having just over 5 years, Kent, Oxfordshire and Buckinghamshire around 9-10, with the highest in Isle of Wight at 15<sup>30</sup>.
- 7.49 RPG9 laid great stress on the completion of studies to assess the capacity of urban areas as well as the potential growth areas, before specifying an increased overall level of provision for the region (para 8.3). Urban potential studies have now been undertaken, by adding to formally identified land supply an estimate largely based on projecting forward trends in windfalls. The work was originally undertaken to a 2003 base<sup>31</sup>, generally projecting forward the last five year trend in windfalls to 2016. Further refinements were made within the sub-regional groupings and consultants broadly endorsed that a common methodology had been used<sup>32</sup>. An updating exercise was then undertaken to a 2005 base date and using more recent local studies where provided. Where comparable data was available this increased the previous assessment of dwellings that could be accommodated within urban areas 2006-16 by 2%, from 146,300 to nearly 149,000<sup>33</sup>. This latest assessment also went further than the original and included a separate estimate of potential PDL 'outside urban areas'. In fact most of this was on the edge of existing settlements, since the definition of urban areas is still based on their boundaries as in the late 1990s.
- 7.50 The latest work suggests that just over 330,600 net additional dwellings could come from urban potential over the 2006-26 period with a further 28,300 or so from assumed PDL 'outside urban areas' excluding a few districts where data was

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<sup>29</sup> Annual Monitoring Report, Indicator 49, Housing chapter Annex 2, SEERA, March 2007 [SERA20B]

<sup>30</sup> Augmenting the Evidence Base for the EIP of the South East Plan, Table 3.2, Roger Tym and Partners and Land Use Consultants, May 2006 [Sr3]

<sup>31</sup> Urban Housing Potential Stage 2, Roger Tym & Partners for SEERA, April 2005 [Hr6]

<sup>32</sup> Revised Advice on preparing District Level Housing Distribution, DTZ for SEERA, May 2005 [Hr5]

<sup>33</sup> Urban Housing Potential Update and Housing Potential on Previously Developed Land Outside Urban Areas: Final Report and Commentary Updated Version, Michael Ling for SEERA, October 2006 [Hr6C]



unavailable<sup>34</sup>. This represents some 62% of the draft Plan housing provision levels. For nearly 30 of the 67 districts or unitaries within the region they have enough capacity within these urban potential estimates to meet the whole, or well over 90%, of their housing provision level in draft Policy H1; a few of these districts or unitaries even have an excess over this level. The greatest concentrations of such districts are in the London Fringe, Sussex Coast and WCBV sub-regions, and several of the rest of county areas.

- 7.51 Several local authorities pointed out that just because they had identified sufficient urban potential to meet their draft Policy H1 level, it did not necessarily mean that no new greenfield land would be allocated when they prepared their LDDs. We fully appreciate the discretion that rightfully rests with local planning authorities at this subsequent LDF stage. However we were concerned to hear some of these District Council representatives use their urban potential estimates as an indication of the acceptable maximum housing level that their area could accommodate. As argued in this chapter, the most appropriate RSS housing level should emerge from a careful consideration of a wide range of strategic and local factors, and we would not expect any District Council at this stage to be able to predict exactly how a 20 year provision figure would be met.
- 7.52 Some local authorities clearly had reservations about the extent to which continued capacity could be found within urban areas, and particularly the extent to which PDL would continue to come forward. Although we recognise potential amenity constraints of redeveloping at ever higher densities (see Chapter 8), we do not consider that overly optimistic assumptions have been built into this urban potential work, for the following reasons:
- Where more detailed site based assessments have been undertaken, e.g. in Chiltern, and Windsor and Maidenhead, they have produced a higher assessment of urban potential than from the method of projecting past windfall rates. This experience has also been confirmed in London.
  - The National Land Use Database shows that the stock of PDL suitable for housing has not diminished in the region despite increased building rates on PDL between 2001-04. There has in fact been a relatively high inflow of PDL as potential housing land between 2003-05. The estimated capacity of PDL suitable for housing in the South East 2005-16 including an allowance for conversions is 352,800<sup>35</sup>.
- 7.53 We are therefore content that the urban potential work coordinated by the Regional Assembly is a reasonable basis for this RSS. It may be on the conservative side given that it did not include, apart from in some of the updated work, site based estimates of potential. More detailed work of this nature will be necessary as part of Strategic Housing Land Availability Assessments, which will form one of the inputs to a future RSS review.
- 7.54 Having sought to complete urban potential studies consistently across the region as required by RPG9, we share local authority concerns about the uncertainty now caused by PPS3, para 59. Local authorities have managed to achieve a high rate of urban land recycling, particularly in Green Belt areas close to London. But we appreciate that it is not always possible to identify where such opportunities may emerge in advance. Hence we anticipate that quite a few local authorities in this

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<sup>34</sup> Assumed Urban and Non-Urban PDL Housing Potential as Percentage of Policy H1, SEERA in response to Panel request at Urban Potential meeting, November 2006 [Hr6B]

<sup>35</sup> CLG note to Urban Potential data meeting, October 2006 [Hn17a]

region will be able to provide "*robust evidence of genuine local circumstances that prevents specific sites being identified*", and will be able to demonstrate expected future trends in windfall delivery rates.

### **Infrastructure, c S3, para 33 v) c**

- 7.55 The public consultation revealed a strong perception that the South East has accommodated significant additional housing in the past without a commensurate increase in infrastructure, and that development-related services and facilities have been provided very late. The Regional Assembly and SECL maintain that 28,900 dpa is the best fit with available and likely future infrastructure.
- 7.56 Many individual local authorities maintained that their support for the draft Plan housing level for their district was "conditional" upon timely provision of the necessary infrastructure. While we understand these concerns, we do not think that an RSS can proceed on this basis, as discussed in Chapter 5.
- 7.57 There are undoubtedly real infrastructure challenges to be faced in the South East, e.g. it has the most congested road system outside London, and some radial rail lines are running at or near capacity. A very full identification of "necessary" infrastructure has been undertaken as listed in the draft Implementation Plan. Persuasive evidence was not presented to indicate that only a fixed figure of 28,900 dpa could be accommodated.
- 7.58 We justify a recommendation for a higher housing level on the following factors:
- There are genuine uncertainties about the environmental implications of some new infrastructure even at 28,900 dpa, but clear guidance on the planned housing level is necessary for infrastructure and utilities providers to be able to resolve these, and to bid for/obtain necessary funding.
  - Despite a higher regional housing level, our recommendations would be no more risky for sub-regions such as South Hampshire, KTG and MKAV, where we suggest the same or largely the same levels as the draft Plan; for areas where we recommend an increase there would be challenges to be worked through in varying degrees.
  - The draft Plan rightly puts the focus on a twin track approach, and it may be that a higher housing level will require a greater emphasis on demand management, particularly in relation to the transport system.
  - No insuperable problems were demonstrated by the EA's work on water supply and water quality, which tested levels of 40,000 dpa (pro rata increase on the draft Plan distribution).
  - Much of the expenditure on new water infrastructure will be necessary without any additional new housing because of Water Framework Directive requirements (see base case expenditure in the Strategy for Managing Environmental Infrastructure in the South East (SMEISE) study). Similarly much transport expenditure will be necessary to reduce bottlenecks arising from the growth in background demand.
  - At a local level, development of a sufficient scale can assist in unlocking strategic infrastructure
- 7.59 Elsewhere in the report we suggest ways whereby the implementation and funding of infrastructure improvements could be facilitated, including joint delivery vehicles and,
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support for the Regional Infrastructure Fund. We hope that Government and the Regional Assembly will see the delivery of the infrastructure necessary to achieve higher housing levels as a shared challenge.

### **Sustainability Appraisal, PPS3, para 33 iv) c**

- 7.60 The SA of the preferred spatial strategy in relation to IRF objective 1 to ensure that everyone has the opportunity to live in a decent, sustainably constructed and affordable home, concluded that:  
*"In general terms, current housing development rates are not sufficient to meet housing needs and pressure on the housing market within many parts of the region is increasing. The Preferred Spatial Strategy would provide a level of growth that would be less effective at dealing with issues of backlog than higher growth rates".*  
*Also that*  
*"The preferred option is likely to be less effective than higher rates of housing provision in reducing pressure on the housing market, and ensuring affordable housing or accommodation for the homeless".<sup>36</sup>*
- 7.61 The summary of these comments in the main report indicates that the meaning of "less effective" includes that "the backlog in affordable housing will take longer to 'burn off', that new backlog may arise and that other issues such as homelessness will also be dealt with more slowly" (Table 7.1).
- 7.62 The tension between meeting housing objectives and other objectives, particularly resource consumption, is summarised in the Non-Technical Summary as:  
*"The higher growth options (i.e. those which proposed a housing growth rate of 32,000/year) were more likely to meet housing demands (and therefore ease problems of affordability) and provide for higher rates of economic growth, but would place more pressure on environmental resources, in particular transport infrastructure, water resources, land use, waste arisings, climate change etc; (page 13).*
- 7.63 The Regional Assembly considers that the best way of reconciling environmental, social and economic implications is with a regional housing level of 28,900 dpa. For the reasons given above, we recommend a different balance. In justifying our conclusions we have been informed by the findings of the Roger Tym & Partners appraisal of the sustainability implications of higher levels of housing growth (33,000, 37,000 and 46,000 dpa)<sup>37</sup>. At a general level, the work is useful in distinguishing between:
- construction-related impacts where higher housing would provide a net increase in effects, e.g. construction aggregates and waste, CO<sub>2</sub> emissions from embodied energy; and
  - housing occupation impacts which are primarily driven by population numbers rather than their distribution into households. These impacts would not therefore increase proportionately with higher housing numbers, and to the extent that immigration is less constrained, is a diversion of impacts that might otherwise have occurred elsewhere in the country. Examples are domestic water and energy use, domestic waste generation, most transport impacts.

<sup>36</sup> Sustainability Appraisal: Report of the draft South East Plan, Annexes Table C1, ERM, March 2006 [SEP3]

<sup>37</sup> Augmenting the Evidence Base for the EIP of the South East Plan, Table 3.2, Roger Tym and Partners and Land Use Consultants, May 2006 [Sr3]

7.64 Augmenting the Evidence Base was criticised by many local authorities for its inaccuracies. These largely relate to the land take assumptions, and in particular the assumed scope for additional greenfield growth as urban extensions. We recognise the constraints of the desk-based exercise undertaken, but nevertheless consider that the work provides a useful broad brush view of the challenges to be faced. For those sub-regions where we recommend an increased housing provision, we have commented on the likely sustainability impacts and the extent to which they could be mitigated. Overall though we accept that the sustainability of increased levels of growth will depend in large part on the success of demand management measures for modal shift in transport and of measures to reduce consumption of natural resources in general.

### **SUB-REGIONAL INFLUENCES ON HOUSING SCALE**

- 7.65 We finish the above review of top-down factors firmly of the view that the regional housing level should be increased from the proposed 28,900 dpa. However we need to assess how these factors play out at the sub-regional scale before coming to a firm conclusion on our recommended housing provision.
- 7.66 Our analysis below comments broadly on the strength of the sub-regional evidence base relating to the scale of housing provision. We were assisted in making consistent comparisons with previous RPG9 levels, and as a reflection of market signals past delivery rates for the period 2001/02 to 2005/06, by data assembled for each district by GOSE<sup>38</sup>. Reference to RPG9 is shorthand for the way its county level figures were translated into districts in the last structure plan. We also comment on the extent to which the proposed housing levels for each sub-region will meet projections of the natural change in the existing population<sup>39</sup>. We also draw on data set out in the Economy chapter, the urban potential estimates described earlier in this chapter, and the influence of more local environmental and infrastructure issues (settlement shaping factors) which are explored more fully in the area-based chapters of our report.
- 7.67 Although Green Belt is not amongst the top-down factors that PPS3 indicates should influence the overall scale, we do include comments in our assessment below since this factor has loomed large in the Regional Assembly's thinking. We do not feel able to comment further on the influence of particular sub-regional housing levels on affordability ratios. More detailed discussion particularly in relation to housing distribution within the sub-regions and also in the rest of county areas is left until later (Chapters 16-26).
- 7.68 In those sub-regions where we have been persuaded by the evidence, we have not sought to increase, or only marginally, housing provision. In these areas it would be wrong, in our opinion, to upset the careful balancing of factors arrived at by those principal authorities, simply in order to increase regional housing numbers to any predetermined level. In other parts of the region, we take a different view of the way factors have been balanced, e.g. giving more weight to economic and demographic factors and less to the results of public opinion surveys. Further discussion of the options for accommodating this additional growth is given in the relevant sub-regional

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<sup>38</sup> Tables showing a comparison for each district/unitary between draft Plan and RPG9 housing levels and completions 2001/02-2005/06 all as average annual rates [GOSE2]

<sup>39</sup> Figures calculated from Table showing the Nil Net Migration Projection – Sub Regions and Rest of County areas (Fourth Round), SEERA revised April 2007 [SEERA11B]

chapters, and we are confident that sustainable solutions will be capable of being found at the LDF stage.

## South Hampshire c

7.69 We support the draft Plan's housing provision of 80,000 (4,000 dpa) for the following reasons:

- It represents a step change against RPG9 levels for the core parts of the sub-region, although the total for the whole of the 10 component districts is very similar.
- It allows for notional natural change, meeting a backlog of unmet need, and significant in-migration (the natural change element represents only 65% of the draft Plan total for the sub-region).
- The proposed figure broadly matches the Government's 2004-based projections (97%) for the whole of the 10 component districts. The 2004-based projections are 14% below the 2003-based<sup>40</sup>.
- Two of the core districts have recent delivery rates that outperform draft RSS levels.
- It gives adequate weight to the economy, indeed this sub-regional strategy is the only one to have a higher GVA target than at regional level. Economic initiatives will be encouraged as an RES Diamond. The policy led target for new jobs 2006-26 jobs is likely to exceed expected increases in labour supply by a considerable margin, although less so under the Regional Assembly's dwellings-based job projections<sup>41</sup>.
- It gives appropriate weight to urban potential but provides a strong strategy response to accommodating additional greenfield development (two proposed SDAs).
- It recognises the importance of the New Forest National Park and the proposed South Downs National Park, other environmental designations and coastal landscapes, although there will be challenges of avoiding development in flood risk areas, and of improving existing defences, particularly in Portsmouth.
- It gives adequate weight to infrastructure, but there are still some significant uncertainties in relation to meeting the Habitats Directive requirements arising from existing and new waste water treatment. The strategy recognises capacity constraints on the M27 spine, with a strong emphasis on balanced new communities and public transport connectivity. Unlocking infrastructure constraints will be facilitated by the New Growth Point partnership between Government and local authorities.

7.70 It would in our opinion upset this balanced strategy if housing levels were to be increased, with the prospect that out-commuting levels would increase. It would also in our view introduce unacceptable risk particularly in relation to meeting Habitats Directive requirements and avoiding flood risk.

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<sup>40</sup> Calculated from Sub-regional household projections (2003-based) by District for the SE region, Extract for SE LAs from Table F to ODPM Statistical Release (Hn19) (rows 365 - 444), 2006 [Hn19D] and Sub-Regional household projections (2004-based) by District for the SE Region: Extract for SE Local Authorities from Table F to DCLG Release (Hn20A, March 2007 [Hn20B])

<sup>41</sup> EIP Panel Notes 2 and 3 [EIP17 & 18]

## **Sussex Coast c**

- 7.71 We consider that the draft Plan's housing provision of 54,000 (2,700 dpa) is on the low side in terms of regional needs, and that the strategy may have been overly constrained to a level that could largely be met through urban potential:
- The draft Plan level represents a reduction of some 14% on RPG9 levels for the whole of the 10 districts/unitaries.
  - It allows for natural change, which is relatively low here given the ageing population, with a generous allowance to meet a backlog of unmet need, and in-migration (indeed the natural change element represents only 34% of the draft Plan total for the sub-region).
  - The proposed figure is only about 50% of the Government's 2004-based projections for the whole of the 10 component districts, although the latter reflects high levels of in-migration in the most recent trends. The 2004-based projections are about 10% below the 2003-based.
  - Five constituent districts/unitaries have recent delivery rates that outperform draft Plan levels.
  - The draft Plan level considers the needs of the local economy through promoting sustainable economic regeneration. Economic initiatives will be particularly encouraged in the Brighton and Hove RES Diamond. The strategy seeks a broad balance between the growth in new jobs and expected labour supply bearing in mind that the area currently has significantly more labour and high out-commuting. However the Regional Assembly's dwellings-led scenario indicates a small labour surplus 2006-16, but job growth would outstrip growth in labour supply on the Experian published forecasts.
  - Five of the 10 district/unitaries have housing levels which could be met through nothing, or virtually nothing, more than urban potential. Additional urban capacity may be available at Shoreham Harbour. Additional greenfield options have been considered through previous structure plan work.
  - It recognises the importance of the proposed South Downs National Park and High Weald AONB, other environmental designations and coastal landscapes, although there will be challenges of avoiding development in flood risk areas, particularly in Arun district.
  - The proposed level gives adequate weight to infrastructure, and recognises capacity constraints on the A27 spine. There are still some significant uncertainties in relation to meeting the Habitats Directive requirements arising from existing and new waste water treatment (Hailsham and Chichester).
- 7.72 In our opinion the strategy would not be unbalanced if housing levels were to be increased by a small amount, but the scope is limited to avoid prejudicing the aim of sustainable economic regeneration and to avoid adding to out-commuting.

## **East Kent and Ashford c**

- 7.73 We consider that the draft Plan's housing provision of 48,000 (2,400 dpa) is too low, and that insufficient weight has been given to transport infrastructure, namely the transformational effect of CTRL, and the fact that this is the least stressed part of the region on the strategic highway network:

- It represents a small increase on RPG9 levels due to the Ashford growth area, although with a reduction in the four coastal districts (excluding Swale).
- It allows for natural change, which is relatively low in the coastal towns given the ageing population, meeting a backlog of unmet need, and significant in-migration largely into Ashford (the natural change element represents only 48% of the draft Plan total for the sub-region).
- The proposed figure is only about 60% of the Government's 2004-based projections for the whole of the five districts. The 2004-based projections are about 5% below the 2003-based.
- All four coastal districts have recent delivery rates that outperform the draft Plan levels.
- It gives adequate weight to the economy, particularly growth at Ashford and the international gateway at Dover, and sustainable economic regeneration of the coastal towns. The strategy seeks a broad balance between the growth in new jobs (policy-led forecast) and the number of new dwellings, although expected labour supply would be significantly less.
- Urban potential has been appropriately incorporated, together with an acknowledged need for greenfield development at Ashford, and possibly at Dover. Other options could also exist.
- It recognises the importance of the Kent Downs AONB, other environmental designations and coastal landscapes, including the Lower Stour Estuary and Romney Marsh. There are issues in relation to water supply and flood risk.
- A mechanism for forward funding infrastructure appears to have been found to unlock motorway junction and WWT constraints at Ashford.

7.74 In our opinion this strategy would not be unbalanced if housing levels were to be increased marginally, but the scope is limited to avoid the risk of out-commuting increasing significantly.

### **Kent Thames Gateway c**

7.75 We largely support the draft Plan's housing provision of 48,000 (2,400 dpa) for the following reasons:

- It continues RPG9 levels, which had already incorporated the effects of the Thames Gateway growth area.
  - It allows for notional natural change, with a relatively small allowance for meeting a backlog of unmet need, and in-migration (the natural change element represents 81% of the draft Plan total for the four districts).
  - The proposed figure matches the Government's 2004-based projections. The 2004-based projections are nearly 20% below the 2003-based.
  - Only one constituent district has recent delivery rates that outperform the draft Plan levels.
  - It gives adequate weight to the economy. Economic initiatives will be encouraged under the coordination of Government's Thames Gateway Interim Plan, and as a RES Diamond. The strategy seeks a broad balance between the growth in new jobs (policy-led forecast) and the number of new dwellings, although expected labour supply would be significantly less.
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- It gives considerable weight to urban potential in order to maximise the use of PDL. It has a carefully worked out phasing strategy to assist this.
- It recognises the importance of the River Thames Estuary including Ramsar sites, although there will be challenges of avoiding development in flood risk areas.
- It fully recognises the new focal point for development that will be created at Ebbsfleet on the CTRL, but recognises that the introduction of new Kent Domestic services into London will be offset by reductions in current services.

7.76 It would in our opinion upset this balanced strategy if housing levels were to be increased significantly. This would result in a greater use of greenfield sites, since the careful phasing strategy would be upset, and there would be a risk of increased levels of out-commuting. It could also in our view introduce unacceptable risk particularly in relation to flood risk.

### **London Fringe c**

7.77 We consider that the draft Plan's housing provision of 37,360 (1,868 dpa) is significantly too low because demographic and economic factors have been given insufficient weight, while too much weight has been given to urban potential estimates and avoiding any adjustments to the Green Belt:

- It broadly continues RPG 9 levels (marginally down, 2% for the whole of the 10 districts), but with little policy justification.
- It does not even allow for natural change, hence there is no notional allowance to meet a backlog of unmet need, or any in-migration (the natural change element represents 118% of the draft RSS total for the 10 districts).
- The proposed figure is only about 50% of the Government's 2004-based projections. The 2004-based projections are about 5% higher than the 2003-based.
- 9 constituent districts have recent delivery rates that outperform the draft Plan levels. One is about the same.
- It gives insufficient weight to the economy which risks prejudicing the achievement of the regional GVA target. There is a considerable misalignment between the forecast number of new jobs and expected labour supply (more than 50,000 under the Regional Assembly's scenario 7, between 2006-26).
- 9 of the 10 districts have housing levels which could be met through nothing, or virtually nothing, more than urban potential. Additional greenfield options have been considered through previous structure plan work, including those requiring an adjustment to Green Belt boundaries.
- It recognises the importance of the North Downs and Surrey Hills AONB and other environmental designations, including the Thames Basin Heaths.
- It gives adequate weight to infrastructure, and recognises widespread congestion effects on the transport network. Solutions should be capable of being found for water shortages in South East Surrey.

7.78 We consider that there should be sustainable solutions for accommodating a higher housing level taking account of the public transport accessibility benefits of the regional hubs. It may well be that greenfield development may require selective or smaller scale reviews of Green Belt boundaries. Any development within prescribed



distances of the Thames Basin Heaths would need to provide necessary mitigation for increased recreational pressure.

### **Western Corridor Blackwater Valley c**

7.79 We consider that the draft Plan's housing provision of 89,520 (4,476 dpa) is significantly too low because economic and demographic factors have been given insufficient weight, while too much weight has been given to avoiding greenfield development including any adjustments to the Green Belt.

- It represents a reduction on RPG 9 levels of about 7% for the whole of the 13 districts/unitaries.
- It does not even allow for natural change, hence there is only a notional allowance to meet a backlog of unmet need, if recent out-migration trends continue (natural change element represents 103% of the draft Plan total for the 13 districts).
- The proposed figure is more than the Government's 2004-based projections by about 18%, but only because this figure is incorporates a continuation of recent out-migration trends. The 2004-based projections are about 6% higher than the 2003-based.
- 9 constituents districts/unitaries have recent delivery rates that outperform the draft Plan levels.
- It gives insufficient weight to the economy which risks prejudicing the achievement of the regional GVA target. There is a considerable misalignment between the forecast number of new jobs and expected labour supply (over 90,000 on the Regional Assembly's scenario 7 projections) concentrated within the Berkshire part of this sub-region.
- 5 of the 13 district/unitaries have housing levels which could be met through nothing more than urban potential.
- It recognises the importance of the environmental designations, including the Thames Basin Heaths, SACs, and the areas of AONB (Chiltern Hills and North Wessex Downs), and the recreational resource of the Colne Valley Park.
- It gives adequate weight to infrastructure, and recognises widespread congestion effects on the transport network and constraints on the additional housing that could be supported by the Basingstoke WWT works.

7.80 We consider that there should be sustainable solutions for accommodating a higher housing level taking account of the public transport accessibility benefits of the regional hubs. Some minor adjustments to Green Belt boundaries may be necessary. Any development within prescribed distances of the Thames Basin Heaths would need to provide necessary mitigation for increased recreational pressure.

### **Thames Basin Heaths c**

7.81 The draft Plan proposes a total of about 40,000 dwellings within 5 km of the Special Protection Area based on an estimate by Natural England, and subsequently confirmed by the information we sought from individual local authorities. This is spread between 11 core authority areas. Very small areas of a further four authorities just fall into this 5 km zone, but in all cases these are largely rural areas.

- 7.82 At the time of preparing the draft Plan the implications of this distribution were very uncertain, hence the principal authorities included a qualification in both Policies WCBV3 and LF11 that a review from first principles of scale and distribution would be necessary if uncertainties about accommodating these provisions without adversely affecting TBH could not be resolved (see Chapter 10). Following a thorough technical review of the evidence, including the effectiveness of mitigation measures and access management, the Assessor considered that about 40,000 dwellings should be capable of being accommodated without significant adverse effect on the SPA provided that suitable avoidance or mitigation measures are implemented. However he was at pains to point out that the effectiveness of mitigation through the provision of Sustainable Accessible Natural Green Space (SANGS) would need to be tested through a monitoring programme.
- 7.83 Of the 11 core authorities only three have 100% of their area within 5 km of the Heaths (namely Rushmoor, Surrey Heath and Woking). The remainder have about 50% or more of their land area outside the 5 km zone, with the exception of Hart and Runnymede, although the suitability of these remaining areas to accommodate development depends on the presence of suitable urban areas.
- 7.84 Our judgement taking account of all the information before us and the debate held following the publication of the Assessor's report is that this part of the region should accommodate additional housing growth. This reflects the economic and demographic drivers within the London Fringe and WCBV areas as argued elsewhere in this chapter. We also note that the total housing level proposed in Policy H1 for the 11 core districts (districtwide totals) meets only about 70% of the 2004-based national household projections.
- 7.85 In suggesting some additional housing increase within the 5km zone, we are conscious that we are departing from the advice of the Assessor (recommendation D(i), Assessor's report, 19 February 2007 [TBHtm7]). Nevertheless we note the evident uncertainties about the likely population increase associated with this level of 40,000 dwellings (Assessor's report, paras 4.4.16-24). Since we consider that population increase is most likely to be at the lower end of the 6-8% range stated there on the basis of the more extensive demographic evidence available to the EIP, the Assessor's conclusion that the draft Plan's housing level would be likely to lead to only a small increase in the number of visits to the SPA (his para 4.4.25) should be capable of remaining valid with a slight increase on 40,000 dwellings. We have also given weight to the following:
- Natural England's confirmation at the EiP that individual large scale development with its own package of SANGS can come forward within the 5 km zone (8Hiv/8Jiv debate);
  - Natural England's agreement that an ISDP based on SANGS and with complementary access and habitat management measures ought to be able to avoid adverse effects on the SPA from new development within the 5 km zone; and
  - the extent of the work already undertaken on the mini delivery plans by local authorities and the evident desire on all sides to drive forward with the required planning and management strategies.
- 7.86 We therefore make a detailed case in our later sub-regional chapters for increasing housing provision levels within the 5 km zone in Guildford and Woking, based on the capacity for sustainable development at these regional hubs, and at a Major Developed Site in public sector ownership within the Green Belt on the borders of Runnymede
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and Surrey Heath. We envisage that only a small element at most of our recommended increase at the Bracknell sub-regional hub may need to be within the 5 km zone. While it will be for the local authorities concerned to decide how this should be allocated, in making our recommendations we are conscious that concentrating development in large-scale schemes will have the greatest chances of that development "consuming its own smoke" and being able to provide the necessary SANGS on-site. From a common sense perspective we would assume that where major developments are towards the outer edges of the 5 km zone, particularly where attractive countryside is accessible in several other directions, there will be a greater chance of avoiding increased recreational pressure on the Heaths. We accept in terms of phasing, that housing delivery may be interrupted while the detailed avoidance and mitigation strategy beds in, and it would be appropriate to plan for a greater part of this additional housing being provided towards the second half of the Plan period. Nonetheless, in our view, an increase of up to 6,000 above the 40,000 level (2,000 + 1,000 + 2,500 respectively and possibly a small element at Bracknell) would accord with the precautionary principle and, subject to the provision of SANGS of the necessary quantity and quality, we are satisfied that this additional level of provision would not have an adverse impact on the integrity of the SPA.

- 7.87 We also make a case for increasing the housing levels within several other local authority areas, namely Wokingham (2,000), Windsor and Maidenhead (1,300), Waverley (400), Elmbridge (500), and Runnymede outside the strategic opportunity identified above (300). It is assumed however that these increases would fall outside the 5 km zone, since this is where much of their urban area is located and on the basis of illustrative capacity put to us by developer representatives.
- 7.88 We make no adjustment to the district totals for Rushmoor, Hart, and Surrey Heath outside the strategic opportunity site.
- 7.89 In making these recommendations we are conscious of the risk of upsetting the generally positive atmosphere that was created by the Assessor's conclusions. However from our understanding of the technical meetings, it cannot be said that the 40,000 dwellings should be treated as an absolute limit. And we have had a duty to consider the Assessor's conclusions within the context of broader regional needs in setting district housing levels which will then be further tested in the LDF process.

### **Milton Keynes and Aylesbury Vale c**

- 7.90 We broadly support the draft Plan's housing provision of 70,000 (3,500 dpa) for the following reasons:
- It represents a step change against RPG9 levels taking account of the MKSM growth strategy.
  - It allows for notional natural change, meeting a backlog of unmet need, and significant in-migration (natural change element represents only 47% of the total under the zero net migration projection).
  - The proposed figure is significantly above the Government's 2004-based projections (by 84%). The 2004-based projections are about 12% below the 2003-based.
  - Recent performance does not yet match the draft Plan levels.
  - It gives adequate weight to the economy, including promoting modern businesses in Milton Keynes and sustainable regeneration at Aylesbury. Economic initiatives
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will be encouraged as a RES Diamond. The strategy seeks to balance the forecast number of new jobs with new homes in a 1:1 ratio in both Milton Keynes and Aylesbury Town.

- Urban potential has been appropriately incorporated but the strategy acknowledges the need for greenfield urban extensions particularly of Milton Keynes.
- It recognises the importance of the Chilterns AONB and more local environmental designations.
- It gives adequate weight to infrastructure. Engineering solutions should be available to unlock capacity constraints at Aylesbury STW. Growth is designed to support the case for reopening the East-West Rail link.

7.91 Nevertheless we suggest minor adjustments to allow for development within both districts outside the Growth Area town and to reflect underperformance since 2001 at Milton Keynes. But any further significant increases would in our opinion upset this balanced strategy. This part of the region already has the highest growth rates. Higher numbers still would risk out-commuting levels increasing particularly from Aylesbury.

### **Central Oxfordshire c**

7.92 We consider that the draft Plan's housing provision of 34,000 (1,700 dpa) is significantly too low because economic factors have been given insufficient weight, while too much weight has been given to the setting of Oxford and the Green Belt:

- It represents a decrease on RPG9 levels of about 6% for all five Oxfordshire districts, but with little policy justification.
  - It allows for natural change, with a relatively small notional allowance to meet a backlog of unmet need (this being high in Oxford), and some in-migration (natural change element represents 80% of the total under the zero net migration projection).
  - The proposed figure is less than the Government's 2004-based projections (meets about 84% of the projected change). The 2004-based projections are about 14% below the 2003-based.
  - three constituent districts have recent delivery rates that outperform the draft Plan levels.
  - It gives insufficient recognition to the internationally important science base, and risks prejudicing the achievement of the regional GVA target. Economic initiatives will be encouraged as a RES Diamond. The forecast number of new jobs is expected to outstrip expected labour supply (by over 15,000 on the Regional Assembly's scenario 7 projections for 2006-26).
  - It gives appropriate weight to urban potential but acknowledges the need for greenfield urban extensions at Didcot, Bicester and Wantage/Grove. The option of expanding Oxford was considered in previous structure plan work.
  - It recognises the heritage importance of Oxford, the Wessex Downs and Cotswolds AONBs and other environmental designations.
  - It gives adequate weight to infrastructure, and recognises capacity constraints on the A34. Unlocking some infrastructure constraints will be facilitated by the
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Didcot New Growth Point partnership between Government and South Oxfordshire DC. Oxford also has NGP status.

- 7.93 We consider that there should be sustainable solutions for accommodating a higher housing level taking account of the public transport accessibility benefits of the Oxford regional hub. Additional greenfield development will require a selective review of the Green Belt, which will need to be fully justified. Nevertheless options have been considered through previous structure plan work, which indicate a preferred direction.

### **Gatwick Area c**

- 7.94 We consider that the proposed housing provision of 33,000 (1,650 dpa) for the Gatwick sub-region as defined in the draft Plan is marginally too low in terms of regional needs. However the enhanced role of the Redhill/Reigate hub which we recommend as part of the London Fringe sub-region is relevant to the dynamics of the Crawley/Gatwick area. The southern towns in this area also provide some flexibility for those working in the Brighton hub which has limited opportunities for expansion. The reasons for a minor adjustment here are:
- The draft Plan housing level represents marginally more than RPG9 (by 5%) for the whole of the four districts.
  - It allows for natural change, with a generous notional allowance to meet a backlog of unmet need, and some in-migration (natural change element represents 37% of the total under the zero net migration projection).
  - The proposed figure is more than the Government's 2004-based projections for the whole of the four districts by some 25%. The 2004-based projections are about 8% below the 2003-based.
  - Delivery rates in the Sussex districts have been hindered by delays in providing essential infrastructure, but Reigate and Banstead has recent delivery rates that outperform the draft Plan levels.
  - The proposed housing level reflects the needs of the local economy. Economic initiatives will be encouraged as a RES Diamond. The expected increase in labour supply will marginally exceed the forecast number of new jobs (by about 800 on the Regional Assembly's dwellings led projections for 2006-26).
  - Urban potential estimates represent only some 42% of Policy H1 levels for the four districts combined, and the need for greenfield urban extensions at the main settlements is acknowledged. Additional options have been considered through previous structure plan work.
  - The narrow band of Metropolitan Green Belt in the north, AONB and the proposed South Down National Park in the south, together with noise protection zones around Gatwick airport and flood risk presents challenges to increasing the level further.
  - The effects of safeguarding land for a possible second runway at Gatwick airport causes uncertainties over the extent of development that can be accommodated around the Crawley regional hub. There are capacity constraints on the Brighton Main Line. Engineering solutions now look likely to be able to unlock capacity constraints at Crawley WWT.

7.95 In our view this strategy would not be unbalanced if housing levels were to be increased marginally.

### **Rest of County areas and Isle of Wight c**

7.96 We consider that there is a case for the majority of these areas to accommodate an uplift in housing levels to reflect regional needs, but without changing the strategic balance of the draft Plan. In our recommendations the growth in housing would remain proportionately lower than in the sub-regions compared to its existing housing stock.

7.97 We tested carefully the extent to which the draft Plan's proposed levels were sufficient to meet locally generated needs, on the basis that they are largely set below RPG9 levels. We found that most allow for natural change, ranging from East and West Sussex where the natural change element comprises a negative figure due to the effects of an ageing population, through Isle of Wight where it represents about 20%, to the remaining areas of Berkshire, Buckinghamshire, Hampshire and Surrey where it represents in the order of a 60-70% of the draft Plan levels. Exceptions to this are in Kent where natural change represents the entire draft plan level and rest of Oxfordshire where natural change is a further 28% higher than the draft Plan. In these two areas there is no notional allowance to meet a backlog of unmet need, or any immigration. No consideration has been given to mechanisms for meeting a backlog of unmet need, because there is no policy guidance for areas outside the sub-regions.

7.98 It is difficult to compare the draft Plan levels with those in the Government's 2004-based projections, because there are so many 'split districts'. However for the five districts that are wholly outside sub-regions and the Isle of Wight, all are below 2004-based projections.

7.99 In relation to other factors we find that:

- They generally give adequate weight to the economy within the rural areas. However insufficient weight is given to the needs of local businesses in the regional hubs of Maidstone and Tonbridge/Tunbridge Wells, and in Winchester, Amersham and Chesham. It is not possible to comment on the relationship between expected labour supply and number of new jobs as no forecasts have been undertaken for areas outside sub-regions.
- They generally give appropriate weight to urban potential in the rural areas, but ignore the scope for sustainable urban extensions of larger settlements where these are served by rail. 'Excess' urban potential is identified in some districts, e.g. Chiltern, but ignored by the draft Plan. A high weighting is given to Green Belt.
- They generally recognise the importance of National Park and AONB designations which cover large parts of these areas. Heritage considerations may have been given too much weight in Winchester and Tunbridge Wells, the latter being a regional hub.
- They generally give adequate weight to infrastructure, given that these are largely rural areas. However the scope for sustainable development at the regional hubs is underplayed. Unlocking infrastructure constraints will be facilitated by the Maidstone New Growth Point partnership between Government and Maidstone BC, although there are constraints on further development here in order to avoid competition with the Kent Thames Gateway. Several smaller rural WWT works

have absolute limits on the amount of new development that they could support, but in reality this does not present a significant constraint.

7.100 In our view the spatial strategy would not be undermined by maximising the potential in and around the regional hubs, by making use of available local capacity where it can be served by good public transport connections, and by recognising the potential to reuse redundant public sector land. Slightly higher housing levels in areas outside the sub-regions would give more scope for meeting the needs of rural areas, particularly in market towns.

### **PANEC RECOMMENDED HOUSING PROVISION LEVELS C**

7.101 Bringing together the results of the top-down assessment and the sub-regional analysis, gives a recommended regional housing level of 32,000, as set out in Table 7.1. Our recommended increases make a relatively small change to the increment that new housing would add to the 2006 housing stock compared to the percentage increases already implied by the draft Plan.

**Table 7.1: Recommended Housing Provision at Sub-Regional Level**

	<b>Draft Plan dpa</b>	<b>Panel recommended additional dpa</b>	<b>Panel total increase as % of 2006 housing stock* (draft Plan equivalent)</b>
<b>Sub-regions</b>			
South Hampshire	4,000	0	19 (19)
Sussex Coast	2,700	270	13 (12)
East Kent & Ashford	2,400	250	20 (18)
Kent Thames Gateway	2,400	50	24 (24)
London Fringe	1,868	438	13 (10)
Western Corridor Blackwater Valley	4,476	904	19 (15)
Milton Keynes & Aylesbury Vale	3,500	190	45 (43)
Central Oxfordshire	1,700	305	24 (21)
Gatwick	1,650	75	26 (25)
<i>Total sub-regions</i>	<i>24,694</i>	<i>2,482</i>	
<b>Outside the 9 sub-regions</b>			
Isle of Wight	520	0	16 (16)
Rest of Hampshire	800	245	12 (9)
Rest of West Sussex	300	30	13 (12)
Rest of East Sussex	300	30	11 (10)
Rest of Kent	1,200	194	13 (11)
Rest of Surrey	230	20	8 (8)
Rest of Berkshire	50	0	15 (15)

Rest of Oxfordshire	660	65	15 (14)
Rest of Buckinghamshire	150	35	7 (6)
<i>Total Rest of County areas inc IoW</i>	<i>4,210</i>	<i>619</i>	
<b>TOTAL</b>	<b>28,904</b>	<b>3,100</b>	<b>18 (16)</b>

\* 2006 housing stock levels from Demography Technical Note 5 (Revised) Updated, Table 13.3, October 2006 [Hr1B]

- 7.102 This represents an overall increase of 10%, which is at the low end of what seems appropriate from our assessment of top-down factors. As explained in our sub-regional analysis, we recommend the largest increases in those 3 sub-regions (Central Oxfordshire, WCBV, and London Fringe) where we consider insufficient weight has been given to economic factors, and in the case of the latter two sub-regions also to demographic factors. In respect of the areas outside sub-regions, the highest increases seek to optimise capacity within the regional hubs and in those towns with good public transport connections some of which have played a growth role in previous regional and structure plan strategies, and make provision for the reuse of public land.
- 7.103 This recommended distribution is only marginally different from that proposed in the draft Plan. 85% of new housing would still be located in the proposed sub-regions excluding the Isle of Wight. We have suggested proportionately greater increases in the economically buoyant areas on the western side of the region. This takes account of advice from SEEDA, who suggested that some 50% of all new housing should be located in the Inner South East (WCBV, Central Oxfordshire, MKAV, London Fringe, and Gatwick). Our recommended revisions go some way to achieving this, with just over 47% of the total in these five sub-regions compared to some 45% in the draft Plan. We do not consider that any of our adjustments have been sufficient to upset the objective of reducing intra regional disparities.
- 7.104 Some of the increases incorporated in our recommendations were agreed to by the principal authorities at the examination. This includes taking account of additional background work or minor omissions, the results of subsequent appeal decisions, and the implications of the New Growth Points. Our recommendations also allow for a transfer of provision between the sub-region and the relevant rest of county area as requested by two authorities (Vale of White Horse and Sevenoaks), and other minor adjustments e.g. to reflect be expected timing of release of public sector land. For the remainder of our recommended changes, we are confident that sufficient ways of meeting the increases were demonstrated to us in the evidence debated in the more locally based examination sessions and in written submissions, and these are discussed further in our sub-regional and rest of county chapters.
- 7.105 The degree of discretion that local authorities should have in transferring housing provision between the area within the sub-region and the remainder of their district when producing their LDFs was a source of concern for many "split districts". We agree with the Regional Assembly that for the "sharper focus" concept to work housing allocations should reflect the sub-regional components identified. The only locations within the region where greater flexibility is recognised in the draft Plan is the Sussex Coast (Policy SCT7). We agree with the Regional Assembly that this same flexibility should be extended to the Gatwick area sub-region as some of the same local authorities are involved, although we consider there to be less justification in this case. Contrary to the Regional Assembly we also agree to the same flexibility



being available to Reigate and Banstead DC because to our mind there is an extremely 'fuzzy' boundary between the London Fringe and Gatwick area sub-regions here with the Redhill/Reigate hub being equally part of both sub-regions. We do not consider that this same degree of flexibility should apply anywhere else in the region.

## **DISTRICT APPORTIONMENT (POLICY H1) c**

- 7.106 The most difficult task that we have faced is to apportion our recommended increase to particular districts to produce a revised district apportionment. Hence although we are confident in the sub-regional apportionment that we suggest, it is far more difficult at this strategic level to be confident about individual districts totals. Nevertheless we have gone as far as we feel able to do, given that this is required of RSS under the new system. We have no doubt that it will be very challenging for some local authorities to know how to accommodate this additional growth. It is possible that additional urban potential may be found when those local authorities who have not yet undertaken a site-based assessment do so. Nevertheless new land will have to be found, and we do not think it an appropriate yardstick that all land needs to have been identified before RSS's housing provision levels can be confirmed.
- 7.107 A huge variety of potential schemes were submitted to us as representations on the submission draft Plan. It would not have been feasible, nor would it have been appropriate, for us to examine all of these proposals in detail. There were a few proposals, particularly those of a scale that made them candidate SDAs, on which we encouraged discussion in the sub-regional and rest of region debates. Some of these more strategic proposals may well be able to contribute in those local authorities where we recommend a significant increase in their housing levels. But in the absence of consistent SA results in terms of their strategic implications for the draft strategy as well as any local impacts, it would be wrong of us to give them additional credibility by naming them unless they are very specific e.g. the reuse of PDL. For the most part though we are content that there should be sufficient flexibility for local authorities to find new land implied by our recommendations.
- 7.108 Table 7.2 overleaf identifies the additional housing provision that we recommend for individual districts.

**Table 7.2: Recommended Housing Provision at District Level**

District / Strategic Development Area	Draft Plan dpa	Panel recommended addition dpa*	District / Strategic Development Area	Draft Plan dpa	Panel recommended addition dpa*
Adur	130	50	New Forest	207	0
Arun	465	100	North East / North of Hedge End SDA	300	0
Ashford	1,135	0			
Aylesbury Vale	1,060	285	Oxford S Oxford SDA	350	50 200
Basingstoke & Deane	825	70	Portsmouth	735	0
Bracknell Forest	539	100	Reading	521	90
Brighton & Hove	550	20	Reigate & Banstead	387	75
Canterbury	360	100	Rother	280	0
Cherwell	590	50	Runnymede	146	140
Chichester	430	50	Rushmoor	310	0
Chiltern	120	25	Sevenoaks	155	10
Crawley	350	25	Shepway	255	0
Dartford	785	0	Slough	235	50
Dover	305	100	South Bucks	90	4
East Hampshire	260	125	South Oxfordshire	510	37
Eastbourne	240	0	Southampton	815	0
Eastleigh	354	0	Spelthorne	151	15
Elmbridge	231	25	Surrey Heath	187	0
Epsom & Ewell	181	18	Swale	415	50
Fareham	186	0	Tandridge	112	13
Fareham SDA	500	0	Test Valley	446	30
Gosport	125	0	Thanet	325	50
Gravesham	465	0	Tonbridge & Malling	425	25
Guildford	322	100	Tunbridge Wells	250	50
Hart	200	0	Vale of White Horse	575	3
Hastings	210	0	Waverley	230	20
Havant	315	0	Wealden	400	80
Horsham	620	30	West Berkshire	525	375
Isle of Wight	520	0	West Oxfordshire	335	30
Lewes	220	0	Windsor & Maidenhead	281	65
Maidstone	410	94	Winchester	522	90
Medway	815	0	Woking	242	50
Mid Sussex	705	50	Wokingham	523	100
Milton Keynes	2,440	-92**	Worthing	200	0
Mole Valley	171	17	Wycombe	330	60

\* See Appendix B3 for a sub-division of any increases in those districts split by a sub-regional boundary

\*\* A negative figure results from a transfer of housing associated with the south west extension of Milton Keynes, previously included in the Milton Keynes district total, in to Aylesbury Vale district

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## **Qualifications on Housing levels c**

- 7.109 Footnotes have been used extensively against housing provision levels in the draft Plan to indicate where uncertainties were still to be resolved. We retain this system as indicated in our suggested policy redrafts in Appendix A. We have updated the draft Plan's footnotes taking account of more detailed work that has been undertaken since its submission. We have also rationalised their use.
- 7.110 In Policy H1 we consider it appropriate for footnotes to identify issues which affect the apportionment between districts. Their use may therefore be necessary where the expansion potential associated with a major settlement may have to occur in the adjoining district(s). For example in south Oxford it has not been possible for us to divide up new housing levels between adjoining districts because of the relationship of the boundary to the area of search for development. We have therefore identified a ring fenced scale of development as a policy area to be subsequently shared between districts. This is consistent with how the two South Hampshire SDAs have been treated in draft Policy H1. However where a strategic opportunity arises on the border of two districts which fall below our SDA threshold we have allowed for it in that district with the largest part of the site, but indicating that a subdivision will be necessary following more detailed work.
- 7.111 In other cases it may already be clear that land in a particular district has to be used to enable the continuing development of a major settlement, e.g. around the southern boundary of Reading. In this case we have used a footnote to indicate the broad scale of development that should be related to the needs of that settlement.
- 7.112 A legitimate further use of footnotes on Policy H1 is where a strategic brownfield opportunity has arisen within a single district but it is not currently possible to determine its precise scale. This applies to both Shoreham Harbour and Whitehill Bordon. The footnote in these circumstances seeks to ring fence a scale to provide greater clarity for planning in the remainder of the district and also serves to indicate where a possibly larger scale would be acceptable subject to feasibility testing.
- 7.113 There is a role for further and more detailed footnotes on those policies giving housing levels within each sub-region, particularly in providing additional detail about the scale of development expected at or related to particular settlements. The sub-regional policies often give additional information about the timing of development in the constituent parts of the districts. The main phasing uncertainties relate to compliance with the Habitats Directive and the Water Framework Directive, and in four instances we have agreed with the Regional Assembly that additional qualifications should be added as a result of the AA (see chapters on South Hampshire, Sussex Coast, London Fringe and WCBV). This errs on the side of caution and there may well be additional changes to footnotes by the time the Plan is finalised on the basis of continuing work.
- 7.114 We are not however convinced that merely flagging up infrastructure constraints is necessary in footnotes unless they are related to environmental uncertainties. Physical capacity constraints would reflect a snapshot in time and their resolution should become clearer at the LDF stage.
- 7.115 We consider that the role of the RSS is to provide a firm basis for planning. Hence our recommended housing provision figures are intended to be targets for LDFs. Although expressed as annual averages, they are just that, and it is the overall level that should guide assessments of available land supply in accordance with PPS3. In the subsequent development control process these RSS housing levels should not be
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treated as ceilings, nor should there be any attempt to ration planning permissions to avoid outperforming this RSS, as has apparently occurred in at least one MGB area in relation to RPG9. Hence we see no impediment to allowing the accommodation of higher numbers than indicated in Policy H1 at the main brownfield opportunity areas identified in the Plan if this were later found to be feasible e.g. at Shoreham Harbour or Whitehill Bordon.

- 7.116 We consider that the RSS should present a clear strategy with planned future levels. In this way it should provide a clear steer to infrastructure providers about the scale, and where possible timing, of new infrastructure required. This should be beneficial to the planning of all forms of community facilities and public services, and not just physical infrastructure. But in relation to the water utility companies, whose concerns were raised in several of the debates, this should provide them with adequate warning of the engineering solutions that might need to be commissioned in order to avoid exceeding new water quality levels as these are progressively tightened under the Water Framework Directive.
- 7.117 In terms of policy expression the long list of districts in Policy H1 is difficult to interpret spatially. One option is to list districts/unitaries in County groupings, but this would not reflect the intention of the Plan to focus on functional areas rather than previous SP areas. Another option would be to use sub-regional groupings of local authority areas. But because of the complexity of sub-regional and rest of county areas, we have decided that the existing listing of districts in alphabetical order remains the clearest format for Policy H1.

## **ECOMMENDATIONS c**

**c**

### **Recommendation 7.1 c**

Increase the regional housing provision levels by 10%, and revise levels for the sub-regions and rest of county areas in accordance with Table 7.1. The largest increases in the draft Plan levels should occur in the London Fringe, WCBV and Central Oxfordshire sub-regions (para 7.101)

### **Recommendation 7.2 c**

The only parts of the region where local authorities should have flexibility to transfer housing provision between the sub-region and the remainder of their district is in the Sussex Coast and Gatwick area sub-regions and in Reigate and Banstead district (para 7.105)

### **Recommendation 7.3 c**

Increase the district housing provision levels in accordance with Table 7.2. The largest increases should be in the economically more buoyant parts of the region and related to strategic scale opportunities (para 7.108)

### **Recommendation 7.4 c**

Regard the housing provision levels in the region as targets and revise the district apportionment for LDD purposes as set out in our revised Policy H1 (para 7.115)

**c**

**c**

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**Recommendation 7.5 c**

The next review of RSS should be informed by strategic housing market assessment work, together with the advice from the National Housing and Planning Advice Unit, and the results of monitoring and evaluating the labour market (paras 7.33 and 7.46).



## **8 s AFFORDABILITY AND AFFORDABLE HOUSING AND OTHER HOUSING POLICIES s**

Matter 1H, 8 and 9

*This chapter considers the mechanisms of affordable housing provision and the role of the planning system in it, and recommends a stronger steer towards joint working on strategic housing market assessments. It recommends that the affordable housing policy gives explicit encouragement for LDDs to set lower site thresholds where appropriate, and endorses the regional 35% affordable housing target. It recommends expansion of the important policy on the type and size of new housing to give more guidance for LDDs. It endorses the housing density target of 40 dpa but recommends giving more emphasis to design in the policy covering this, and that the text exemplifies where higher or lower densities may be appropriate.*

### **AFFORDABILITY AND AFFORDABLE HOUSING s**

- 8.1 Housing affordability is stressed by all participants to be a key issue in the South East. Indeed it was a recurrent theme in examination debates on all of the sub-regions and other areas as well as during discussion of the regional housing policies. As the draft Plan makes clear, the cost of buying or renting a home in the region is second only to London. We agree with the draft Plan and those many participants who stress that the cost of housing is a major barrier to economic growth and has potentially serious social consequences.
- 8.2 The Regional Assembly's own research shows that the failure to deliver sufficient affordable housing in the past has resulted in a significant backlog of unmet need (see Chapter 7). In this respect there is a consensus among participants about the importance of meeting the backlog as well as the needs of households that will form over the next twenty years but who will not be able to afford market housing. We therefore strongly endorse the assertion in D3 para 5.3 of the draft Plan that, to address these problems, there needs to be a significant increase in affordable housing across the region.
- 8.3 However, as several participants point out, affordability is not the same as affordable housing. Affordability problems exist over virtually the whole of the South East and Map H3 shows that house price – earnings ratios range from around 6 to over 13. We note that when referring to 'affordable housing' the draft Plan relates specifically to that provided with a subsidy and which is subject to mechanisms that will ensure that the housing remains affordable for those who cannot afford market housing. We accept that this approach does not relate to affordability for owner-occupiers and we agree with the Regional Assembly that the best way to help those in genuine housing need is to increase substantially the level of investment in affordable housing.
- 8.4 We therefore consider that the definition of affordable housing following D3 para 5.6 provides a useful clarification of the term. We also agree that, although developed before PPS3 was published, the draft Plan's definition accords broadly with that set out in PPS3, which comprises both social-rented and intermediate housing. But to avoid confusion we recommend that the PPS3 definition<sup>1</sup> be included in the text to replace the wording in the draft Plan.

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<sup>1</sup> PPS3 Annex B, CLG, November 2006

## **Role of the Planning System s**

- 8.5 The national context for affordable housing is set out in PPS3, which confirms that RSS should set out the regional approach to addressing affordable housing needs.<sup>2</sup> PPS3 includes guidance on size and type of houses, site thresholds, developer contributions and housing in rural communities as well as affordable housing targets. All of these aspects were discussed at the examination and there was a large measure of agreement about these issues including the proportions of affordable housing. However it was the relationship between market and affordable housing that provoked most debate. While there is agreement on the need for a step change in the scale of provision of affordable housing in the region there is evidently no consensus on the role of the planning system in delivering that objective.
- 8.6 There is a fundamental difference of view between those who believe that provision of more affordable housing is inextricably linked to the overall level of market housing via developer contributions, and those who consider that seeking to divert more S106 contributions into affordable housing simply reduces the funding available to invest in other forms of infrastructure. While the latter view is generally reflected in the draft Plan and is supported by virtually all of the local authority participants, the former approach is advanced by a range of other interests, including the development industry, the NHF, SEEDA and GOSE.
- 8.7 We accept that among the array of factors influencing the provision of affordable housing the planning system has only a limited and partial role to play. We note that rates of new affordable housing provision reflecting both the contribution of the private sector and of publicly subsidised developments have been running well below the rate required to meet existing needs in the South East. We also acknowledge and support the strong case put forward by among others SECL and DCSE for an increase in public funding for social rented housing in the region. But in our view the debates at the examination demonstrated that, even with increased levels of public subsidy, there will still be a need for increased provision of affordable housing through the planning system.
- 8.8 We recognise that the private sector is now a major deliverer of affordable housing in the region. The appropriateness of targets for provision of affordable housing as part of private developments is discussed below. However in assessing the role of the planning system we agree with the HBF that proportionate targets are only sensible if there is link with more market housing. We accept that such a link is implicit in PPS3 and we agree with the developer interests who argue that affordable housing cannot be decoupled from overall housing levels. Although this weighs in favour of increasing the overall housing levels in the draft Plan, we have not used this as a primary justification, since we agree that it is not the case of building a way out of the problem. A more targeted approach to the provision of affordable housing is needed.

## **Some Delivery Issues**

- 8.9 Although the draft Plan promotes 'reasonable' levels of housing (Chapter 3) and Policy H4 requires LDDs to deliver a 'substantial increase' in the supply of affordable housing, we empathise with those participants who say that the mechanisms for delivering that increase are not always clear. Indeed while participants are generally supportive of the strategic steer on affordable housing given by the draft Plan, concern was expressed about some specific aspects of delivery.

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<sup>2</sup> PPS3 paras 27-30



- 8.10 Delivery Agencies: some participants, including DCSE feel that the roles and responsibilities of the relevant bodies should be made clearer in the draft Plan. However, if PPS3 is read alongside PPS11 and the latest government guidance on delivering affordable housing<sup>3</sup> there is nothing in our view that the RSS can usefully add. The Regional Housing Board has prime responsibility for setting priorities for publicly funded social housing in the region. It is therefore essential that the RSS is aligned with the Regional Housing Strategy and we agree with Shelter that, since the RSS is the statutory document, it should set the strategic planning framework for affordable housing investment. In this context it is reassuring that the Housing Corporation considers that the Regional Housing Board's approach is now very close to that of the Regional Assembly.
- 8.11 Local Development Documents: the draft Plan relies on LDDs to deliver the increased affordable housing provision at local level. The evidence base for LDDs should include Strategic Housing Market Assessments (SHMAs) that estimate housing need and demand in terms of affordable as well as market housing<sup>4</sup>. In addition to reinforcing the link between affordable and market housing in LDDs this places an obligation on local planning authorities to work together to prepare joint SHMAs. Although we were advised by DCSE and by Milton Keynes Council to 'tread carefully' when considering joint working on LDDs we are quite clear about the importance of relating the Assessments to broad housing market areas. The draft Plan should therefore include a much stronger reference to the necessity for jointly prepared SHMAs where administrative boundaries bear little relation to housing markets (D3, para 5.5). The need for jointness should also be more strongly reflected in the Implementation Plan.
- 8.12 Small Site Thresholds: the consultation draft Plan (January 2006) indicated in Policy H4 that the size of site on which an affordable housing contribution would be required would be set locally but this is omitted from the draft Plan. Some councils, including East Hants, object to this deletion. They consider that the ability to set lower site thresholds for negotiating affordable housing will be particularly important in towns and built-up areas reliant on small sites. Although reference is made to site thresholds at the end of D3 para 5.5 in the draft Plan we accept that there would be merit in its inclusion in the policy itself, particularly as authorities have apparently had mixed success with lowering size thresholds. We acknowledge that the Regional Assembly supports this amendment to Policy H4 and we recommend accordingly.
- 8.13 Rural Needs: the need for more affordable housing in rural communities is stressed by several participants. The NHF feels that rural areas have missed out and the S E Rural Affairs Forum says that villages are losing affordable housing units faster than they are being provided. The Housing Corporation also points out that recent bids for funding rural schemes were far in excess of the available budgets, and that it hopes to increase rural provision significantly in the next few years. The lack of affordable housing in villages is clearly a widely recognised issue in the South East, given the high house price/income differentials in rural areas, particularly for young people. However PPS3, paras 30 to 38 give a much fuller framework for addressing rural housing needs than the last part of Policy H4. Hence we conclude that there really is nothing that is regionally distinctive for the RSS to add about rural housing policy. Nevertheless given its psychological importance, we are content with a reference to rural affordable housing needs in the policy. A cross reference could be made in the

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<sup>3</sup> Delivering Affordable Housing, DCLG, Nov 2006 [Hn21]

<sup>4</sup> PPS3 Annex C

text to PPS3, stressing the importance of LDDs promoting small scale affordable housing developments within or closely related to rural settlements.

## **REGIONAS AND SUB-REGIONAS TARGETS**

- 8.14 As referred to above, Policy H4 seeks policies in LDDs that will deliver a substantial increase in the amount of affordable housing in the region. It goes on to require that LDDs should have regard to the overall regional target that 25% of all new housing should be social rented accommodation and 10% other forms of affordable housing.
- 8.15 Dealing firstly with the appropriateness of an overall regional target for affordable housing provision, we heard conflicting views on the matter. We accept the difficulties of setting a top-down target given the widely different range of needs and viability factors across the region. PPG3, which was current at the time the draft Plan was prepared, advises that estimates for affordable housing set out in RPG should be regarded as indicative and should not be presented as targets or quotas for local planning authorities to achieve. PPS3 requires that RSS should set out the affordable housing target for the region (and for each housing market area). While neither it nor its companion document, *Delivering Affordable Housing*, is explicit about the status of the regional target, we consider that Policy H4's requirement that LDDs should "have regard to" to the regional target is justified and appropriate.
- 8.16 We therefore consider that Policy H4 successfully provides a steer for local planning authorities about the broad scale of affordable housing provision that should be sought through LDF policy and development control negotiations across the region while permitting local variation. It will also provide a monitoring target against which region-wide performance can be assessed. From the Regional Assembly's monitoring work we understand that affordable housing is measured as net new affordable units whether new build or conversions, whether funded by Registered Social Landlords or S106 contributions as a percentage of total net new dwellings per annum.
- 8.17 In commenting on the appropriateness of the target, some participants at both the regional and sub-regional debates were concerned that in order to achieve the regional target of 35%, substantially higher percentages would need to be provided on qualifying sites. The stronger support for a lowering of site thresholds which we recommend above would provide some limited assistance in this matter. Nonetheless, we recognise the extent to which existing commitments have already defined the quantity of affordable housing that will be provided, sometimes at lower rates than implied by Policy H4. As we have concluded above, the scope for achieving high percentages of affordable housing through the use of S106 agreements is limited and there will be competition for funding contributions to other infrastructure provision. Monitoring and review of the RSS will subsequently need to address the appropriateness, including the achievability, of the targets.

### **Split between Social Rented and Intermediate**

- 8.18 So far as the basis for the overall target of 35% and the social rented/intermediate housing split is concerned, we have noted the studies upon which it is based<sup>5</sup>. Clearly there are a range of issues that affect their conclusions. The methodology for assessing intermediate housing need is a relatively new area. Assumptions about

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<sup>5</sup> Housing Need in the South East, Cambridge Centre for Housing and Planning Research (CCHPR), December 2004 [HR11]; Need for Intermediate Housing in the South East, CCHPR, July 2005 [Hr9]; Housing Need in the South East – Update, CCHPR, July 2005 [HR10].

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long-term trends in migration and tenure changes, for example, and policy decisions about the categories of backlog need that should be addressed are important influences on the findings. However we have found insufficient reason to challenge the soundness of the work that has been undertaken. While noting that the studies look to 2021 only, we consider that the targets have a sound basis for inclusion in Policy H4.

- 8.19 In coming to this conclusion we have taken account of the debate about the potential for intermediate housing to play a greater role, especially in particular areas of the region. The research carried out on behalf of SECL<sup>6</sup> indicates the potential to release up to 2,600 social rented units per year through renewed emphasis on intermediate housing. It suggests that there may be a particularly strong role for intermediate housing in Berkshire and Surrey. During our debates there were also participants, including Places for People, who saw an important role for the SCP Growth Areas in providing intermediate products.
- 8.20 We welcome the exploration of the best ways of meeting the challenge of providing substantially increased overall provision. It is clear however that the Assembly recognises the tensions and trade-offs to be made between the requirement to meet a higher overall percentage of affordable housing target and the desire to provide social rented housing which requires higher levels of subsidy. The Policy H4 targets already take this into account and, if meeting need were the only factor, a higher target for social rented housing would have been set. In our view the proposed targets are a reasoned, balanced response to need and funding considerations, and the particular circumstances at local level will best be addressed through the development of policies in LDDs which are informed by SHMAs.

### **Sub-Regional Targets**

- 8.21 The particular sub-regional targets included in all except the WCBV sub-region seek to develop the approach in Policy H4. The background work undertaken in several sub-regions in justifying a more local affordable housing target was commendable. Much was based on evidence from Housing Needs Surveys, which because of their aspirational nature, sometimes produced results that equated to the total housing provision proposed by the draft Plan for that area, or in the case of the Sussex Coast produced a figure more than double. It was encouraging though that viability work has been undertaken in several parts of the region in setting sub-regional guidance.
- 8.22 The sub-regional targets are presented in a variety of ways: some described as "up to", some "at least", and one as a range. This reflects the fact that the sub-regions often encompass very different development contexts. Overall we are attracted to the language used in the two Kent sub-regions where they are described as "indicative" targets. This signals that there can be variation between districts as necessary. We would also expect pragmatism in the districts split by a sub-regional boundary, and would not necessarily expect them to have to operate a sub-regional target in one part and the regional target in the remainder of the district.
- 8.23 The lack of any guidance on affordable housing in WCBV is disappointing as there are undoubtedly pressures for affordable housing. However because this sub-region covers such a range of local circumstances given its size, we are content for the regional policy not to be supplemented here, but would hope that this situation will be rectified when targets are developed for housing market areas as required by PPS3.

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<sup>6</sup> Meeting Affordable Housing Needs in the South East through Intermediate Housing, Three Dragons and Herriot Watt University, September 2006 [Hr24A].

## OTs R OS ING POLICIS s

### Type and Size of New Housing (Policy H6) s

- 8.24 There has been a dramatic increase in the number of flats being built in the South East since the late 1990s. Within the private sector, researchers<sup>7</sup> consider that this may reflect a shift between building small houses to building small flats i.e. a change in type not in size. A significant proportion of 3 and 4+ bedroom houses are still being built, although there appears to be a house price premium on large (detached) properties. A more marked shift has occurred within the public sector with over two thirds of recent completions being flats, and some 80% of completions being 1 and 2 bedroom units<sup>8</sup>. This is of great concern to the NHF and Shelter, who point to overcrowding in the social rented sector, made worse by the loss of larger stock under Right to Buy provisions, but also to overcrowding in the private rented sector.
- 8.25 Policy H6 recognises the importance of providing the right type of housing to meet the needs of the community. It encourages joint working between local authorities, identifies particular groups of people whose housing needs should be identified, and encourages LDDs to require an appropriate range of housing opportunities.
- 8.26 Despite an accusation of blandness by some participants, such a policy is appropriate in this RSS, in our view, because:
- it has symbolic importance to offset the inevitable emphasis on the quantitative aspects of housing provision levels;
  - it is consistent with PPS3 to set out a broad approach to achieving a good mix of housing (para 21);
  - there are regionally specific challenges, such as changing household composition resulting from an ageing population;
  - without policy guidance, the mix of housing could be unduly influenced by the high cost of land and the demand for institutional investment in this region.
- 8.27 The policy would undoubtedly benefit from some updating and tightening to reflect PPS3 and associated guidance<sup>9</sup>, and the outcome of the recent study within the South East referred to above. Nevertheless there is a limit as to how specific such a policy could be, given variations in needs across the region, and their variation over time. A more detailed identification of such needs is appropriately done at LDF level informed by the results of SHMAs.
- 8.28 Some of the key pointers from the recent DTZ study that could be included in the supporting text to Policy H6 are:
- recent trends in completions by type (flats/houses) and size, within both the market and affordable sectors;
  - indicators of overcrowding in the social rented sector. Although these clearly point to a current need for more larger units in the affordable sector, we do not suggest that a particular target for the provision of larger units is included, since

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<sup>7</sup> Housing Type and Size in the South East, DTZ for SEERA & SEEDA as input to the Regional Housing Strategy review, February 2007 [SEERA2B]

<sup>8</sup> 97% of new intermediate housing, Meeting Affordable Housing Needs in the South East through Intermediate Housing, Three Dragons and Herriot Watt University for SECL, Final Report, para 3.11, Sep 2006 [Hr24]

<sup>9</sup> Strategic Housing Market Assessments: Practice Guidance, CLG, March 2007 [Hn7a]

- this could get quickly outdated. The proper place for any such a target is in the Regional Housing Strategy in order to influence funding regimes;
- techniques that could assist in identifying the size of affordable housing required, e.g. a focus on the characteristics of those in priority need rather than all those identified as being in housing need;
  - types of locations where particular attention could be paid to the existing stock profile, e.g. rural areas. If a predominance of larger detached dwellings were found here, it may be appropriate for local planning policy to promote a wider mix (DTZ para 6.45).
- 8.29 The supporting text (D3, para 7.2) will clearly need to be updated to refer to SHMAs, which incorporate previous housing needs assessment elements within a wider context. This paragraph could also refer to any good practice guidance that the Regional Assembly intends to produce to identify strategic housing market areas, give guidance on setting up housing market partnerships, assist consistency across the region in carrying out such assessments, e.g. the definition of backlog components, and any enhanced monitoring arrangements that it suggests<sup>10</sup>.
- 8.30 Further details of the types of joint working envisaged in the policy could also be included, e.g.:
- the range of stakeholders whose views could usefully inform strategic housing market assessments including local and regional housebuilders, estate agents, higher education providers, and health authorities;
  - the important interrelationships between planning and housing departments;
  - the possibility of joint or coordinated site allocations policies across sub-regional housing markets to support those local authorities without the scope for providing larger affordable housing units suitable to families within their own boundaries. Reading was an example used in the debate, as an authority area which is tightly hemmed in by its boundaries, and where 90% of current completions have been flats.
- 8.31 The text could usefully cross-reference the ongoing partial review to take account of the needs of gypsies and travellers.
- 8.32 In respect of Policy H6 itself, we suggest that it still encourages joint working, although of a broader nature than between adjoining local authorities, and that it still identifies the particular groups of people whose housing needs should be identified. The final sentence needs a more significant amendment:
- to separate out the different aspects that should be reflected in LDDs, namely the likely profile of households types requiring market housing (leaving proposals about how this should be met to developers), and more detailed guidance on the size and type of affordable housing required.
  - to encourage local authorities to identify a mix of site allocations in each five year period given that it will be more viable to provide family housing on some types of site than others, and
  - to encourage local authorities to prepare development briefs to provide guidelines on housing mix and density (as PPS3, para 24), where possible in advance of land

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<sup>10</sup> The DTZ study [SEERA2B] suggests for example forward projections on type and size from the resolution to grant stage on scheme proposals

being marketed to have the maximum chance of influencing the purchase price and hence development expectations.

- 8.33 It may also be appropriate to encourage further monitoring indicators to be used in respect of affordable housing, so that the size of units constructed e.g. floorspace or bedrooms is recorded as well as just a number of units (see para 28.10).
- 8.34 We do not consider that any specific reference needs to be made in RSS to any particular type of product, such as park homes.

### **ousing Densities (Policy H5) s**

- 8.35 The density of new residential development has averaged over 38 dwellings per ha (dph) in the South East for the last two years<sup>11</sup>. This has increased from just over 31 dph in 2001/02, when the region was first subject to a Density Direction requiring schemes at less than 30 dph to be referred to Government if the local authority were minded to approve<sup>12</sup>. This reflects the emphasis placed by Government on using land efficiently, and the benefits that can be obtained in terms of provision of facilities and public transport.
- 8.36 The first issue to arise is whether a regional density target is appropriate in this RSS, given the responsibilities placed on local planning authorities to develop housing density policies, including possibly a range of densities across the plan area, and to be guided by a national indicative minimum density of 30 dph in the interim<sup>13</sup>. There is also acknowledged to be a tension between too much emphasis on meeting particular density levels and achieving the right type and size of housing as discussed in the previous section. Nevertheless, we consider that with adequate explanation of its purpose, a regional density target would serve a useful monitoring function, would carry forward the objectives of Policy Q3 in RPG9, as well as being in accord with PPS3, para 45.
- 8.37 We also support the proposed level of 40 dph for the regional target in Policy H5. In our view this presents the right degree of challenge at least in the short-term. The fact that national Land Use Change statistics<sup>14</sup> indicate that this level is already being met, is not a strong driver for a higher target. Nor is the fact that density targets are significantly higher and more explicitly expressed in London (based on a density matrix related to public transport accessibility levels), because settlement characteristics are very different there. The target must be set consistent with the data sources being used by this region, coordinated by the Regional Assembly.
- 8.38 An important message within the policy is the encouragement to "higher" housing densities. This is intended to acknowledge that historically densities of new housing in the South East have been some of the lowest in the country. This phase is probably now past, and it is important that any RSS policy does not put too much weight on the pursuit of a particular density level at the expense of other planning objectives.
- 8.39 We acknowledge that density targets can be a blunt tool if overemphasised in local decision taking. In many respects density is better seen as an output rather than an input to the design of new housing schemes. We agree with Places for People that the

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<sup>11</sup> Annual Monitoring Report 2006, Quality of Life chapter, Annex 2, indicator 9, March 2007 [SEERA20B]

<sup>12</sup> Circular 1/2002 which apply to London and the South East (as defined by RPG9), superseded by Circular 1/2005 which additionally covered the South West and rest of East of England and Northamptonshire

<sup>13</sup> PPS3, paras 46-47

<sup>14</sup> GLA Matter 4B.2 statement

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overall objective is to create sustainable mixed communities (see our recommended changes to Policy CC1). We make the following suggestions to reflect this:

- The initial emphasis of this policy should be on seeking high-quality design and sustainability (we have already indicated in Chapter 5 the links between this and Policy CC4). This would have similarities with the approach adopted in Policy SE4 of the Surrey Structure Plan, although we would still recommend including a density target in the policy for transparency. Hence we would recommend retitling the policy Housing Design and Density.
- Policy H6 on the type and size of new housing should precede this policy.
- A cross reference to Policy BE1 v), vi) and vii) in the background text would set the encouragement of higher densities within the context of design solutions which build on local character, distinctiveness and sense of place, and the use of development briefs and masterplans as ways of achieving them.
- Guidance within the Councillors' Toolkit produced by the Assembly in 2004 should still be seen to complement this policy.

8.40 In order to provide greater clarity on how the regional target is intended to operate, we agree with SEFS that further explanation is needed of the meaning of "appropriate local variations". Hence the background text could explain that the proposed regional average does not mean that every local authority need set an LDF target of 40 dph - some may be lower because of their geographical characteristics, some higher. Similarly, in any given area, the average density resulting from development control decisions, may be lower in some years but higher in others depending on the mix of schemes under construction, and the stage which large schemes have reached.

8.41 The background text (D3, para 6.2) already indicates that there are significant opportunities for development in excess of 50 dph in many urban and suburban areas which "benefit from good public transport and existing higher levels of development density". We consider that this guidance would be strengthened by exemplifying the opportunities for such higher density development particularly in the centres of the regional hubs in accordance with the 'living cities' concept used in Policy CC8b). A cross-reference to the aims of Policy BE2 on considering the scope for intensifying predominantly residential neighbourhoods informed by local character appraisal would in our view be more constructive than implying that higher density schemes are only or most suitable in areas where densities are already high. The text could also acknowledge that densities below 40 dph may be appropriate in many rural areas. Beyond this we see no reason for providing further guidance, since this would merely duplicate the criteria to be taken into account by local authorities in setting their LDF and density policies (PPS3, para 46).

8.42 We suggest a further clarification to the text of Policy H5 to indicate that the target relates to densities expressed in terms of net developable area. This reflects difficulties described in the Regional Monitoring Report in that many local authorities are still using gross measures in supplying monitoring information.

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## **RECOMMENDATIONS**

### **Recommendation 8.1 s**

Add a much stronger reference in D3, para 5.5 to the necessity for jointly prepared SHMAs where administrative boundaries bear little relation to housing markets. Reflect the need for joint working in the Implementation Plan (para 8.11)

### **Recommendation 8.2 s**

Amend the definition of affordable housing in the paragraph following D3, para 5.6 to that set out in PPS3 (para 8.4)

### **Recommendation 8.3 s**

Amend Policy H4 to include a reference to lower site thresholds. Include in the supporting text a cross reference to PPS3 (paras 8.12-8.13)

### **Recommendation 8.4 s**

Refer to the sub-regional affordable housing guidelines as "indicative" targets (para 8.22)

### **Recommendation 8.5 s**

Reverse the order of Policy H5 to emphasise the need to seek high-quality design and sustainability, and retitle it "Housing Design and Density" (paras 8.39)

### **Recommendation 8.6 s**

Amend the supporting text to Policy H5 to cross reference it to Policy BE1 v), vi) and vii) and to note that local authorities may set higher or lower density targets than 40 dph, giving examples where higher densities are appropriate, cross referencing to Policy BE2 and acknowledging that lower densities may be appropriate in rural areas, and to clarify that the target relates to densities expressed in terms of net developable area (paras 8.39-8.42)

### **Recommendation 8.7 s**

Re-order Section D3 to place Policy H6 before Policy H5 (para 8.39)

### **Recommendation 8.8 s**

Update Policy H6 to reflect PPS3 and associated guidance to encourage joint working of a broader nature than between adjoining local authorities. Amend the final sentence to separate out the different aspects that should be reflected in LDDs, to encourage local authorities to identify a mix of site allocations in each five year period and to encourage the use of development briefs. (paras 8.27 and 8.32)

### **Recommendation 8.9 s**

Expand the supporting text to Policy H6 to give more guidance on preparing assessments to match need to the type and size of housing, to update by referencing SHMAs, to give guidance on setting up housing market partnerships and the type of joint working envisaged and to cross-reference the ongoing partial review to take account of the needs of gypsies and travellers (paras 8.28-8.31)



## **9 b TRANSPORT b**

Matters 3.2-3.5

*This chapter examines the role of demand management measures including charging initiatives within the overall regional transport strategy. It also considers freight and inter-modal freight terminals, ports and their landside infrastructure, airports in relation to national aviation policy; and it identifies key regional transport infrastructure priorities. More detailed transport issues are examined in the respective sub-regional chapters.*

### **AND ANAGb NT b**

#### **Context for the Regional Transport Strategy (RTS) b**

- 9.1 The transport policies in the draft Plan (Section D4) are based on the adopted RTS, July 2004, with the policy framework rolled forward from 2016 to 2026. The Regional Assembly says that due to the recent review date and the limited changes in national policy there have been minimal changes proposed to the RTS in the draft Plan.
- 9.2 While the scope of our examination was limited to the main policy changes proposed<sup>1</sup>, we agree that the overall Manage and Invest strategy remains applicable. However since 2004 there has been a stream of national changes and announcements of relevance to demand management in the transport sector. These include:
- legislation: Traffic Management Act 2004 and a forthcoming Local Transport Bill which refers to road user charging (RUC);
  - policy developments: including White Papers on Aviation and the Future of Rail and the Eddington report<sup>2</sup> which looked at ways of getting maximum use from existing infrastructure;
  - guidance: in the form of PPS11, the DfT Guide to Producing RTS<sup>3</sup> and accessibility planning guidance;
  - implementation: regional funding allocations, the second wave of local transport plans and regional planning assessments for some railways.

#### **obility Mmanagement (Policy T5) b**

- 9.3 Against this background it is perhaps surprising that more changes to transport strategy are not suggested in the draft Plan. But although it was a recurrent theme at the examination that the South East needed a bolder approach to tackle its transport problems there is no consensus on what sort of mobility management policies are sought. In part this reflects a difference of view among participants about the extent to which demand management measures will make a real impact on travel problems. There is also a perception on the part of most county councils and unitary authorities and many other participants that congestion and traffic difficulties are symptoms of an “infrastructure deficit” which needs to be remedied before the accommodation of new growth is acceptable. But this perception is not shared by most environmental groups who argue that the problems demonstrate current rates of traffic growth to be unsustainable and who want to see more commitment to managing that growth, irrespective of the level of future development.

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<sup>1</sup> which are covered in this chapter in the order in which they were debated

<sup>2</sup> The Eddington Transport Study: The Case for Action, December 2006 [Tn33]

<sup>3</sup> Regional Spatial Strategies: Guide to Producing Regional Transport Strategies, DfT, July 2006 [Tn3]

- 9.4 In our view, while there are undoubtedly some transport corridors where highway improvements are required, it is inevitable that part of the answer to worsening congestion, to growth and future movement needs, and to the challenge of climate change must be that dependency on travel by cars has to be reduced<sup>4</sup>. We acknowledge that this need to rebalance the transport system away from its current dependence on the car (and the lorry) is fully recognised in the draft Plan. We also believe that it is unrealistic to achieve an absolute reduction in traffic within the life of the plan. However we consider that there is scope for strengthening the message about demand management in the Plan as well as the significance of climate change as a driver of transport policy.
- 9.5 As discussed in our Chapter 5, demand management involves improved management of existing infrastructure as well as reducing demand by behavioural change. In this respect we strongly endorse the starting point for the Manage and Invest approach to transport in the draft Plan, namely, that the transport system is a resource with a finite capacity at any point in time (D4, para 1.8). We also agree that the focus on development in urban areas and in particular within the regional hubs should help to promote demand management. This is because hubs can make the best use of existing infrastructure as well as providing the opportunity for investment to rebalance use of the transport system in a way that reduces car dependence. We therefore concur with the approach to mobility management in Policy T5, including the associated importance of communications technology in Policy T4.
- 9.6 However, we have two related concerns about Policy T5. The first is that while Policy T5 sets out a fairly comprehensive list of mobility management measures it does not appear to require LDDs and LTPs to take action on any of the 13 measures mentioned in the policy. Given the importance of demand management we feel that the overall tone of the policy is too weak. We therefore recommend a stronger introduction to Policy T5, together with the placement of those measures likely to have the most impact at the top of the list. We also recommend the addition of a reference to car clubs alongside incentives the car sharing in the list.
- 9.7 Our second concern is that the measures in Policy T5 do not appear to be carried through into the individual sub-regional strategies. The Regional Assembly's own strategic transport model (STM) shows that the potential to reduce both the length of trips and the proportion of trips made by private car is heavily influenced by the location of development – and this is particularly noticeable in the regional hubs where a high level of accessibility is more achievable<sup>5</sup>. Hence it is important for the sub-regional spatial strategies to make explicit how the principles of mobility management are being applied, including sub-regions where parking restraint might have a larger role. We therefore recommend that the text to Policy T5 should say that the sub-regional strategies will indicate the likely mix of demand management measures that will be deployed in each area<sup>6</sup>.

## **Road User Charging (Policy T6) b**

- 9.8 In relation to Policy T6 our concern is whether the region is providing sufficient leadership on approaches to road user charging (RUC). We raise this question because:

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<sup>4</sup> Similar conclusions are reflected in both the Secretary of State's Proposed Alterations to the East of England Plan, December 2006 and the Proposed Further Alterations to the London Plan, September 2006

<sup>5</sup> South East Plan Technical Note 3 Transport, pp 65-73, March 2006 [Tr1]

<sup>6</sup> Pointers are provided in Tr1 as above, pp 73-79

- several participants, including SEFS and FoE, want the Plan not only to promote demand management more strongly by including fiscal measures but to use revenue from charging to improve the alternatives to travel by car;
- while charging is covered by Policy T6 the policy simply refers to local authorities making use of the powers available to them to introduce initiatives under the Transport Act 2000;
- PPS11 says that the RTS has a key role in steering LTPs on where demand management measures might be appropriate, and in identifying locations where demand management would help solve specific congestion problems;
- The Regional Assembly's STM data not only confirm the congested nature of the region's road network but also suggest that the conditions are such in the South East as to enable the lever of charging to be used in a positive way to achieve further reductions in car dependence<sup>7</sup>.

- 9.9 We acknowledge that the Regional Assembly's preliminary research concerning the possible effects of RUC in the region using the STM has proved useful<sup>8</sup>. The studies show that road charging can have significant impacts on the level of car travel, can promote the use of public transport and can reduce emissions; and these benefits can be generated at both regional and sub-regional level. Notwithstanding these benefits we are well aware of concerns about the possible impact of any charging scheme on regeneration areas and the more remote communities in the region. Hence we are in no doubt about the scale of the challenge involved in promoting RUC, for Government and for local authorities as well as for regional bodies. Indeed several local authorities at the examination stressed the problems of taking any local initiative on RUC, including the difficulty in Berkshire of getting agreement among the individual transport authorities, as well as the political sensitivity of road pricing generally.
- 9.10 We recognise that the need to change travel behaviour is not regionally specific and we know that the Regional Assembly and virtually all local authorities are looking to Government to give a lead on RUC. We agree with the Regional Assembly and others that RUC is an issue on which leadership is necessary from Government and that local authorities cannot realistically be expected to take action to implement a charging regime without a national policy framework. But the Government has opened up a debate on road pricing and, as GOSE said at the examination, the Government is anxious to move this debate forward by learning from experience and that means supporting pilot schemes. It is therefore disappointing that there is only one modest pilot scheme in the region being progressed under the Transport Innovation Fund, at Reading. At present we are bound to say that there is more than a grain of truth in the Regional Assembly's comment that RUC is a case of "everybody leaving it to everybody else".
- 9.11 We agree that, as implied by Policy T5, charging initiatives can only be part of a package of mobility management measures. Such packages will need to focus on improving the alternatives to car travel as well as exploiting the full potential of parking controls, reinforced by awareness raising activities such as travel planning advice (Policies T7 and T8). While we support the listing of the full array of demand management measures in Policy T5 we also agree that the potential of charging as a means of tackling congestion and providing more reliable journeys in the region merits a separate policy in the draft Plan. But we believe that a broader approach is needed than that in Policy T6, which is confined to the possibility of cordon charging

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<sup>7</sup> Tr1, para 5.7

<sup>8</sup> Tr1, para 5.77

and workplace parking levies under the Transport Act 2000. We therefore recommend a stronger framework for considering RUC in a revised Policy T6, together with appropriate supporting text.

## **FREIGHT AND INTER-MODAL FREIGHT INTERCHANGES (POLICIES T11, T12, T13)**

### **Freight Strategy**

- 9.12 When the draft Plan was being prepared the Regional Assembly recognised that freight policies would need to be the subject of further consideration (D4, para 1.33). Revised policies were submitted by the Assembly<sup>9</sup> and these were discussed alongside the draft Plan at the examination. The main change suggested on freight was the deletion of Policy T13: Inter-modal Interchanges. The Regional Assembly also says that, with support from the Freight Transport Association, it is still considering broader issues associated with freight and the logistics industry. The Assembly will be working towards a Regional Freight Strategy during 2007.
- 9.13 Participants are generally critical of the clarity of the policies on freight as well as about the lack of progress on a freight strategy for the region. While we (and the Regional Assembly) share that frustration we consider that the Assembly has significantly improved the regionally specific evidence base for considering freight issues and has assisted understanding of the freight industry's contribution to the regional economy<sup>10</sup>. However we agree with those participants from both the private and public sector who say that the RTS scarcely contains a proper freight strategy and in particular it fails to give adequate guidance in relation to new freight interchanges.
- 9.14 In terms of overall freight strategy we note that PPS11 refers to national policy setting out a comprehensive integrated strategy for the sustainable distribution of goods and services<sup>11</sup>. We are inclined to agree with RPS Planning that the policy approach as drafted for the region is too passive and unspecific to achieve the progress required by the Government in the freight field. Industry sources suggest that non-bulk freight lifted by rail could more than double by 2014 and the type of goods now carried could become much more diverse. Hence Policy T12 is right to say that the railway system should be developed to carry an increasing share of freight movements.
- 9.15 We are aware that Network Rail is developing a strategy to cope with increased freight traffic on the national rail network. But it is clear from recent work on the Freight Utilisation Strategy<sup>12</sup> that a step change in capital investment is required to bring routes up to current European freight standards. In our view the overriding need to move freight from road to rail is not given sufficient prominence in the draft Plan and this need should be reflected in the region's investment priorities. We therefore welcome confirmation that the Regional Assembly proposes to assist works to the critical Southampton/Midlands rail corridor to unlock bottlenecks and achieve upgrading to enable W10 gauge use of the line from its Regional Funding Allocation. We strongly support the Assembly's efforts to encourage Government to fund appropriate schemes. In order to improve the structure of the RTS we recommend that Policy T12: Rail Freight should be put in front of Policy T11, and the text should acknowledge that rail offers the potential to carry a wider range of goods in future.

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<sup>9</sup> SEERA Matter 3 Transport Statement, Annex A, SEERA as reported to Regional Planning Committee on 27 September 2006

<sup>10</sup> Transport Technical Note 3 Annex – Freight, SEERA, November 2006 [Tr1A]

<sup>11</sup> PPS11, Annex A, quoting Sustainable Distribution, DETR, 1999

<sup>12</sup> Freight Route Utilisation Strategy – Draft for Consultation, Network Rail, September 2006 [Tn31]

## Freight Interchanges b

- 9.16 There are currently two policies in the draft Plan that deal with the provision of inter-modal facilities, T11 and T13. The Regional Assembly considers that Policy T11 provides an appropriate level of guidance at regional level to ensure the safeguarding of specific sites within LDFs, and proposes that Policy T13 should be deleted. The Assembly gives two reasons for deleting T13: that Policy T11 gives some indication of locational criteria to assist in identifying potential sites for an inter-modal facility; and that the Implementation Plan is the most appropriate place for specifying infrastructure requirements necessary to support inter-modal facilities.
- 9.17 We agree that Policy T11 is important in highlighting the need to safeguard land with potential for future freight activities and especially waterfront locations. But in common with the majority of participants we are not persuaded by the Assembly's explanation for the deletion of Policy T13. PPS11 requires RTSs to give particular consideration to spatial issues such as identifying the broad location of new multi-modal freight interchanges which include regional rail facilities as set out in the Strategic Rail Authority's (SRA) Rail Freight Interchange Policy<sup>13</sup>. The former SRA's interchange strategy concluded that three or four new strategic rail freight interchanges were required in the wider South East at locations where the key road and rail radials intersect with the M25. However Network Rail states that it is not yet clear whether all the options have been considered and whether any analysis has taken place to determine the merits of one scheme against another. Network Rail is therefore willing to participate in the joint work proposed by the Regional Assembly to identify suitable locations within the region, preferably covering London and the East of England in a single study.
- 9.18 GOSE says that this approach is endorsed by the Government and in our view the need for such facilities and locational criteria should be included in the draft Plan. Useful data supporting possible locations were submitted to the examination on behalf of developer interests including from Helioslough, Rosemound and Kent International Gateway Ltd. We accept the case for identifying locations for up to three strategic rail freight interchanges although it would be inappropriate, on the basis of the evidence before us, to settle for particular preferred locations. However we note that there is support in the Kent and Medway Structure Plan for transshipment centres largely associated with gateway locations and recognition of a possible need for an inland inter-modal interchange subject to various safeguards<sup>14</sup>. In our view there seems to be both need and potential towards the north-western end of the Channel Tunnel-London corridor since the CTRL can take W9 standard containers and it intersects the M25, which forms an inter-regional and international corridor linking to several international gateways. We therefore recommend that this broad location be identified in the text, together with any other locational pointers arising from the former SRA's interchange strategy.
- 9.19 A criteria based policy will have to fill the vacuum until specific locations for freight interchanges can be evaluated. We therefore recommend that Policy T13 in the draft Plan should be retained but strengthened to say that facilities should have the potential to deliver modal shift.

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<sup>13</sup> PPS11, Annex A, referring to the SRA's Strategic Rail Freight Interchange Policy, March 2004

<sup>14</sup> Kent and Medway Structure Plan, Policy TP23, 2006

## **PORTS (POLICY T10) b**

9.20 The national Ports Policy Review consultation report<sup>15</sup> was published following the submission of the draft Plan to the Secretary of State. The forecasting work in the Review makes it clear that the greater South East ports will continue to be the dominant ports for the future, based on geographic location combined with the size of existing capacity and infrastructure within the region.

### **Landside Infrastructure b**

9.21 We note that the Assembly's response to the consultation document<sup>16</sup> stresses the need for a national planning framework that will enable the regional level to achieve closer alignment of priorities for land-side infrastructure with potential growth in port operations. Without this the planning system will continue to have to react to individual port proposals. The process of responding to the content of the Ports Policy Review led the Assembly to propose a change to Policy T10 in the draft Plan<sup>17</sup>. This change is intended to provide clarity on the role of gateway and regionally significant ports, and identifies Port Masterplans as an important means of identifying infrastructure requirements that supports the efficient operation of gateway ports.

9.22 We agree that this revision clarifies the role of the different types of individual port and we endorse the role of Port Masterplans. These will both assist infrastructure planning and will provide a useful means of communicating with local communities about the future of ports. However, while we share the view of most participants that the revised Policy T10 is an improvement on the originally drafted version, two specific issues gave rise to debate at the examination. First, most participants express concern about landside road/rail access to ports and, secondly, the port of Southampton considers that the draft Plan fails to appreciate and support its future growth potential.

9.23 In our view the draft Plan recognises the critical role of the ports through its emphasis on the gateway role of the region. It also recognises that ports are reliant on the quality of landside infrastructure to provide effective connections to markets. But there is often a genuine tension between the general desire to plan for improved landside access and a market driven approach to port developments. While a clearer national planning framework for the ports sector as sought by the Regional Assembly would help infrastructure providers to programme investment, we acknowledge that port development is private sector led. While this may make public expenditure planning more difficult it also means that funding by the port developer has an important role to play in providing infrastructure improvements. Hence it is in our view appropriate that RTS should continue to give a 'light touch' regional steer to port development.

9.24 Having regard to the congestion on roads approaching ports some local authorities and port operators and SEEDA would like Policy T10 to be recast to emphasise the need for landside infrastructure improvements for ports expecting significant traffic growth. This applies particularly to the Solent-Midlands corridor and the London-Dover Straits corridor. However these are shown as International Corridors on Map T1 and we agree with the Regional Assembly that prioritisation of schemes has taken account of routes to the ports. We therefore consider that the Regional Assembly's revised

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<sup>15</sup> Ports Policy Review Discussion Document, DfT, May 2006 [Tn22]

<sup>16</sup> SEERA Statement on Matter 3 Transport, Annex B

<sup>17</sup> Ibid, Annex A

wording of Policy T10 is a reasonable reflection of the role of the RSS in relation to ports.

## **Port of Southampton b**

- 9.25 Southampton is the second largest container terminal in the UK and Adams Hendry asserts that approval of the draft Plan as it stands would be disastrous for the Port of Southampton. The concern is that revised Policy T10 continues to place Southampton in the same bracket as ports which are not international or whose contribution to the South East's economy is far less. Adams Hendry feels that the failure of the transport strategy to support expansion of the region's only global port means that the South East is prepared to forego one of its major global competitive advantages.
- 9.26 It was confirmed at the examination that the port of Southampton is planning for a major increase in throughput without increasing the overall port area. We understand that this increase in capacity is made possible as a result of changes in technology, release of land by other port users and the pushing out of lower value uses from the port area. We fully appreciate that there is uncertainty about what if any further capacity might be released by intensification within the existing footprint of the port. We also accept entirely the importance of Southampton to the region's economy (see further discussion in the context of the South Hampshire sub-region, Chapter 16). However in the context of present national policy and in advance of the outcome of the Government's Ports Review we can see no overriding reason to change the revised Policy T10 other than proposing that its global function justifies Southampton being the first named Gateway port in Policy T10, with some recognition of that role in the supporting text. We also agree that Map T1 should show the deep water channel from the port of Southampton to the main shipping lanes and that the offshore shipping routes should be shown on the plan<sup>18</sup>. We recommend accordingly.

## **Port of Dover b**

- 9.27 Although Southampton handles almost double the amount of freight measured in tonnage, we acknowledge that in terms of freight units Dover handles over twice that of Southampton, and more freight units than all of the other ports in the region put together. We also recognise the role of the port as a significant source of employment and the scale of its contribution to the local economy. We also noted the recent growth in freight traffic and that the Dover Harbour Board's Master Plan envisages a doubling of such traffic in the next 30 years.
- 9.28 The port's Gateway status in the proposed revision to Policy T10 is supported by the Dover Harbour Board and by the Dover DC. However both bodies and SEEDA express concern at the inadequacy of landside infrastructure to enable that Gateway role to be fulfilled. As discussed above we accept that improvements are needed to the London-Dover International Corridor, and that this would include the A2 and rail access to the port, and we consider that these are reflected in the draft Plan. We also agree with Dover DC that the importance of the strategic corridor between Dover and Thanet merits recognition as a transport "spoke" on Map T2 (this and Dover port-related issues are discussed in Chapter 18 on the East Kent and Ashford sub-region).

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<sup>18</sup> We are obliged to Adams Hendry on behalf of Associated British Ports for supplying a map with details of these routes, April 2007 [AH4]. We understand that the map was agreed at a meeting of the South East Ports Sector Group chaired by SEEDA which included all SE Ports representatives bar Thamesport and Medway.

## **AIRPORTS (POLICY T9) b**

### **National Aviation Policy b**

- 9.29 Although Gatwick is the only one of the four major airports serving the greater South East located within the region, Heathrow is just outside the regional boundary. The national policy framework for these and other smaller airports is set by the Aviation White Paper<sup>19</sup>. Although the White Paper does not indicate the role of RSS, as an interface between that framework and the proposals of airport operators, PPS11 requires that RTS should have particular regard to national policy statements and should provide a strategic steer on future developments of airports consistent with national policy.
- 9.30 The White Paper supports a new runway and additional terminal capacity at Heathrow (after a new runway at Stansted) provided certain environmental limits are met. If these limits cannot be met the White Paper states that, since there is a strong case on its own merits for a new wide-spaced runway at Gatwick after 2019, land should be safeguarded for a new runway.
- 9.31 The Regional Assembly does not consider that at the present time it would be appropriate to include proposals for further expansion at either Heathrow or Gatwick. Hence the draft Plan has been prepared on the basis of only the current level of agreed growth at both airports.
- 9.32 Participants are divided on whether the Regional Assembly is right not to have reflected the Aviation White Paper in Policy T9 and strong views were expressed at the examination. While any future expansion of Heathrow and Gatwick airports will have huge consequences for the region, in our view it is not for the draft Plan to review Government policy as contained in the Aviation White Paper. However we consider that the following key policy conflicts should be noted:
- The challenges to airport expansion included both locally based objections and a broader concern that the forecast growth in air traffic is inconsistent with the Government's policies for sustainable development, energy and carbon reduction. It was argued therefore that there should be a presumption against expansion of aviation in the region due to clear adverse environmental impacts.
  - Against that view airport expansion was seen to be very important for continued regional economic growth and particularly for the sub-regional economies around Heathrow and Gatwick. It was therefore felt to be essential that the capacity of these two airports keeps pace with the requirements of a global economy and the necessary planning must take place during the lifetime of the Plan.
- 9.33 Since the resolution of the above conflicts depends on Government decisions about air traffic growth and/or runway capacity, the issue for the draft Plan is about safeguarding land at Gatwick airport. We understand that the Regional Assembly is in a difficult position and feels that its stance on airport expansion is corroborated by its own research showing that environmental and social impacts will be greater than those set out in the Aviation White Paper<sup>20</sup> and by the findings of the AA particularly on air quality. But we heard no convincing evidence against keeping open the option to provide an additional runway at Gatwick, which in any event is already safeguarded in the emerging Crawley LDF. To be consistent with the Aviation White Paper we

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<sup>19</sup> The Future of Air Transport, Department for Transport, December 2003 [Tn6]

<sup>20</sup> Implications of the Aviation White Paper for South East England, RTP for SEERA, May 2005 [Tr9]



therefore recommend that Policy T9 is amended to ensure that development does not take place on land that might be needed for a new wide spaced runway after 2019.

### **ther Airport Issues b**

- 9.34 The production or updating of Airport Masterplans by operators, setting out the development of airports up to 2015, is supported in the White Paper. On the basis that they should take account of the RSS as well as influence LDDs, Masterplans are supported by most participants. We recommend that an appropriate reference be added back into Policy T9, as currently in the adopted RTS (Policy T6).
- 9.35 Most relevant to the draft Plan is that provision of surface transport access to the airports should complement the overall transport strategy. We endorse the priority given to Surface Transport Access Strategies in Policy T9 and recommend that the policy be strengthened by referring to the importance of targets to ensure that they are contributing to the shift to more sustainable travel sought by the draft Plan objectives.

### **SCHb S OF Rb Ib NAL Ib Pb RTANCb b**

- 9.36 The last sentence of Section D4 of the draft Plan refers to the updating of the transport priorities in the 2004 RTS using prioritisation methodology developed by the Regional Assembly. The results are included in the Implementation Plan grouped under the Transport theme. While the individual projects are not prioritised in the schedules, 29 transport schemes are classified in the Implementation Plan Annex 2 as “national, inter-regional and regionally significant infrastructure”. We accept that these are by implication the most significant for the delivery of the strategy.
- 9.37 Although, for reasons discussed in Chapter 27, we do not envisage the full Implementation Plan being part of the statutory RSS we believe that the transport schemes of key regional importance should be mentioned in the Plan. As well as issues about the merits of particular schemes this raises questions about the scheme-specific nature of the approach. The guidance in PPS11 calls for RTS to identify investment priorities in broad terms only and focus on general outcomes<sup>21</sup>. GOSE also stressed that specific schemes should only be identified in RSS where there is a clear commitment to implement the scheme by the relevant delivery agency. While the nature of that commitment varies between schemes, particularly where the precise funding arrangements have not been finalised we agree that it is generally more appropriate to focus on outcomes than particular solutions.
- 9.38 Quite apart from the specificity of the scheme description, and despite the evidence in the Implementation Plan and that made available during the examination, we are not in a position to pass judgement on the transport, economic, social and environmental implications of every proposed scheme. However, in addition to the 29 transport schemes heading the lists in the Implementation Plan, the RTS objectives in para 1.11 of Section D4 give some indication of broad priorities. We also recognise that the priorities being set via the Regional Funding Allocation (RFA) process give a welcome steer on some types of scheme, albeit only to 2016 and excluding revenue schemes and studies - as well as the bulk of capital expenditure on transport in the South East. The RES also identifies the key investments to support strategic economic corridors and integrated inter-modal hubs of regional significance.

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<sup>21</sup> PPS11, Annex B, para 19

- 9.39 Having regard to the above policy context the following broad priorities incorporate all of the individual transport infrastructure schemes included in Annex 2 of the Implementation Plan:
- London-Channel ports corridor (road/rail improvements)
  - Midlands-south Hampshire corridor (rail freight upgrade)
  - East-West Rail
  - Thameslink
  - Crossrail
  - Other London orbital schemes (including on M25, North Downs rail line, possible London rail freight bypass, and Lower Thames crossing road/rail)
  - Other inter-regional link improvements (including M1, M4, M3/27, A3 Hindhead)
  - Airtrack
  - Reading Station improvement
  - Route Utilisation Strategy rail schemes (including bottlenecks on Brighton Main Line, Kent Railways, South London railways, Southwest Main Line, Sussex, Great Western Main Line)
  - Other access improvements to International Gateways (including surface access to Heathrow and Gatwick, and rail freight access to Thamesport).
- 9.40 While we acknowledge that there is inevitably some arbitrariness in this grouping we agree with the Regional Assembly that all of the schemes included are of regional importance. Although the funding of several of these projects is not yet confirmed, in our view they are all critical to the spatial strategy and hence should be included as priorities in RSS. We therefore recommend that this list be included in the text at the end of the Transport section as regionally significant transport infrastructure. The text should also say that fuller details of these and other sub-regional projects are included in the Implementation Plan, while key transport themes of sub-regional importance are identified in the RSS's sub-regional sections.

## **R Cb      NDATIONS b**

### **Recommendation 9.1 b**

Strengthen messages in the RTS about demand management and the significance of climate change as a driver of transport policy (para 9.4)

### **Recommendation 9.2 b**

Amend Policy T5 to require LDDs and LTPs to include mobility management policies, reorder the list of measures, and add a reference to car clubs. (para 9.7)

### **Recommendation 9.3 b**

Amend the supporting text to Policy T5 to say that the likely mix of demand management measures in individual sub-regions will be indicated in each sub-regional strategy. (para 9.7)

### **Recommendation 9.4 b**

Amend Policy T6 on Charging to say that local authorities and particularly the hubs are strongly encouraged to make use of the Transport Act 2000 and Government funding to consider testing new charging initiatives jointly with other authorities as part of an overall strategy of demand management. (para 9.11).

**Recommendation 9.5 b**

Amend Policy T9 to ensure that land at Gatwick Airport is safeguarded for a possible new runway after 2019, to add a reference to Airport Masterplans, and to set targets to ensure a shift to more sustainable forms of travel to and from airports. (paras 9.33-9.35)

**Recommendation 9.6 b**

Amend Policy T10 as suggested in the revision tabled by the Regional Assembly to support Port Masterplans and clarify port roles, but name Southampton first in the list of named Gateways. (para 9.26)

**Recommendation 9.7 b**

Amend the supporting text to Policy T10 to emphasise the important global role of the port of Southampton. Amend Map T1 to show the deep water channel from the port of Southampton to the main shipping lanes and the offshore shipping routes. (para 9.26)

**Recommendation 9.8 b**

Relocate Policy T12 before Policy T11 to give more prominence to rail freight amongst the freight policies. (para 9.15)

**Recommendation 9.9 b**

Add a comment to the supporting text to Policy T12 that rail offers the potential to carry a wider range of goods in the future. (para 9.15)

**Recommendation 9.10 b**

Strengthen Policy T13 to say that facilities should have the potential to deliver modal shift (para 9.19)

**Recommendation 9.11 b**

Expand the supporting text to Policy T13 to summarise locational guidance arising from the former SRA's strategy and to indicate the potential for an inter-modal interchange towards the north-western end of the Channel Tunnel-London corridor (para 9.18).

**Recommendation 9.12 b**

Add to the text at the end of the Transport section a list of regionally significant transport infrastructure and indicate that full details of these and other schemes are in the Implementation Plan, and that key transport themes are identified in the sub-regional sections. (para 9.40)



## **10 t NATURAL R t U R t MANAG t MENT t**

Matter 1E, 8Eiii.1, 6A, 6B.5

*This chapter examines the issue of water resources, where we recommend greater clarity on demand management, and a supportive planning framework for strategic infrastructure. It seeks clearer messages on waste water treatment and river quality. It then considers the extent to which flood risk has influenced the strategy, and the need to reflect PPS25. We assess whether the draft Plan provides sufficient guidance on the protection and enhancement of biodiversity. We examine the policy framework for the protection and management of the Thames Basin Heaths, and the adequacy of guidance on coastal management.*

- 10.1 The Sustainable Natural Resource Management (NRM) policies are clearly central to the draft Plan, as witnessed by the constant references to them throughout the EIP. This chapter looks in detail at the five NRM policies examined.
- 10.2 As a result of the AA, the Regional Assembly suggested several ways in which the draft Plan and particularly the NRM policies could be strengthened. We consider that some of these suggested insertions of very helpful in broadening the scope of policies; this is particularly the case on Policy NRM4 covering biodiversity, as discussed below. However we do not feel that it would be helpful to have multiple statements of the need for Habitats Regulation Assessments to take place on subsequent development and infrastructure proposals, nor of the need to avoid adverse effects on Natura 2000 and Ramsar sites.
- 10.3 This chapter also includes our conclusions on policy to protect and manage the Thames Basin Heaths SPA. The implications of the Thames basin heaths on housing provision levels in this part of the region are included in Chapter 7 above and in the later sub-regional chapters on WCBV and London Fringe.

## **WATER RESOUR t t**

- 10.4 Policy NRM1 covers both clean water resources, and waste water treatment and sewerage infrastructure. We suggest in the discussion that follows that clearer messages would be given by separating out these two strands.

## **Twin Track Approach (Policy NRM1) t**

- 10.5 Section D4, para 3.7 explains why a twin track approach to water management is required. Policy NRM1 then states that a twin track approach of demand management and water resource development will be pursued. The need for new water resource schemes as well as increased demand management forms the first part of Policy NRM2. We welcome the emphasis in the draft Plan on the need to manage demand as well as build new capacity, as do most participants. However, we consider that the components of managing demand for water resources should be expressed more clearly in the draft Plan (as we acknowledge is done in the Implementation Plan).
- 10.6 As we indicate in Chapter 5 of this report we draw a clear distinction between delivering efficiency by improved management of existing infrastructure as opposed to moderating demand by promoting behavioural change. Although both aspects require proactive demand management the former is primarily a matter for the water companies whereas it is customers who will need to change their behaviour in order to reduce demand for water. Given the importance placed by participants on both of these two elements we recommend that para 3.7 should be reworded to clarify these dimensions of demand management. As driving up efficiency and reducing

- consumption both involve firm managerial action as well as investment we see parallels with the Manage and Invest approach which underlies the RTS.
- 10.7 We recognise that since RPG9 there has been pioneering joint work on water resource planning in the region<sup>1</sup>. The results were well presented at a data meeting devoted to water issues in October 2006. However, while the twin track strategy is supported by participants as an intelligent approach to resource management there are differing views about the evidence and about the effectiveness of the approach promoted in Policies NRM1 and NRM2. We agree with the Regional Assembly that the evidence base for the approach is generally clear while accepting that it carries some risks, not least because efficiency depends ultimately on individuals' choices.
- 10.8 The water resource modelling work by EA shows that the only scenario under which much of the region will be in deficit by 2026 assumes demand increases due to growth in housing but no new sources are developed beyond those already committed by 2010<sup>2</sup>. We agree with the Regional Assembly that this is an unlikely scenario. The scenario with 8% efficiency saving (which should be achievable following current strengthening of the Building Regulations) and continued development of water supply resources by the water companies shows that with draft Plan housing levels, all water resource zones except Milton Keynes will experience an approximate supply-demand balance or small surplus at 2016 and 2026. Other scenarios indicate that higher efficiency savings would be increasingly necessary to enable the accommodation of higher levels of housing growth. On the basis of this evidence, which assumes that the mix of demand management and new infrastructure can be delivered, we accept that the modelling work demonstrates that additional demand from up to 40,000 new homes can be accommodated.
- 10.9 The alternative view is based on scepticism as to whether the assumptions made about future demand management are realistic. Several participants including SECL and Adams Hendry (for three water companies) as well as CPRE and FoE feel that not enough weight has been given to the uncertainty associated with the underlying assumptions. These reservations reflect the difficulty of delivering water efficiency savings and the fact that new reservoirs are not guaranteed to get permission.
- 10.10 In challenging the higher water efficiency assumptions of 21% and particularly 47% participants point to the radical change needed in behaviour within the existing housing stock as well as changes in new housing design. Such targets are therefore felt to be very aspirational and there was much reference in the examination to a House of Lords report<sup>3</sup> that raises concerns about mechanisms for delivering efficiency (as well as about water demand forecasts). We accept that Policy NRM1 focuses on new development, that the real challenge is to improve efficiency in the existing stock, and that planning authorities do not in any case have powers to require water efficiency. We also agree with those participants who point to the danger that simply requiring more efficiency in LDDs raises expectations that cannot be enforced. Hence we accept the conclusion of the recent IPPR report<sup>4</sup> that the current regulatory regime tends to favour expansion of supply rather than demand management. We therefore also endorse the EA's view that the required efficiency can only be secured by a rigorous and co-ordinated framework at national level. In our view only a national approach has the ability to deliver what is required in the South East.

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<sup>1</sup> By a grouping called Water Resources South East (WRSE) involving water companies and the EA

<sup>2</sup> Water Resources – Commentary to the Assembly on draft S E Plan housing provision, WRSE, May 2006 [Ar4]

<sup>3</sup> Water management, House of Lords Science and Technology Committee 8<sup>th</sup> report, September 2006 [An4A]

<sup>4</sup> Every Drop Counts: Achieving Greater Water Efficiency, IPPR, September 2006 [An6]

- 10.11 The necessary mechanisms will involve tighter Building Regulations, higher efficiency standards for appliances, more extensive and probably compulsory water metering and tougher leakage controls. We are informed by GOSE that several efficiency initiatives are in hand including the new Code for Sustainable Homes discussed in our para 5.27, and consultation on water efficiency in new buildings<sup>5</sup>. In the South East we are impressed by the extent of partnership working to address water issues. But we concur with most participants who say that regional bodies have little impact on water efficiency, and that their role is limited to one of influence and lobbying. In our view the key is better co-ordination among the bodies responsible for water management plus the provision of more effective levers at national level. The water companies have a duty to promote efficient use but their incentives to do so are less obvious. Ofwat as the economic regulator has the power to ensure that water companies carry out their functions. In discharging its duty to meet the principles of sustainable development we believe that Ofwat should apply that control to water efficiency. We agree with Kent CC and others that Government should define the role of all regulatory bodies in securing water efficiency targets for households and the commercial sector.
- 10.12 We therefore recommend that Policy NRM1 be strengthened by including a commitment that the Regional Assembly will work with Government, the EA, Ofwat and regional stakeholders to ensure that development is matched by the necessary improvements in water efficiency. A more robust partnership approach is required to plan for the growth that we are recommending in the region and improvements in water efficiency should be systematically monitored. We also support making the references to BREEAM standard's specific to its water rating, and strengthening the references to sustainable urban drainage systems (SUDS). We do not think it necessary to mention Natura 2000 sites specifically in relation to groundwater, but agree that Natural England should be included as an interested party.

### **Strategic Water Resources Development (Policy NRM2) t**

- 10.13 Several participants argue that demand management measures should be exhausted before new resources are developed, shifting the twin track from a parallel to a consecutive approach. Even the joint water companies' work coordinated by the EA<sup>6</sup> states that new sources of supply should not be pursued unless all sustainable options for maximising existing resources have been implemented. However, while we do not support the water companies' wish to rely more on resource development solutions than demand management, we do consider that the long lead times to plan and implement new reservoirs makes a consecutive approach unrealistic. The two tracks must be pursued concurrently.
- 10.14 It is clear from the water companies' experience that water supply schemes have lead times of up to 20-25 years from conception to operation. In view of uncertainty about the need for and deliverability of schemes, a series of options have been factored into the regional modelling. We therefore agree that Policy NRM2 should identify these schemes in order to provide a greater degree of certainty over their need. The Policy should also ensure that a supportive planning framework is in place and in this respect the water companies seek to strengthen the content of NRM2. We have sympathy with this view and we recommend that the policy be amended to provide a firmer steer to LDDs to facilitate the delivery of strategic infrastructure that can be shown to be

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<sup>5</sup> Water Efficiency in New Buildings, Defra, December 2006 [EA24]

<sup>6</sup> Ar4 as above

necessary. We do not consider that the Assembly's suggested additions as a result of the AA add any new material.

### **Upper Thames Reservoir**

- 10.15 The Upper Thames Reservoir is potentially the largest of the five new reservoir proposals listed in Policy NRM2. It would fulfil a dual function of direct supply to Oxfordshire and Swindon, estimated to be needed by 2024/25, and indirect supply to London by releasing stored water back into the River Thames, estimated to be needed by 2019/20. The latter function is also intended to improve river water quality.
- 10.16 Thames Water object that the geographic reference "in Oxfordshire" is in text (D5, para 4.1), not policy. We understand the views of Vale of White Horse DC and others that it would be premature for the Plan to give policy backing to a project when regulatory and funding investigations on the most appropriate ways of meeting any supply deficit are still ongoing, and when the proposal has not been fully tested in terms of sustainability and environmental impact. Yet if RSS is to provide a forewarning of the long term infrastructure needs of the region, and in this case also of adjoining regions, it seems to us that the policy should be as clear as possible.
- 10.17 We do not consider that a reference to Oxfordshire in the policy would give any undue advantage to Thames Water's case because:
- Policy NRM2 only says that the listed reservoir schemes "may" be required;
  - all the options tested in the joint water resources modelling work coordinated by the EA included an Upper Thames Reservoir; and
  - a reference to Thames Water's feasibility studies for a new reservoir in Vale of White Horse district is already included in the Oxfordshire Structure Plan 2016, para 5.22.
- 10.18 Thames Water has undertaken detailed site search work<sup>7</sup> and the strength of their proposed location against any alternatives will be tested through a subsequent Compulsory Works Order application when the scale of deficit is identified.
- 10.19 The thrust of the EA's concerns appear to be about the scale of any Upper Thames Reservoir, rather than its broad location, to ensure that maximum account is taken of investment in existing infrastructure to control leakage, as well as other demand management and water efficiency measures. Local concerns, e.g. by the Reservoir Affected Parishes, appear to be to ensure that proper procedure is followed and that they are fully involved in the testing process. We are satisfied that the proper process is being followed and that further testing will take place by the EA and Ofwat, including public consultation, as Thames Water prepares its water resources strategy (due to be presented to Ofwat in 2009).
- 10.20 We therefore consider that the clarity of Policy NRM2 would be improved not only by referring to an Upper Thames Reservoir in Oxfordshire, but also adding a geographic reference after the other four listed reservoir schemes. This would help make the Plan more understandable to those unfamiliar with the history of water supply in this region. Reference to increased capacity at Bewl and a possible new reservoir at Broad Oak is already made in the East Kent Ashford sub-regional strategy, and we have recommended that similar cross-references are made in Central Oxfordshire in respect of an Upper Thames Reservoir (see para 22.114).

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<sup>7</sup> Reservoir Site Selection Report, Arup for Thames Water, September 2006 [TW3]



## **MAINTAINING WATER QUALITY FROM WWT UPGRADGE (PART ICY 1 NRM1)**

- 10.21 Slightly less progress has been made in establishing a regional approach to long-term planning for waste water treatment than for clean water resources. We acknowledge that EA's water quality modelling was finalised just before the examination began and that the Agency has been most helpful in fast-tracking the follow up studies of particular sub-regional issues. The initial analysis<sup>8</sup> identified seven locations where water quality constraints mean that a limit should be placed on additional housing. Of most relevance to the sub-regional strategies are constraints on the works near Eastleigh, at Hailsham, and Horsham. We comment further in chapters on South Hampshire, Sussex Coast and the Gatwick area. Several other works were identified with limits, although these were largely rural.
- 10.22 The initial analysis also identified nine locations requiring more detailed study, three of which relate to growth areas in the draft Plan: Aylesbury, Basingstoke and Crawley, where further work was proposed in the form of integrated water cycle studies. An assessment of the WWTs discharging to the River Blackwater catchment was also proposed. Initial results of the water cycle studies of Basingstoke and Aylesbury were made available during the examination and we discuss the respective local implications in the WCBV and MKAV sub-regional chapters.
- 10.23 In addition to these named locations the Regional Assembly, EA and other participants refer to the large number of works where investment is needed to improve the standard of treatment. They also stress the uncertainty arising from the impact of the Habitats and Water Framework Directives and the long-term threat to groundwater due to the cumulative impact of discharges. We agree with the Regional Assembly that Policy NRM1 takes some account of these general concerns. The policy aims to ensure that development does not lead to unacceptable deterioration in water quality or to any risk of pollution and requires LDDs to be compatible with the plans of the EA.
- 10.24 We also recognise that the evidence base is still being widened as more detailed assessment of the implications of future growth is undertaken. This applies particularly to the impact on river ecology as opposed to measuring the chemical effects of the increase in sewage effluent. However it is evident that the region faces potential challenges in meeting higher water quality standards as discharge consents are reviewed, irrespective of the scale of new housing development. Indeed, as CPRE points out, if major efficiencies are achieved in domestic water consumption this represents a corresponding reduction in the quantity of waste water requiring treatment albeit with an increase in its strength.
- 10.25 While Policy NRM1 refers to protecting water quality it does not in our view draw a sufficiently clear distinction between the capacity constraints at WWTs which can be resolved by investment in engineering measures and the limits imposed by the environmental capacity of the receiving waters. The latter is likely to prove a more intractable problem, especially as most of the technical work to date has looked at WWTs in isolation rather than taking into account the effect of an increased discharge from an upstream WWT on one located further downstream. Since the options for resolving such water quality issues may involve transfer of waste water to different water courses, identifying solutions will involve joint working between the EA,

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<sup>8</sup> Creating a Better Place: Planning for Water Quality and Growth in the South East, EA, October 2006 [Ar2A]

companies and local authorities, and new organisational arrangements may well be required. Hence we see a continuing role for the Regional Assembly in this context.

- 10.26 We accept that particular waste water solutions can only be developed in response to proposals in LDDs and that cumulative impacts will be assessed through SA/SEA and AA processes on plans, and EIA on projects. However having regard to the above concerns we consider that the policy should be strengthened and that it would have more impact if WWT issues were separated from water resources. We therefore recommend a new policy, NRM1A, covering River Water Quality Management. This would separate out aspects which local authorities can influence as covered in existing Policy NRM1 i) and ii) from those on which local authorities, water companies and the EA need to collaborate as covered in existing NRM1 iv). To this latter category we would add our recommended clarification of the distinction between the physical capacity of WWTs and the capacity of receiving waters to accommodate the effluent, including consideration of the cumulative effects of discharges on water quality. We also support the Regional Assembly's suggested addition on reducing diffuse agricultural pollution as this is a new issue, but not the addition to existing NRM1 ii) as it merely repeats the need to avoid adverse effects on Natura 2000 sites.
- 10.27 We also recommend that the text to Policy NRM1A should indicate that continuing work will be required on the capacity of receiving waters as the full implications of the Water Framework and Habitats Directives become apparent.

### **FLtD RI t SK (Pt It Y NRM3) t**

- 10.28 As the draft Plan acknowledges, the region has a particularly wide-ranging flood risk management challenge. There are extensive parts of the South East at risk of flooding due to coastal, tidal, fluvial, groundwater and surface run-off risks. The draft Plan strives to address these risks in an integrated way and Policy NRM3 and its supporting text provide the key guidance. Figure NRM1 amplifies the policy by illustrating the links between Catchment Flood Management Plans and other types of plans including RSS, and Map NRM2 shows the Indicative Flood Zones.
- 10.29 The final PPS25 emerged during the course of the EiP and was taken into account in subsequent debates<sup>9</sup>. In accordance with PPS25, RSS should be informed by Regional Flood Risk Appraisals and should include a broad consideration of flood risk and set out a strategy for managing it. This is clearly the right approach although it needs to be applied with an appreciation of the inherent difficulties of making appraisals at the regional scale, given the lack of spatial specificity and the need for up-to-date flood management plans for the coast and rivers. We also noted that new advice continues to emerge, including that from Defra<sup>10</sup> which provides new regional sea level allowances covering a 100 year period and which will guide future long-term appraisals of climate change impacts. At the time of the EiP not all parts of the region had been subject to the same level of assessment. SFRAs had been completed in some areas (Kent Thames Gateway for example) but were still underway or to be commenced in others<sup>11</sup>. However informal advice from the EA has guided the preparation of the regional strategy and more detailed work is underway on development areas that coincide with Flood Zones 2 and 3. GOSE took the view that

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<sup>9</sup> The draft Plan was informed by PPG25 which included the sequential approach. Draft PPS25 was not published until December 2005

<sup>10</sup> Flood and Coastal Defence Appraisal Guidance: FCDPAG3 Economic Appraisal: Supplementary Note to Operating Authorities – Climate Change Impacts. Defra, October 2006 [Cn6]

<sup>11</sup> SRFA Progress Map, EA, February 2007 [EA34A]

the draft Plan achieves broad compliance with PPS25 on the basis of the preparatory work undertaken on flood risk assessment and we have found no reason to differ.

- 10.30 Nonetheless, it is critically important that the translation of the broad spatial strategy into allocations in LDDs is fully informed by SFRA. Reflecting this concern while also accepting that flood risk is not the sole determining issue, the EA raised doubts about the extent to which the district level housing apportionments had taken flood risk into account on a consistent basis. In part this was because a regional flood risk appraisal had only been completed shortly before the start of the EIP<sup>12</sup>. South Hampshire, Kent Thames Gateway, Milton Keynes, East Kent and Ashford, and Reading are the areas where the EA had most concerns. We consider this aspect in the relevant sub-regional sections of our report, but have concluded that there is insufficient reason at this stage to question the district level allocations on the basis of flood risk.
- 10.31 Turning to the detailed policy framework in Policy NRM3, the EA has proposed a number of amendments to the policy and supporting text that would more fully reflect the advice and priorities in PPS25 and would enhance its content in relation to biodiversity and socio-economic implications<sup>13</sup>. We commend these amendments and recommend accordingly.

#### **PROTECTION AND ENHANCEMENT OF BIODIVERSITY (Policy NRM4)**

- 10.32 The region has a wealth of ecologically important sites with more than 700 designated as Sites of Special Scientific Interest. One of the draft Plan's objectives is to protect and improve the best of the region's natural environment both for its own sake and to underpin the social and economic development of the region (A, paragraph 4.2). IRF objective 13 of the Integrated Regional Framework is to conserve and enhance the region's biodiversity (B, paragraph 6.1).
- 10.33 Against this background, Policy NRM4 sets out the proposed approach to the conservation and improvement of biodiversity and it is supported by Figure NRM2 and Map NRM4 which contain the Regional Biodiversity Targets and outline the Areas of Strategic Opportunity for Biodiversity Improvement. In brief, the policy seeks to prevent net loss of biodiversity and to achieve a net gain across the region, including by the setting of targets and the identification of areas of strategic opportunity for improvement. It also sets out measures to protect and enhance sites of biodiversity importance, ranging from the most important internationally designated sites to those that are locally important.

#### **Response to the AA**

- 10.34 Following the completion of the AA of the potential effects of the Plan on Natura 2000 sites and in response to the consultants' reports<sup>14</sup>, the Assembly agreed a number of proposed changes to draft RSS<sup>15</sup>. These are taken into account in the discussion that follows and in our reporting on individual topics throughout this report. But it is worth repeating at this stage that Natural England, the Wildlife Trusts and participants

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<sup>12</sup> Regional Flood Risk Appraisal, SEERA, November 2006 [SEP3F]

<sup>13</sup> EA representations to the draft Plan [rep 7511]

<sup>14</sup> Appropriate Assessment of the Draft South East Plan, Final Report, Scott Wilson Levett-Therivel, October 2006 [SEP5C] Appropriate Assessment of the Draft South East Plan Implementation Plan: Final Assessment, Scott Wilson/Levett-Therivel, November 2006 [SEP5D]

<sup>15</sup> Regional Planning Committee 20 November 2006.

generally in the Matter 6A debate accepted that the AA was fit for purpose<sup>16</sup>. We have found nothing to suggest otherwise, and make our recommendations on the understanding that their implications for Natura 2000 sites will need to be tested in further iterations of the AA.

10.35 There was little dispute at the EiP that the draft Plan sets out to protect areas of international significance for nature conservation – as stated in Policy NRM4 – but many participants had serious concerns about the likely impact of the Plan on these areas. However in our view the AA and many of the changes to the draft Plan that have been proposed by the Assembly in response to the AA go some considerable way towards addressing these concerns. We deal with other policy-specific issues or sub-regional implications that still require action in the relevant sections of our report. There is also an overarching issue about implementation and in particular the funding for mitigation works that will be required. We accept that successful implementation of the policy framework recommended by the AA is critical, and we comment further on implementation issues in later chapters.

10.36 Focusing specifically on the implications for Policy NRM4, we are generally satisfied that the proposed revision of the policy wording is a sound response to the AA. It points the way clearly towards the actions that are required to protect sites of international importance although as GOSE has suggested, it is unnecessary to repeat the requirements of the Habitats Directive in policies throughout the Plan. We propose amendments to the revised NRM4 accordingly. GOSE also suggested that an overarching policy on AA might add clarity and avoid repetition in the Plan about the implications of AA<sup>17</sup>. We agree with the broad principle, although we do not consider that a policy is necessary solely in regard to the legal requirement. Therefore we suggest that the GOSE ‘policy’ wording would be usefully added to the background contextual information for Policy NRM4. For completeness we sets this out below

*“An Appropriate Assessment of draft policies in the RSS was carried out for the purposes of the EC Council Directive 92/43/EEC – the Habitats Directive – and the Conservation (Natural Habitats Etc) Regulations 1994. The Appropriate Assessment led to recommendations in relation to policies H1, T9, T10, NRM1, NRM2, NRM3 and 6, NRM7, M3, C1a, SH12, SCT7, EKA4 and EKA9.*

*Any plan or project within the region not directly connected with or necessary to the management of a European site (Special Areas of Conservation, Special Protection Areas and Offshore Marine Site) but likely to have a significant effect on such a site, either individually or in combination with other plans and projects, shall be subject to appropriate assessment of its implications for the site in view of the site’s conservation objectives.*

*Where Competent Authorities undertake an Appropriate Assessment they may wish to consider the recommendations of the Appropriate Assessment of the RSS.”*

10.37 At RSS level it is not possible to consider all the detailed implications that could be raised by AA of more locationally specific plans or site-specific schemes. These will need to be tested at the LDD and/or planning application stages, if necessary by joint working between local authorities. It is accepted that this could generate a need for complete or partial review of RSS if it is demonstrated through further iterations of the AA that the Plan’s proposals, alone or in combination, would be likely to have a significant adverse effect on the integrity of a Natura 2000 site. We would advise

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<sup>16</sup> See also Chapter 2 of this report.

<sup>17</sup> Statement on AA, GOSE, 5 March 2007 [GOSE12]

however that some degree of pragmatism is required in moving forward with the hierarchy of development plans at this stage. AA is a rapidly developing decision making tool and questions and uncertainties will arise in the early stages of applying AA to plans but this is not a reason to halt the plan making process.

## **Policy NRM4 t**

- 10.38 Of the Regional Assembly's suggested additions as a result of the AA, we support the expansion of v) on land management; the new sub-section on changes in agriculture; and the new sub-section on dealing with international sites subject to recreational pressures covering buffer zones, alternative recreational land, access management and improved habitats management, as this incorporates some of the lessons learnt from the Thames Basin Heaths work. We have transferred the Assembly's suggested expansion on green infrastructure in point vi) to our recommended new cross-cutting policy. We do not consider the Assembly's suggested addition to point i) adds any new material. We also support the Assembly's addition to point ii), together with an amendment of our own in response to Hampshire CC's desire to give more positive support to the protection of locally important sites. Finally we recommend an amendment to point i) to distinguish between the degree of protection for international and national sites in accordance with PPS9.
- 10.39 We do not consider it necessary elsewhere in the plan to include lists of European sites that might be affected by certain policies. But it would be helpful in the supporting text to Policy NRM4 two indicate where a full listing of Natura 2000 and Ramsar sites can be found, e.g. in the AA, given that Map NRM3 does not label them.
- 10.40 We have considered whether the draft Plan would give appropriate weight to the protection of designated sites of international, national and local importance. Subject to our recommendations made on Policy NRM4 and on related matters elsewhere in our report, we consider that there will be sufficient guidance on the protection and enhancement of biodiversity in general. In this regard we have taken account of the findings of the SAs, including that carried out on the Implementation Plan, and we endorse their general finding that the implementation of the policy framework in a strategic way is vital to the achievement of the Plan's objectives for biodiversity.

## **Regional Biodiversity Targets t**

- 10.41 Turning to the specific guidance on the Regional Biodiversity Targets, it was accepted at the EiP that the targets are aspirational and challenging and that they will be updated in due course when work has been completed to take account of the revised UK biodiversity targets. We consider that they provide a reasonable basis to guide the setting of local biodiversity targets. It is encouraging that the Assembly intends to monitor the achievement of the Regional Biodiversity Targets. However, it is important to note that in order for these targets to be meaningful and monitored effectively, Natural England will need to fulfil its role in establishing what constitutes favourable conservation status for the internationally important sites, particularly for those sites that are most pressured. There is also a need for more research on the spatial distribution of species in order to assess the effects of plans and proposals on the integrity of habitats.
- 10.42 Overall, we conclude that while there is considerable goodwill and a great deal of voluntary work already contributing towards the achievement of biodiversity targets at all levels, additional resources and co-ordinated actions will be required to achieve the Plan's objectives for biodiversity. Natural England's Environmental Sustainability
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report and the EA's Environmental Infrastructure report are particularly informative in this regard<sup>18,19</sup>. We suggest amendments to the Implementation Plan to incorporate the guidance in Appendix 1D of Natural England's report about how the biodiversity targets will be delivered. We accept that the availability of sufficient resources is a particular challenge.

## **Areas of Strategic Opportunity for Biodiversity Improvement**

10.43 The interpretation and application of Map NRM4 on Areas of Strategic Opportunity for Biodiversity Improvement gave rise to some debate at the EiP. The background work by Terra Consult<sup>20</sup> describes the methods employed in the development of this map and explains the limitations involved. Notwithstanding the limitations, we agree that it forms a helpful tool for use in conjunction with other information and professional judgement in planning and co-ordinating biodiversity improvements. The Assembly has agreed that an explanation of the basis for Map NRM4 should be included in the Plan and we recommend accordingly. This would read

*"This indicative map [NRM4] shows areas of greatest strategic opportunity for the enhancement, restoration and re-creation of key wildlife habitats. It is not a map of formal designations and constraints, although the areas of strategic opportunity do include protected sites with statutory designations including those identified in Map NRM3. It does not illustrate all local opportunities for improvement, including those that may occur outside of these areas, nor identify areas of importance for protected species."*

## **THAMES BASIN HEATHS (POLTIT Wt BV3, WCBV9 AND LF11)**

10.44 The Thames Basin Heaths Special Protection Area (SPA) is of international importance because of its populations of three heathland bird species, Dartford warbler, nightjar and woodlark. It was designated as an SPA on 9 March 2005 under the Habitats Regulations and in accordance with the Birds and Habitats Directives. The primary aim of its designation is to protect and manage the ecological structure and function of the area in order to sustain the levels of bird populations for which it was classified. It consists of 13 sites that are designated as SSSIs and three of the sites are also designated as part of the Thursley, Ash and Pirbright Special Area of Conservation (SAC).

10.45 The SPA is spread over three counties, and covers part of nine local authority areas. Areas within 400 metres of the TBH lie within 11 local authority areas, and an additional four local authorities are within 5 km<sup>21</sup>. It falls within both the WCBV and London Fringe sub-regions as defined in the draft Plan. It consists of a number of relict fragments of lowland heathland covering in total some 8,400ha of which just under half forms part of the Ministry of Defence (MoD) Training Estate. In many

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<sup>18</sup> Environmental Sustainability in South East England: Developing a Preliminary Evidence Base and Embracing the Concept: Land Use Consultants for Natural England by, October 2006 [NATEN2]. Appendix 1D includes an expanded version of Table NRM2 Regional Biodiversity Targets which sets out delivery mechanisms, key deliverers and the implications of climate change in respect of each of the regional habitat groupings.

<sup>19</sup> Twenty Year Strategy for Managing Environmental Infrastructure in the South East (SMEISE), EA, November 2006 [Ir9].

<sup>20</sup> Development of Areas of Strategic Opportunity for Biodiversity Enhancement and Creation in the South East: Method Testing and Development. Terra Consult, May 2004 [Nr3]

<sup>21</sup> Bracknell Forest, Elmbridge, Guildford, Hart, Windsor & Maidenhead, Runnymede, Rushmoor, Surrey Heath, Waverley, Woking, and Wokingham. In addition, small areas of Basingstoke and Deane, East Hants, Mole Valley and West Berks are within 5 km of the SPA.

areas the SPA borders or lies close to major centres of population and most of it has open public access being either common land or designated as open country under the Countryside and Rights of Way Act or owned by public or conservation bodies.

- 10.46 The European Court of Justice (ECJ) made clear in October 2005 that the Habitats Regulations also apply to development plans. Partly in response to the ECJ ruling, English Nature (now Natural England) published a draft Delivery Plan (DDP)<sup>22</sup> in May 2006 which was intended to provide a generic approach to addressing the impact of new residential development in the vicinity of the SPA. The DDP is based on the premise that recreational pressure, particularly dog walking, has a detrimental impact on ground nesting bird populations. It contends that further residential developments within 5 km of the edge of the SPA would exacerbate such pressures either in their own right or in combination. A number of mitigation measures are proposed, the primary one being Suitable Alternative Natural Green Space (SANGS). A number of the 15 affected local authorities, including Elmbridge, Guildford and Woking, have produced interim mini-delivery plans for parts of the SPA area following the guidance in the DDP.
- 10.47 Given the scale of the Thames Basin Heaths and its location in relation to existing and proposed housing developments in some of the most pressured areas of the region, the impact of the draft Plan's proposals on the integrity of the SPA is of great significance. For this reason we agree that specific policy protection is required for this SPA notwithstanding the importance of other SPAs within and adjoining the region. The Panel has been greatly assisted in our considerations by the reports<sup>23</sup> of Mr Peter Burley who was appointed as Assessor to address the strategic implications of the Thames Basin Heaths SPA for the South East Plan. His terms of reference also required that he should consider whether the DDP is a sound solution for the area, although we must emphasise that the DDP is not within our remit and we make no comment on Mr Burley's conclusions in this regard.
- 10.48 Policies WCBV9 and LF11, and WCBV3 in part make specific provisions in regard to the Thames Basin Heaths SPA. Following completion of the AA, the Assembly suggested changes to two of these policies in response to the AA's recommendations. We comment further on the Thames Basin Heaths SPA as a factor influencing housing levels in Chapter 7 and relevant sub-regional chapters. But we note here that we agree with the Assembly's subsequent advice that on the basis of the Assessor's conclusions there is no longer a need to refer to the possibility of reviewing the scale and distribution of housing within the London Fringe and WCBV from first principles.

## **Implementation Mechanisms t**

- 10.49 The Assembly considered the Assessor's main report on 22 March 2007, the day before the issue was debated at the EiP, and agreed further amendments to the three policies<sup>24</sup>. We have taken these and the further comments submitted upon them into account in the discussion that follows which is largely directed to the means of protecting and managing the Heaths.

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<sup>22</sup> Thames Basin Heaths Special Protection Area: Mitigation Standards for Residential Development – Draft, Natural England, May 2006 [TBH2]

<sup>23</sup> Report to the Panel for the Draft South East Plan Examination in Public on the Thames Basin Heaths Special Protection Area and Natural England's Draft Delivery Plan: Peter Burley, 19 February 2007 [TBHtm7]; also his Clarification Report, 19 March 2007 [TBHtm8], and his Addendum Report to the Panel, 13 April 2007 [TBHtm13]

<sup>24</sup> SEERA Regional Planning Committee 21<sup>st</sup> March 2007 Report for Agenda item 6: Subject – Thames Basin Heaths: Assessors Report, March 2007 [SEERA18]

- 10.50 Turning to the adequacy of the framework for the protection of the SPA that is provided by Policies WCBV3, WCBV9 and LF11, the Assembly's suggested amendments seek to address the Assessor's recommendations so far as possible and to meet the overall requirements for suitable policy protection and guidance to local authorities in their production of LDFs. We are mindful that these policies form part of a wider framework in the draft Plan that contributes to the protection of SPAs generally, including Policy NRM4. Having regard to all the representations and debates on the matter, the main outstanding concern appears to be about the mechanisms which will secure the implementation of the required avoidance and mitigation if development is to proceed around the SPA.
- 10.51 We do not consider it appropriate to comment on the details of an interim Strategic Delivery Plan (ISDP) as recommended by the Assessor and supported by the Assembly. In our view this needs to be addressed as a matter of urgency and independently of the timetable for the emerging South East Plan. For this reason also we do not comment on the need for cross-boundary sharing of SANGS or the role of improved existing open space in providing for mitigation, except to say that both are necessary and appropriate in principle in our view. In terms of timescale, it is essential that work on the ISDP is undertaken as soon as possible and we hope that it will have commenced by the time we submit our report to the Secretary of State. For the longer term, we agree that a strategic partnership to co-ordinate policy for protection and management of the SPA would be appropriate and we welcome the Assembly's offer to play a leading role in establishing such a partnership. A policy reference to this partnership approach should be included in the Plan as is already suggested in the Assembly's proposed amendments. We note Natural England's concern that its specific responsibility for management of SPAs must be recognised but we expect that this will be addressed in the terms of reference of the partnership.
- 10.52 Successful implementation of the ISDP and a permanent longer-term solution for the SPA will depend critically on adequate resources, including funding. Therefore we strongly support the Assembly's suggested approach of the RIF which could act as a forward-funding mechanism for the delivery of the ISDP and the longer-term solution. It would be helpful to include a reference in the Implementation Plan to address this issue. The Assessor sets out a recommended system by which new developments likely to have a significant adverse effect on the SPA should contribute to the cost of an agreed package of avoidance and/or mitigation measures. During the EiP debate there was concern from Natural England and others that schemes of nine or less dwellings within 1-5 km of the SPA should be required to contribute. We took the view in conducting the debate that this was a short-term logistical issue rather than a matter for RSS policy. We note however that the Assessor provided an additional explanation of his reasoning in his Addendum report. We do not consider that our recommended increase in dwelling numbers within the 5 km zone of the TBH should fundamentally alter this analysis since we envisage that it would mostly be accommodated in a few large schemes where SANGS could be provided on-site (at Guildford and Chertsey, see paras 20.58 and 20.78), and there is a reasonable chance of most of the remainder being provided in schemes of 10 or more dwellings (at Woking, para 20.60 and Bracknell, para 21.93). On this basis we see no reason to depart from the Assessor's conclusions.
- 10.53 The Assessor's recommendation that a joint DPD should be drawn up to include not only a long-term avoidance and mitigation strategy but also other management issues having a bearing on its integrity has received a mixed response. The Assembly does not see a need for a single joint development plan document to be prepared for the entire area affected by the SPA although it accepts that groupings of local authorities
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must work jointly to deliver the required avoidance and/or mitigation measures across local authority boundaries. We agree that the proposed strategic partnership could develop a consistent policy framework for application in individual and/or joint SPDs or DPDs, but it should be recognised that a jointly prepared, if not joint LDD offers considerable advantages in devising and implementing a comprehensive and effective policy framework for the SPA. Therefore while we accept that it would be neither appropriate nor realistic to require the production of a formal joint DPD, we encourage a joint approach. In our view a joint supplementary planning document could be sufficient to achieve the level of co-ordination desirable and could be produced more quickly than a joint DPD.

- 10.54 The Assessor concluded that there is a need to distinguish between measures required to avoid or mitigate the impact of new development on the SPA and the need to invest in maintaining and improving the SPA habitat more generally. We endorse this conclusion and consider that the overall policy framework of the draft Plan, as amended in accordance with our recommendations, should address both needs. It must be emphasised however that the Plan cannot be seen in isolation in this regard and it must be supported by a range of other plans and programmes including baseline research and monitoring by Natural England and supporting management and access plans.
- 10.55 Overall we consider that a single policy covering the management and protection of the SPA would be better located in the natural resource management section of the Plan to reflect its regional significance and avoid duplication in two sub-regional strategies. This would also involve the transfer of some supporting text from the London Fringe and WCBV sections, amended to accord with the conclusions above. It would seem more logical however for policy guidance on the phasing of housing to be located within each sub-regional housing distribution policy, as was the case in Policy WCBV3 (see Chapters 20 and 21).
- 10.56 In terms of detailed policy wording, we have taken account of the Assembly's suggested amendments following the Assessor's report, together with the responses received from participants following the TBH debate<sup>25</sup>. It is important that the policy should reflect the requirements of the Habitats Directive; therefore it must apply not only to housing but to all development and it should seek to avoid the likelihood of adverse effects on the integrity of the SPA. As SEEDA has highlighted, the ISDP would apply to residential development only and for this reason we recommend that the supporting text to the policy should make clear that proposals for non-residential development within 1km of sensitive areas of the SPA should be individually assessed. This would accord with the Assessor's recommendations. However the Assembly's proposed policy reference to development in general could remain.

### **ASTAL MANAGt MENT (Pt ICTY NRM6) t**

- 10.57 The extensive coastline of the region is an important environmental, recreational and economic resource. Although it is naturally a dynamic element of the landscape, considerable lengths of the coastline have been developed with 90-95% of its frontage defended against erosion and flood risk. This represents a significant investment but the impacts of climate change are rendering traditional coastal defence practices inappropriate as the sole tool of risk management along the coast.
- 10.58 The draft Plan recognises that a range of responses, based upon the principle of risk management, are necessary for the coast and it seeks better integration of land use

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<sup>25</sup> HBF1, SEEDA8, WokhDC6, HantCC5, Wild1, March 2007

planning, flood defence and coastal protection through the promotion of Coastal Zone Management (CZM). The potential benefits include enhanced biodiversity, more effective management of risk, and the sustainable growth and regeneration of coastal communities. There are already examples of good practice in CZM in the Region, including the Solent Forum and the Kent Coastal Forum. The second round of Shoreline Management Plan reviews (SMPs) are developing new options for coastal protection and management including opportunities for managed realignment and more natural and sustainable coastal defences. Policy NRM6 promotes this approach and its development through SMPs and other plans. It also seeks to restrict development on the undeveloped coastline. In response to the findings of the AA of the draft Plan, the Assembly has proposed amendments to the policy in order to strengthen and expand its scope and to protect important habitats and species and these have been taken into account at the EiP and in our recommendations below.

- 10.59 Debates during the EiP raised concerns about the detailed impact of the proposed strategy on certain areas of the coast, including Portsmouth in particular, and we deal with these issues in the relevant sub-regional sections. But in terms of the draft Plan's general policy approach to the coast, there were a number of requests for a stronger, clearer policy framework. Some participants called for a much longer time horizon in planning for the coast, especially given the implications of the latest forecast for long-term sea level rises. While we accept the point in principle, we were not convinced that it had specific implications for this Plan, beyond those discussed in the sub-regional sections of our report. The latest round of SMPs will inform the next review of the Plan, including proposals for housing. However, the very long-term horizon of SMPs (up to 100 years), the areas currently covered by them and the expectations for these areas in terms of their linkages with LDFs would be helpfully included in this Plan. This would assist in highlighting the contribution that will be made by SMPs to the development of long-term spatial policies and decisions about land use.
- 10.60 Concerns were also expressed that the draft Plan does not make clear how important economic interests should be balanced in considering whether to adopt a managed retreat approach. In our view this matter will generally be best addressed at the local level, informed by more detailed plans and strategies, but we agree that the wording of Policy NRM6 should be amended to make explicit that social and economic as well as environmental objectives need to be taken into account in shoreline planning and management. This could be addressed in some cases by limiting the life of planning permissions so that short-term economic and social benefits can be reaped while protecting against long term risk.
- 10.61 Dr Jane Taussik made some useful suggestions for a more structured, precise policy and supporting text which we endorse. In particular, the term "shoreline" rather than "coastline" management should be preferred since it is the recognised term; for the same reason Integrated Coastal Zone Management should be used in place of Coastal Zone Management. Reference should be included to Catchment Flood Management Plans and River Basin Management Plans since these provide for a joined-up framework with SMPs. Harbour Management Plans should also be included since they are similar to Estuary Management Plans. Coastal Habitat Management Plans do not need to be included in the policy since they provide guidance for SMPs.
- 10.62 On the question of Heritage Coasts and whether there is a policy deficit in the Plan we were not convinced that there is, but it would be useful to indicate the Heritage Coasts on Map CLM1 of the draft Plan.

## **Rt    MMENDATIONS**

### **Recommendation 10.1 t**

Amend Policy NRM1:

- to cover Sustainable Water Resources and Groundwater only.
- to include a commitment from the Regional Assembly to working together with Government, the EA, Ofwat and regional stakeholders to ensure the delivery of the water efficiency savings necessary for the successful implementation of the draft Plan.
- to include clarification from the AA on BREEAM standards and SUDS (para 10.12)

### **Recommendation 10.2 t**

Expand the supporting text to Policy NRM1 to clarify the dimensions of demand management. (para 10.6)

### **Recommendation 10.3 t**

Amend Policy NRM2

- to ensure that a supportive planning framework is in place by providing a firmer steer to LDDs to facilitate the delivery of strategic infrastructure showed to be necessary. (para 10.14)
- by adding a geographic reference after all five of the listed reservoir schemes. (para 10.20).

### **Recommendation 10.4 t**

Create a new policy, NRM1A, on Sustainable River Water Management from the component parts of the existing NRM1 and to clarify the distinction between the physical capacity of waste water treatment works and the capacity of receiving waters to accommodate the effluent, including consideration of the cumulative effects of discharges on water quality. (para 10.26)

### **Recommendation 10.5 t**

Add supporting text to Policy NRM1A from the more recent EA modelling studies and acknowledge that continuing work on the capacity of receiving waters will be required. (para 10.27)

### **Recommendation 10.6 t**

Amend Policy NRM3 to reflect more fully the advice and priorities in PPS25. (para 10.31)

### **Recommendation 10.7 t**

Amend the supporting text to Policy NRM3 to reflect PPS25, including expanding on the role of SFRA's. (para 10.31)

### **Recommendation 10.8 t**

Expand Policy NRM4 generally as suggested by the Assembly in response to the recommendations of the AA, and to distinguish the protection given to international and national sites. (paras 10.36-10.38)

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**Recommendation 10.9 t**

Amend the supporting text to Policy NRM4 to include GOSE's suggested overarching 'policy' on AA, add the reference to the supporting text where details of the European sites can be found, and add an explanation of the meaning of Areas of Strategic Opportunity for Biodiversity Improvement to Map NRM4. (para 10.36, 10.39,10.43)

**Recommendation 10.10 t**

Add a regional policy on Thames Basin Heaths, NRM New, based on the suggestions made by the Assembly following the Assessor's report, and delete Policies WCBV9 and LF11. (para 10.56)

**Recommendation 10.11 t**

Incorporate the relevant parts of the existing supporting text for Policies LF11 and WCBV9 into the supporting text for the new policy on the Thames Basin Heaths SPA and make consequential changes to reflect the conclusions of the Assessor's report (paras 10.50-10.56)

**Recommendation 10.12 t**

Amend Policy NRM6 to take on board the findings of the AA as suggested by the Regional Assembly, and to reflect other linked plans, and to allow for social and economic as well as environmental objectives to be taken into account in shoreline planning and management (paras, 10.58, 10.60, 10.61)

**Recommendation 10.13 t**

Amend the supporting text to Policy NRM6 to

- Add a reference to the long-term horizon for SMPs, the areas that are currently covered by them, and explain the expectations for these areas in terms of their linkages with LDFs. (para 10.59)
- Change references to Coastal Zone Management to Integrated Coastal Zone Management. (para 10.61)

**Recommendation 10.14 t**

Indicate the location of the Heritage Coasts Map CLM1 in the Plan. (para 10.62)

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## **11 f WASTE ANf MIfNERAf S f**

Matter 7A.1, 7A.2, 7B.1

*This chapter first examines the apportionment of London waste; we consider the new information that has been made available since the submission of the draft RSS and recommend a single apportionment that excludes Green Belt from the distribution model. We then comment on the extent to which explicit guidance can be given on the need for hazardous waste facilities, before examining the apportionment of recycled and secondary aggregates, where we support the proposed apportionment.*

### **APPORTIONf ENT OF LONDON WASTE (POLfCY W3) f**

11.1 Our testing of waste policies in the draft Plan was very limited given that a partial alteration of RPG9 on this topic had been so recently adopted, June 2006. The most controversial issue was where (rather than how much) provision should be made for London's waste exports. Policy W3 in the submission draft Plan sets out a proposed apportionment, which resulted from the application of four criteria (an amalgamation of the original six), together with weightings to reflect their perceived importance<sup>1</sup> namely:

- surplus void space: 25%
- geology/groundwater suitability and other environmental constraints: 37.5%
- proximity to London: 25% and
- sustainable transport: 12.5%.

Existing contracts and the pattern of waste movements including by rail were used as a reality check.

11.2 The policy then applies its recommended apportionment in percentage terms to give the amount of London waste to be accommodated in each authority area in the first and second half of the plan period, reflecting London's policy commitment to seek a progressive reduction in total exports.

11.3 Subsequent to submission of the draft Plan, the consultants were asked to assess the implications of different distributions, over both space and time, in response to concerns raised by individual authorities. Alternatives were produced to assess

- a range of locational alternatives based on sensitivity testing of the weightings applied to the four sets of criteria<sup>2</sup>. A subsequent alternative submitted immediately before the debate tested the implications of removing Green Belt from the environmental constraints category<sup>3</sup>;
- a different basis of division for the first half of the plan period. This was intended to reflect the reality of existing contracts, and the difficulty of moving quickly to a new apportionment – an issue which was termed 'deferment'.

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<sup>1</sup> Towards a Methodology for Apportionment of London's Exported Waste, Jacobs Babbie for SEERA, July 2005 [Wr2]

<sup>2</sup> Towards a Methodology for Apportionment of London's Exported Waste: Alternative Apportionment Options, Jacobs Babbie for SEERA, October 2006 [Wr2A]

<sup>3</sup> Towards a Methodology for Apportionment of London's Exported Waste: Alternative Apportionment Options: Revision for EiP, Jacobs Babbie for SEERA, December 2006 [Wr2C]

## Single Apportionment or Deferment f

- 11.4 Although most waste planning authorities (WPAs) continue to accept the principle of having an apportionment, its translation into figurework has clearly given rise to extreme tensions. There was still no agreement by the end of the EiP. Waste authorities who supported the deferment option considered it important to take stock of the latest data on London waste landfilled in the South East which was due to be released by the EA during the later stages of the EiP<sup>4</sup>. This data giving 2005 levels collated from operator returns was duly published at the end of February 2007. The South East Regional Technical Advisory Body (SERTAB) reviewed this data, and we provided an opportunity for participants to provide further comments<sup>5</sup>. Throughout the process of sensitivity testing and consideration of deferment, the Regional Assembly and SERTAB were both careful not to provide any direct recommendations on the way forward. They asserted that the additional studies had been undertaken to "assist" the EiP, but that the original apportionment in the submission draft Policy W3 remained the only version to have been approved by Members.
- 11.5 We consider that the original background work looked comprehensively at a range of relevant criteria, which largely correspond with those recommended by the last EiP Panel. A lot of time has been spent on sensitivity testing, although the options seem to us to be variations on a theme, rather than breaking new ground, and there is very little change in the resulting proportions between authorities after rounding. The option of deferment however raises more important issues, in terms of equity and incentive on the one hand and deliverability on the other.
- 11.6 On the basis of the debate and all the information submitted, there are two main choices open to us. First to accept a single apportionment (either that in the draft Plan or one of the options), or second to accept some form of deferment of the apportionment, in which case there are subsidiary issues about the date to which the apportionment should be deferred, the basis for determining the division between authorities, and whether the policy should include guidance on determining planning applications in the interim.
- 11.7 In making our choice we consider that the final apportionment should fulfil the following:
- spread the burden to the extent consistent with sustainability considerations;
  - be sufficiently challenging in order to influence a direction of travel for the future;
  - be transparent and objective, but recognising that it will never be possible to satisfy all parties;
  - be deliverable.
- 11.8 Initially we were attracted to the idea of some form of deferment. But there are considerable difficulties in establishing the current pattern on which to base an interim division. Using only a snapshot at October 2006 as in the later work of the consultants is sensitive to the end date of certain contracts and would put the onus on only four of the 10 WPAs (excluding Isle of Wight). Using the 2005 EA results, which SERTAB recommend as the best available data, would provide a wider spread, but two previously significant contributors have reduced levels in part because of data exclusions where origin was unknown.

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<sup>4</sup> Landfill Report, compiled by the EA from data submitted by licensed landfill site operators on waste arisings from London, February 2007 [Wr6, 6a and 6b]

<sup>5</sup> Note of SERTAB meeting, 6 March 2007 [Wr6c] and participants' comments on EA survey results [EiP29]

- 11.9 Had we been tempted to recommend a deferment we would have suggested that the average of the last three years of data (the EA data for 2004 and 2005 and the snapshot for end 2006) were used. We would also have suggested that the current distribution lasted for only a relatively short period, and not for the first 10 years of the plan. This view was also shared by the EA who considered 2013 to be a suitable breakpoint, and Cory who advised 2010/2011 for the deferment option while still favouring a single apportionment.
- 11.10 However on balance, despite the plethora of background studies undertaken since the submission draft we favour retaining a single apportionment. Our reasons for this are as follows.
- A single set of percentages provides a clearer message of the intended direction of travel.
  - A single set of figures starting at 2006 has more chance of influencing development plan provisions (which is the stated intention of the policy), so that the testing process can start in this Waste Development Framework (WDF) round.
  - There is more opportunity to influence industry planning the earlier the apportionment starts, bearing in mind the long lead times for new sites or major extensions to become operational.

## **Detail of Apportionment f**

- 11.11 Several local authorities argued strongly for a reduction in their level because of the particular circumstances of their area, and in the case of Milton Keynes its Growth Area status<sup>6</sup>. In that we find the modelling approach well founded and transparent, we consider that its results should be incorporated into the policy. However we strongly support the idea of these figures being tested at the WDF stage (D6, para 6.6), provided that the RSS figures are used as a starting point. This approach has already been demonstrated to work in Hampshire.
- 11.12 Those authority areas towards the periphery of the South East region argued amongst other things that their transport systems were inadequate to accommodate waste movements from London. In response to this we note the idea of a ripple effect, as expressed by Cory<sup>7</sup>, namely that additional capacity provided in these outer areas may in reality accommodate material generated in adjacent inner authority areas, leaving further capacity for them to accept waste from London. Cory also point out that the figures for 2006-15 for the outer authority areas are in any event equivalent to about one new site or a major extension on an existing landfill.
- 11.13 Having accepted the principle of a single apportionment, the question then arises of which distribution to recommend. The SA results only cover the original work and the main sensitivity tests. We are not convinced by the assertion that the option with an equal weighting to each of the four criteria is necessarily the most sustainable. The comments made about this option seem to have more to do with political expediency and the suggestion that a middle ground apportionment would be likely to be the most acceptable. On the other hand we note that the original apportionment is said to

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<sup>6</sup> Claims by Milton Keynes Council that all its capacity was needed to meet local needs is contradictory to the scale of surplus capacity in Policy W13 and details of an existing planning permission at Bletchley given by Scott Wilson on behalf of the Waste Recycling Group

<sup>7</sup> Letter from Cory Environmental to Panel Secretary dated 25th Jan 2007 re Proposed Apportionment of London's Waste: Comments on additional SEERA Submission on Apportionment Options [Cory1]

- incorporate a more equitable approach than others considered, and scored positively for the majority of IRF objectives of relevance to this topic<sup>8</sup>.
- 11.14 The last option tested (2f) was very similar to the original apportionment, but with Green Belt excluded from the environmental constraints. Theoretically we support this amendment on the basis that waste management facilities should not be precluded from the Green Belt, as stated in Policy W17 and paras 10.239-240 of adopted RPG9 Alteration on Waste and Minerals. Its use would also mean compatibility with recent work in the East of England<sup>9</sup>. In percentage terms this means that, compared to the original apportionment, three WPA areas on the west side of the region would increase, with marginal decreases in the outer areas. In absolute terms there would be no difference in any WPA totals when rounded to one decimal place, except for Surrey where the increase is modest and the result still represents a much smaller proportion than accommodated at present.
- 11.15 Had it been a case of simply supporting the figurework in the original apportionment in the submission draft Plan, we would have done so due to the relatively small-scale difference that option 2f entails. But it appears that a recalculation of figures for Policy W3 may be necessary in any event to reflect the scale of London waste expected in the latest consultants' report<sup>10</sup>. We therefore recommend the use of the distribution which does not include Green Belt in the model.
- 11.16 In relation to whether Milton Keynes should have a separate apportionment from Buckinghamshire, the EA anticipated that there would have been little difference in the resulting distribution if they had been treated together. We support the greater clarity of keeping them separate since there is no easy way of separating them at the WDF stage.
- 11.17 Having recommended a single apportionment, we fully accept that in reality the pattern of imports will not change overnight. We therefore recommend that the background text makes clear that there will inevitably be a transition period where materials accommodated will be a function of existing contracts. And for this period the Buckinghamshire brickfields will continue to be a major resource. But the intention of the policy is to influence new provision in WDFs and through development control decisions.
- 11.18 There would also be knock-on implications for Policy W13 from the adjustment of both the apportionment and the total to which it is applied which would then need to be incorporated at the proposed changes stage.

## **Scale of London Waste f**

- 11.19 Although we made clear to participants that the scale of London's waste likely to be exported to the South East was outside our remit, we make the following comments on the basis of the debate and written material.
- 11.20 Several participants were intensely concerned about a perceived reduction in the scale of London waste that the South East was planning for. Scott Wilson reminded us of the scepticism of the London Plan Early Alterations EiP Panel about the chances of

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<sup>8</sup> Towards a Methodology for Apportionment of London's Exported Waste: Alternative Apportionment Options: Sustainability Appraisal Report, Jacobs Babbie for SEERA, October 2006 [Wr2b]

<sup>9</sup> Development of a Policy for the apportionment of London's Waste Exports to the East of England, Jacobs Babbie for EERA, June 2006 [EERA2] and New Waste Policies suggested by EERA following the Recommendations of the Panel Report [EERA1]

<sup>10</sup> Towards a Methodology for Apportionment of London's Exported Waste: Alternative Apportionment Options: Further Revision for EIP, pages 7-8, Jacobs Babbie for SEERA, January 2007 [Wr2D]



London meeting its target to reduce London exports at both 2010 and 2015<sup>11</sup>. There was also concern that the figures used in the South East background work underestimated the current amount of waste transported into the region, given the uncertainties in accounting for commercial and industrial (C&I) waste. But the EA's recorded level for municipal solid waste (MSW) and C&I London exports in 2005 is considerably lower than the 1.76 million tonnes per annum (mtpa) which has so far been assumed as the start of the annual reductions. To rebase the sequence on some 1 mtpa as recommended by SERTAB would reduce the total provided for in Policy W3 even further.

- 11.21 We do not feel that we have adequate evidence on which to comment further on the scale of waste to be used in Policy W3, even if we saw it within our remit. In our view therefore the examination has provided a way forward on the sub-division of London's MSW and C&I waste and our recommended percentage distribution between WPAs is in our redrafted Policy W3 in Appendix A. We are not in favour of any delay in finalising this policy. However to complete the table within the policy the Government must decide on the scale of MSW and C&I waste to which these percentages should be applied. This may mean seeking clarification on the best available data from SERTAB and the EA.
- 11.22 Beyond the immediate task of finalising the South East Plan, there is clearly a need for wider agreement and continuing technical work on the scale of London's waste exports to the greater South East. We understand that the Inter-Regional Forum has set up an officer level group to seek to resolve such issues, and the GLA and EERA confirmed their willingness to work further with SEERA. We also note that construction and demolition (C&D) waste has been totally ignored in the apportionment process. While we accept that there is more flexibility for dealing with this form of waste, e.g. as a capping to mineral sites and as other clean fill and that there is currently surplus void capacity for inert materials as noted in Policy W13, the scale of current exports from London from the EA's 2005 survey is at least as great as the combined total for MSW and C&I, and much greater than previous estimates. Although we hope that inter-regional officer group, together with advice from the EA, will be able to provide a better understanding of such issues, the subject is so sensitive politically that it cannot just be seen as a technical exercise.
- 11.23 Given the sensitivity and complexity of waste issues within the greater South East, there could therefore be merit when waste policies are next reviewed for work to be coordinated across all three regions on overall waste generation, recycling and recovery rates and residual landfill requirements, London's self containment targets, and initial lessons and monitoring data from the implementation of apportionments in the South East Plan and the East of England Plan. If the review of waste policies could be so aligned it would be possible for their content and accompanying evidence base to be tested by an independent Panel at a joint EiP. In the meantime acknowledgement of the interlinkage between the different components of London's waste exports could be improved by including a cross reference in the background text to Policy W3 to the fact that C&D exports contribute to more specialised needs such as for the treatment of contaminated soils (Policy W15) and for recycling facilities (Policy M2).

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<sup>11</sup> Draft Early Alterations to London Plan EiP Panel Report, paras 5.32 and 5.48, September 2006 [LP2B]

## **HAZARDOUS WASTE (POLICY W15) f**

- 11.24 We welcome the Regional Assembly's attempt to provide more specific guidance on the range and type of facilities that will be required to manage hazardous waste, drawing on work undertaken for the Assembly in 2005<sup>12</sup>. We consider that this is an improvement on the equivalent policy in RPG9, June 2006.
- 11.25 We recognise, as do most participants, that planning for hazardous waste is particularly difficult since:
- The materials are diverse in terms of characteristics and management needs.
  - It is not always possible to identify hazardous waste facilities as opposed to those for other major waste processing activities.
  - Forecasts of future arisings are uncertain because of data problems and as waste reduction will doubtless take place due to the costs of disposal.
  - There is very limited capacity for landfill in the region.
  - Requirements for particular treatment facilities will reflect the changing economics of the waste market.
  - Practice in the management of hazardous waste is changing rapidly in response to changes in legislation
  - Hazardous waste proposals are always sensitive when there is public consultation.
- 11.26 Policy W15 lists five priority needs in the region and sets out three requirements for Waste Development Documents (WDDs). Although there are not many objections to Policy W15 participants express different views on how specific the regional policy should be, about whether the priorities are the right ones, and whether the guidance is adequate for WDDs.
- 11.27 In our view Policy W15 is pitched at about the right level of specificity since:
- Hazardous waste treatment is a market driven industry and there is an obvious danger in being too prescriptive about the type, number and location of particular facilities.
  - There is an acknowledged paucity of facilities and the main aim of strategic policy should be to encourage proposals to come forward.
  - Some wastes can be managed in different ways and it is important to stimulate innovative technologies.
- 11.28 It would be theoretically possible, as GOSE suggest, to identify a distribution of hazardous waste tonnage and a pattern of facilities of national, regional and sub-regional significance. However, while this would be consistent with Policy W7, for the reasons given above we do not believe that such an approach is desirable or practicable. Moreover the evidence base for such a prescriptive tabulation approach would in our view not be sufficiently robust to be incorporated in WDDs.
- 11.29 In terms of priority needs we note and welcome the fact that since the last waste examination some new facilities have been provided in the region. The needs identified in Policy W15 are based on work done in 2005 and the policy should reflect changes since then. Recent developments include permission for plants to deal with fluorescent tubes and mercury in Surrey, boiler ash and flue gas residues in the Isle of Sheppey, and a waste to energy plant near Maidstone. We agree with Oxfordshire CC and others that since our knowledge of future waste management requirements is poor it is possible that the priority needs set out in Policy W15 will turn out to be wrong.

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<sup>12</sup> Overview of Hazardous Waste in South East England, Beyond Waste for SEERA, May 2005 [Wr3]

However we consider that this possibility does not invalidate their inclusion in the policy. We believe it is important to signal that they are current priorities based on current knowledge, that as acknowledged in the text they will be kept under review (D6, para 16.8), and that revised guidance will be issued as necessary.

- 11.30 In endorsing the general approach to priority needs in Policy W15 we suggest four minor changes. First, while we support the establishment of the Hazardous Waste Task Group and acknowledge its expertise, the accountable bodies are the Regional Assembly and SERTAB so we recommend that they be cited in the introduction to Policy W15. Secondly, we accept Biffa's point that while there is an urgent need to provide additional landfill capacity, this does not necessarily have to be located in East or West Sussex, Kent or Surrey even though it is to serve this part of the region that provision is most urgently needed. We therefore recommend that Policy W15 i) refers more generally to serving the particular needs of the south and south east of the region, and that the text provides the spatial detail from the background evidence while making it clear that additional capacity is required throughout the region. Thirdly the numerical references to plant configuration needed to treat air pollution control residues and waste electronic and electrical equipment should be deleted. Both this and the previous point were suggested by the Assembly in the debate. Finally, since C&D material forms over one third of all hazardous waste it should be referred to explicitly and we recommend an addition to Policy W15 iv).
- 11.31 We support the remainder of the policy which reflects the adopted RPG9 Alteration. We agree with most participants that specific allocations in WDDs for the whole range of hazardous waste facilities are unlikely to be a practicable way of achieving their delivery. But a proactive stance on C&D waste is clearly justified because of their large if uncertain volumes<sup>13</sup> and important link to development activity. While leaving WDDs to set criteria against which proposals for specialist waste facilities will be determined runs the risk of inconsistencies in approach, we do not believe that it would be helpful for these to be set at regional level. Overall we endorse the flexible approach in Policy W15 of identifying current priority needs and specifying a limited number of requirements to be met in WDDs.

## **APPORTIONMENT OF RECYCLED AND SECONDARY AGGREGATES (POLICY 2)**

- 11.32 The proposed apportionment for recycled and secondary materials was the only significant addition to recently updated minerals policies. Our testing was restricted to this component of Policy M2, and did not involve reopening the scale of the recycling target, of at least 7.7 mtpa, which had been thoroughly debated at the last examination.
- 11.33 The draft Plan's proposals result from the application of four criteria, together with weightings to reflect their perceived importance<sup>14</sup> namely:
- projected population at 2016: 25%
  - forecast C&D waste managed: 25%
  - environmental and landscape designations: 30%
  - Green Belt: 20%.

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<sup>13</sup> Hazardous Waste, Halcrow for Environment Agency, 2006 [Wr4]

<sup>14</sup> Methodology for apportionment of recycled and secondary aggregates in South East England. LUC for SEERA, November 2005 [Mr1]

- 11.34 Various other criteria were considered including use of sustainable transport, existing contracts, and existing recycling capacity but were discarded. Various sensitivity tests were undertaken including substituting urban areas for the population variable, and using different weightings. The supplementary SA of this policy is of no help in assessing differences between these variants, and we agree with Surrey CC that the analysis is relatively superficial<sup>15</sup>.
- 11.35 The proposed apportionment is accepted by most mineral planning authorities. We consider that the background work is well founded and transparent. We note the assurance given by Surrey CC and others that in using C&D waste "managed" rather than "arising" in the second criterion, that the implications of London exports are to some extent included. We are less concerned about the inclusion of Green Belt as a criterion than we were for London landfilled waste, since there may be greater built form associated with recycling facilities, although such uses should not be precluded from such areas as clarified later in this policy.
- 11.36 The three authorities who challenge the apportionment are all concerned that the resulting provision levels are higher than the amount of C&D waste currently managed in their areas. They are concerned that including figures that may be too high will lead to material being imported into their areas. Of the three cases put forward, the figure for Milton Keynes is perhaps the most anomalous, given that demolition waste is likely to be relatively small with most of its building stock being so new. However it is also the location of significant levels of new construction, and this results in needs of its own.
- 11.37 It was also apparent to us that the comparisons being made by these authorities were entirely against current C&D levels. However the scope of the apportionment is wider, and secondary aggregates and road planings represent some 25% of the recycled materials to which the target applies<sup>16</sup>. Existing facilities that handle these materials would presumably count towards the achievement of these targets. This is particularly relevant in Oxfordshire in relation to pulverised fuel ash handling from Didcot power station, and there may also be additional requirements for plant to deal with demolition material arising from any decommissioning over the plan period.
- 11.38 There are undoubtedly uncertainties in dealing with this relatively new policy area. Nevertheless we consider that an apportionment will be helpful to:
- provide an incentive for more sustainable waste management so as to reduce need for primary aggregate extraction; and
  - encourage minerals and waste development frameworks to make provision for recycling facilities so that suitable sites can be safeguarded through LDFs and not lost to alternative higher value uses.
- 11.39 We do not believe that operators will actually provide facilities on such sites if there is no demand in that area. Given uncertainties in relation to data, and the fact that not all recycling requires dedicated facilities because of the use of mobile equipment on construction sites, we therefore support the view of several authorities that the demand aspects of their apportionment should be tested in preparing minerals or waste development frameworks.
- 11.40 The EA suggested two alternative ways of producing an apportionment. They pointed out that the recycling target represents 59% of C&D arisings within the region (7.7 / 13 mtpa). Their simple approach would be to apply this percentage to the arisings in

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<sup>15</sup> Supplementary Sustainability Appraisal – ERM for SEERA, October 2006 [SEP3E]

<sup>16</sup> Regional Monitoring Report 2005, page 94

each authority area as an indication of the scale of facilities for which provision is required. Their second approach was to apportion the implied landfill requirement (13 – 7.7) in a similar way to the methodology used for apportioning London waste (see above), with the residual arisings in each area being the requirement for recycling facilities. Both of these approaches however fail to recognise that the facilities required relate to a broader definition of recycled and secondary materials. In addition we are concerned that the second fails to provide sufficient incentive to encourage recycling. Hence this EA suggestion results in four authority areas (excluding the Isle of Wight) with a negative or minimal requirement to provide recycling capacity.

- 11.41 On balance we support the proposed apportionment in Policy M2, given that it reflects the combined views of the Regional Aggregates Working Party (SEERAWP) and SERTAB, and that we support local testing of demand aspects at the mineral or waste development framework stage.
- 11.42 The subject matter of this policy straddles waste and minerals topic areas. Hence we suggest that the background text to the policy indicates that references to minerals development frameworks should be taken to embrace minerals, waste, or combined minerals and waste development frameworks. We do not favour the idea of relocating this policy into the waste section of the Plan, because it derives from national policy on minerals (MPG6 and MPS1). But we would support clearer cross-referencing between the content of this policy and Policy W6 on C&D recycling targets. These targets are lower because they exclude secondary materials and road planings, but include an element of soils additional to the C&D element included in Policy M2, as explained at the last EiP. Cross-reference could also usefully be made to Policy W15 which indicates the need for a network of facilities to treat contaminated soils and demolition waste.
- 11.43 The final part of Policy M2 deals with the acceptability of recycling plant in designated areas. This was thoroughly debated at the last examination and was not revisited. However we assume that the wording of the equivalent policy component in the RPG9 Alteration, which was adopted after this draft Plan was submitted, will be used at the proposed changes stage.

## **RECOMMENDATIONS f**

### **Recommendation 11.1 f**

Use a single apportionment to allocate London waste exports to WPAs in Policy W3, and use the percentage sub-division between WPAs that results from the sensitivity test of the distribution model which does not include Green Belt as an environmental constraint. (para 11.15, 11.21)

### **Recommendation 11.2 f**

The background text to Policy W3 should

- make clear that there will inevitably be a transition period where materials accommodated will be a function of existing contracts. (para 11.17)
- acknowledge that even though C&D is not covered in Policy W3, London exports of this material contribute to more specialised needs such as for the treatment of contaminated soils (Policy W15) and for recycling facilities (Policy M2). (para 11.23)

**f**

**f**

**Recommendation 11.3 f**

Amend Policy W15 to refer to the accountable bodies, to generalise the locations with particular needs for hazardous waste landfill capacity, to exclude numbers of particular treatment facilities and to refer explicitly to C&D material. (para 11.30)

**Recommendation 11.4 f**

Expand the supporting text to Policy W15 including the spatial detail of where landfill capacity is most needed from the background evidence while making it clear that additional capacity is required throughout the region. (para 11.30)

**Recommendation 11.5 f**

Include in the background text to Policy M2:

- that references to MDFs should be taken to embrace minerals, waste, or combined minerals and waste development frameworks.
- support for further testing of the apportionment through MDF/WDFs in terms of the demand for facilities. (para 11.39)
- clearer cross-referencing with Policy W6 on C&D recycling targets, and with Policy W15 on the need for a network of facilities to treat contaminated soils and demolition waste. (para 11.42)

**Recommendation 11.6 f**

In process terms:

Consider coordinating work on the next review of waste policies across the South East, East and London, such that strategic aspects could be tested at a joint EiP (para 11.23)

## **12 c COUNTc IDE AND LANDSCAPE MANAGEMENT c**

Matter 6B.1-4, 2C.3

*This chapter first assesses the soundness of the draft Plan's strategy for rural areas. It then considers the approach to countryside and landscape management and the policies relating to National Parks and AONBs. It suggests grouping and strengthening policy elements dealing with land management in the wider countryside and in the rural-urban fringe. Consideration is then given to the issue of access to the countryside, whether there is a need for a countryside quality indicator, and whether there should be a specific policy on the River Thames.*

### **STRATEGY FOR RURAL ACCESS**

- 12.1 The Regional Assembly explains (B, para 5.6) that it has treated rural issues as 'a core context' of the draft Plan. Relevant policies are therefore found throughout the draft Plan. The most directly relevant policies are included in the Countryside section in respect of landscape and land use (Section D7), in the Built Environment section in respect of rural settlements (Section D8), but there are also components relevant to the rural economy (RE2), rural transport (T2), biodiversity (NRM4), wood products and woodland management (NRM5), and rural tourism (TSR2<sup>1</sup>). Rural deprivation is also mentioned in the introductory section to the Social chapter. Box B1 is intended to signpost these, although Section D8 has inadvertently been omitted.
- 12.2 We are satisfied that sufficient background work was completed on rural issues. The problem for the Assembly was that the evidence did not suggest any specific policy approaches were needed, e.g. the Bartlett study<sup>2</sup> led to an interesting typology of rural areas with the challenges facing each of the six types of area, but no distinguishing policy pointers suitable for RSS. A further study<sup>3</sup> found that the "rural economy" had many similarities with the "urban economy" and hence it was difficult to distinguish a distinctive policy approach.
- 12.3 Many participants representing rural interests were disappointed that relevant policy was scattered rather than grouped in a single chapter, particularly given that over 80% of the region is classed as rural. We agree with Natural England that the EiP, particularly the sections on countryside, biodiversity and rural settlements, was an opportunity to "rural proof" the draft Plan, to the extent that some felt this had been incompletely done in the plan preparation process.
- 12.4 On the basis of these debates and the evidence examined, we accept that rural areas currently lack spatial profile in the draft Plan. But that is not the same as accepting that there is a major policy deficit for such areas, given that so much local policy for rural areas can derive straight from national policy, particularly PPS7 without the need for an intermediate regional level, and because the main land use namely agriculture is largely outside planning control.
- 12.5 Overall we are satisfied that with our recommended changes the draft Plan's approach to rural areas is sound. The policies that we seek to clarify are largely in the Countryside and Built Environment sections of the draft Plan, as discussed in this and the following chapter. In addition we have already recommended in Chapter 8 that

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<sup>1</sup> In the Tourism and Related Sports and Recreation section – this was not included in the EiP

<sup>2</sup> Spatial Dimensions of Rural Policy in South East England, Bartlett School of Planning for SEERA, SEEDA, GOSE & Countryside Agency, March 2004 [Sr11]

<sup>3</sup> Planning for Sustainable Rural Economic Development, Part B, Final Report, LUC for SEERA Rural Advisory Group, April 2003 [Sr12]

greater recognition of rural affordable housing issues is given in Policy H4 (encouragement to set lower site size thresholds). We have also assessed the extent to which the proposed housing levels for each Rest of County area meet forecast local needs, which was a particular concern of the South East Rural Affairs Forum, and any changes that we recommend are set out in our Chapter 26. Finally our presentational recommendation that there should be a new Part E section covering the areas outside the sub-regions will improve the profile for rural areas (see Appendix B).

- 12.6 We therefore conclude that taken in the round, and set in the context of national policy, the draft Plan provides an appropriate integration of urban and rural issues and also provides the necessary broad framework for more local strategies. Policies do not all have to be in one place in a plan to create a sound framework. However, we recommend that Box B1 would fulfil a more useful signposting role if it were to indicate all policies with a rural component by name, rather than merely the sections in which they are located. As we argue in Chapter 4 this box should appear within the new Spatial Strategy section of the Plan. And in general greater cross-referencing between policies would be helpful on rural issues.

## **Countryside and Landscape Issues c**

- 12.7 Countryside and landscape matters are effectively a sub-set of rural issues, and although covered in a separate section (D7), there are close links to natural resource management and to socio-economic issues covered elsewhere within the draft Plan. Policy CC12 provides an overarching steer on the conservation and enhancement of the character of landscapes and settlements. SEFS argued that this section should begin by describing the broad landscape features of the South East as a context for the rest of the countryside policies<sup>4</sup>. We agree that it would be helpful to give some feel for what is regionally distinctive, perhaps drawing on the Joint Character Areas (also known as Landscape Character Areas) used by Natural England to target their agri-environmental funding.

- 12.8 Section D7 as presented seems to see the countryside as a constraint rather than as an opportunity. Positive aspects are:
- the countryside has economic value - SEEDA<sup>5</sup> says that the countryside is a valuable economic asset and gives the region a competitive edge, that it is one of the reasons so many people want to live in the region, and that it attracts millions of visitors to the South East;
  - the countryside has a key role to play in the achievement of the vision of a healthy region, by providing opportunities for physical activities, recreation and the experience of tranquillity that contribute to health and well-being; and
  - the countryside is important in terms of climate change (acting as a carbon sink, as a flood management resource, and a potential source of renewable energy crops).

PPS7 requires RSS to recognise the environmental, economic and social value of the countryside that is of national, regional or, where appropriate, sub-regional significance and to support suitable development that is necessary for the social and economic well-being of these areas and their communities.

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<sup>4</sup> A similar point was made in the South Downs Joint Committee non-participant Matter 6B statement

<sup>5</sup> SEEDA Matter 2C statement



12.9 We recommend that the introductory text should be strengthened to give greater emphasis to the positive role of the countryside as outlined above. This will help to establish its overall importance and the need for positive land management regimes throughout the region, rather than waiting until the end of the chapter before introducing the "remainder of the countryside outside the designated areas".

## **NATIONALLY c Ec GNATEc Ac EASc**

### **National Parks (Policies C1a and C1b) c**

12.10 The first of the countryside policies relates to the New Forest National Park. The Park Authority are satisfied with the overall draft Plan vision for designated landscapes, but suggest a greater emphasis on their wider economic and social benefits. This mirrors our thinking at para 12.9 above and we recommend an addition to the policy to support suitably located and designed development that is necessary to facilitate economic and social well-being in the area provided that it does not conflict with the purposes for which the Park has been designated. We do not think it necessary to spell out the two statutory purposes of national parks<sup>6</sup>, since this would merely repeat national policy. For that same reason i.e. repetition of national policy, GOSE argues that the first part of Policy C1a should be deleted. Nonetheless, on balance we favour its retention, since it calls for 'high priority' consideration from local authorities, a factor which is particularly necessary in the New Forest given the proximity of urban areas that are planned for significant growth. We recommend additional wording to the first part of the policy to emphasise the aim of conserving the "specific character" of the New Forest.

12.11 The Park Authority argued that the area immediately outside the Park should receive some further degree of protection from development to conserve the setting of the Park. We agree that this is important, particularly in view of the acute pressures of urbanisation in the area. Although a number of authorities are undoubtedly already doing this, for the sake of clarity we recommend an addition to the policy to mirror the provision in Policy C2 on AONBs where the setting is to be a material factor in planning decisions.

12.12 Policy C1b has been dismissed by a number of participants as being nothing more than a position statement. We agree and recommend that it is deleted in its current form. However, there is a need for a policy on the proposed South Downs National Park, and the Designation Order should continue to be referred to in the supporting text because it is a material consideration in planning decisions. Brighton & Hove City Council suggests a need for much greater clarity about the interim measures that should be applied pending the final establishment of the National Park. We see no difficulty with areas which are already AONBs since the level of protection will be equal to that of the Park. Brighton & Hove tells us that there are issues however with

- land inside the proposed Park boundary that is not within an AONB
- land that is currently AONB but which will fall outside the boundary of the proposed Park and which will lose AONB status.

When making decisions about land within the proposed Park boundary local authorities have recognised the Designation Order (which was signed in December 2002 but is not yet finalised) as a material planning consideration. However, the weight that it is given may vary between authorities; we feel that this is a particular

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<sup>6</sup> as set out in the New Forest National Park Authority Matter 6B statement

risk given the length of time that has elapsed since the Order. We recommend the addition of a policy that provides interim protection for land within the proposed National Park boundary, pending its final approval. This should ensure that the purposes of National Park designation would not be prejudiced by any planning decisions made in the interim period. However, we do not consider that any other provision is required in response to Brighton and Hove's concerns since it is self-evident that so long as land remains part of a designated AONB it can be protected as such.

### **Areas of Outstanding Natural Beauty (Policy C2) c**

- 12.13 GOSE argues that the policies on National Parks and on AONBs should be amalgamated. On balance we think that there is merit in keeping them separate since they are statutorily different. But we agree with the many respondents who point out that under PPS7 AONBs and National Parks should receive the same level of protection and that the first sentence of C2 therefore needs amending to reflect the "high priority" protection given by Policy C1a.
- 12.14 Policy C2 strays perilously close to simply repeating national policy but is redeemed by requiring regard to be had to the setting of the AONBs and by its mention of AONB Management Plans which should inform LDDs. We consider that the positive attitude to small scale development in the second part of the policy is helpful. We recommend that the supporting text should give some flavour of what is regionally distinctive – in particular the pressures created by the region being the most populous in the UK and the added pressure from London.
- 12.15 At the examination SEFS suggested that it would be useful for the text of the Plan to include details of links to other strategies, besides LDDs, that affected AONBs, e.g. AONB Management Plans. The Assembly agreed this and we also think that the addition will help in setting the overall context.
- 12.16 Some AONBs in the region abut the coastline and these coincide with stretches of Heritage Coast. We heard from the South Downs Joint Committee and from SEFS that there is a potential difficulty with the protection of AONB coastlines in that AONB designations extend to the mean high water level mark whereas planning law extends to the mean low water level mark, leaving a ribbon of land outside the higher protection afforded by AONB status. Having already accepted the principle that the settings of both National Parks and AONBs should be a material consideration in planning terms, we do not feel that there is a need for a specific policy in relation to AONB (or National Park) coastlines, but we recommend that the text should mention the specific issue of protecting the setting of nationally designated landscapes as far as the mean low water level mark. We have already recommended in our Chapter 10 that Heritage Coasts should be added to Map CLM1 and this will provide a visual reminder of this issue.

### **LANc USE MANAGEMENT c**

#### **Landscape and Countryside Management (Policy C3) c**

- 12.17 Policy C3 refers to all open countryside outside of nationally designated areas. The policy as it stands is mostly a repeat of national policy set out in PPS7, and the extra wording suggested by the Assembly in response to the AA on the improved management of Natura 2000 sites is a repeat of Policy NRM4, and is similar in effect to Policy CC12. It adds nothing of a specifically regional flavour.

- 12.18 However, we agree that there is a need for a general policy on landscape and countryside management but that it should be given more focus. The first element could be to help to protect and enhance local distinctiveness in the areas that are not covered by Policies C1a, C1b and C2. To achieve this it is appropriate for the first part of the policy to focus on partnership working but with a clear role for Landscape Character Assessment.
- 12.19 The existing policy states that Landscape Character Assessments should be used to contribute to the framing of development, agri-environmental and other land management regimes. GOSE does not support making the Assessments mandatory and queries what is to happen where the Assessment is not completed. We think that wherever Assessments have been done they should be used as an objective tool to inform plans and decisions, and that where they have not been completed the supporting text to this policy should encourage their completion. The Assessments should be used to establish priorities, identifying those areas most in need of enhancement or restoration, and creating a policy framework for LDDs and funding programmes. This would allow for a coordinated approach, targeting planning, land management tools and resources where most needed. A map of the main Landscape Character Areas within the region could usefully be included in background text if practical.
- 12.20 A second element for Policy C3 would be to emphasise the need for positive land management to reflect the dynamic nature of agriculture, and as a response to the pressures of growth particularly around the edge of London. Funding sources and management initiatives relevant to both these drivers are discussed below. The final element that we recommend for Policy C3 relates to guidance on development. Due to the diversity of areas covered, we suggest a pointer to a criteria-based approach in LDDs rather than a restriction to small-scale development to meet local needs.

## **Agriculture c**

- 12.21 The draft Plan on countryside management barely acknowledges that agricultural land, which forms the majority of the landscape outside urban areas, falls outside of normal planning control. Sensitive management of this land depends on high quality management from farmers. There are other mechanisms to support this, with the Defra-managed Environmental Stewardship Scheme, which could have potentially significant impact, launched in March 2005. This has two levels, with the entry level scheme requiring some relatively basic environmental management, and the Higher Level Scheme, which applies only to selected areas of particularly high environmental quality land, requiring careful management to achieve conservation goals. These schemes have been moving forward in parallel to the drafting of the Plan, and the text to Policy C3 needs updating to acknowledge the importance of the schemes in terms of land management in the region.
- 12.22 The text to Policy C3 should also refer to Defra's Rural Development Programme which provides the framework for distributing funds from the European Agricultural Fund for Rural Development. The next Rural Development Programme for England (RDPE) is to run from 2007 to 2013, and one of the three Programme priority areas for the proposed Regional Implementation Plan is improving the environment and countryside. The socio-economic elements of the programme will be delivered by SEEDA and the Forestry Commission, and the environmental stewardship elements will be delivered by Natural England. There is a clear need for a cohesive strategy in the region and a cross-reference within the text to the potential impact of the RDPE

would be helpful. There will also be a need to ensure consistency between the RDPE and the RSS Implementation Plan.

- 12.23 The draft Plan acknowledges the responsiveness of agriculture to change (D7, para 1.12). This reference could be expanded to refer to its potential contribution to the achievement of the climate change objectives of the RSS. Policy RE2 is also helpful in supporting agriculture, forestry and horticultural industries and economic diversification. The potential impact on conservation and biodiversity of changes in agriculture is covered by Policy NRM4 as expanded in response to the AA, and this should be cross-referenced in D7. Farmers are being encouraged to turn to new biofuel crops which may change the character of the landscape and the way in which it is managed. There may also be implications in terms of the need to transport the crop and the processing plant it will use. The draft Plan covers this issue adequately in the Sustainable Natural Resources section (D5, paras 11.56-59 and Policy EN5); the text in Section D7 could usefully include a cross-reference.

### **Green Arc Initiatives c**

- 12.24 An additional idea for improving land-use management relates to the work of the Green Arc initiative, which is said to be regionally distinctive since it deals specifically with the edges of London. Therefore, by definition, this is an initiative involving the MGB. The initiative draws on pioneering work in the Netherlands and has as its aim ‘bringing the Big Outdoors closer to the people’ through measures to improve access, to create valued recreational landscape that is well connected and to bring biodiversity improvements. The first London Arc was set up on the fringes of north-east London, outside the South East region, and has now spawned two further Arc initiatives to the north-west and south-west of London, both within the South East region. We were told that a similar initiative is under consideration for the south-east quadrant of London.
- 12.25 The Arc initiatives are excellent examples of cross-boundary and multi-stakeholder working to bring improvement to what can sometimes be rather neglected areas of the rural-urban fringe. The supporting text to Policy C3 should make positive mention of them. The additional text suggested by North West Green Arc<sup>7</sup> is a useful starting point. We note also that Policy LF10 requires LDFs to promote improved access to the countryside in the Green Belt and calls for support of the Green Arc South West initiative. Clearly this policy has wider applicability, and it could link this region in policy terms to the London region where the London Plan Further Alterations contains a complementary policy in support of the Green Arc concept, albeit that this has not yet been through its EiP. However, since LF10 was not specifically debated at the EiP it is a matter for the Government to consider how this might be reflected in the Plan.

### **The Urban-Rural Fringe (Policy BE4) c**

- 12.26 Particular challenges for land use management arise on fringes of larger towns. The main guidance on this is in Policy BE4 in Section D8, although there are also components in Policy CC10a in relation to Green Belt, and Policy LF10 on the London Fringe. We accept that this reflects the multi-faceted nature of the topic but in our view Policy BE4 would be better placed as part of the countryside policies since

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<sup>7</sup> North West Green Arc Matter 6B statement, see text box at end under Q6B.4

this will link it into other considerations where use can be made of agri-environmental funds<sup>8</sup>.

- 12.27 Positive management of the urban-rural fringe is a justified topic for coverage in the South East Plan because of the complexity of the settlement pattern and extent of development pressure. The draft Plan correctly in our view hinges its policy stance on the important research framework provided by the Countryside Agency<sup>9</sup>, and requires LDDs to identify issues and opportunities for action based on the 10 key functions performed by fringe areas (Box BE2)<sup>10</sup>.
- 12.28 While supporting the positive intentions of this policy, several participants are concerned about how it might be interpreted particularly by developers. Winchester City Council for example fears that for those authorities which use a settlement envelope approach, the requirement to identify "boundaries" of what could be an extra "halo" around towns could potentially weaken development control. We sympathise with such fears and see no reason for any comprehensive attempt to define fringe areas by mapping, not even as zones.
- 12.29 Another cause for concern with which we agree was the requirements to identify opportunities for sustainable urban extensions (Policy BE4 2<sup>nd</sup> ii), given that not all towns will be suitable or will require urban extensions, and in any event this should be left to LDDs.
- 12.30 In our opinion Policy BE4 is a laudable attempt to stimulate positive planning for fringe areas but it loses its way on detail. It seems to us that the policy should separate aspects to do with normal plan making functions from broader management initiatives. In the first category we would place the:
- identification of issues and opportunities (Policy BE4 1<sup>st</sup> i);
  - need to plan positively for facilities that cannot be located in urban areas but are necessary to service the needs of the urban population. There are now additional sustainability imperatives e.g. the accommodation of new forms of waste and water management, renewable energy generation, processing plant associated with local food production; and
  - identification of any areas currently or potentially subject to dereliction in fringe areas or narrow gaps between settlements which should be targeted for management action.
- 12.31 In the second category we would retain the emphasis on joint working (2<sup>nd</sup> i) but also target positive management in fringe areas that are due to receive new development, including active engagement with local communities and landowners. The Committee for Rural Hampshire spoke persuasively from its own experience about the advantages in setting out a long-term framework within which new development can be designed. Early consideration of landscape and biodiversity enhancement, woodland management, green space provision and access routes would also help to minimise the risk of vandalism of farmland which, according to FRIG, often results from new peripheral housing development. During the debate the Assembly accepted this change of emphasis away from identifying urban extension areas towards prioritising areas already proposed for such extensions for proactive fringe management.

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<sup>8</sup> as suggested by the Marlow Society

<sup>9</sup> The Countryside In and Around Towns: A vision for connecting town and country in pursuit of sustainable development, Groundwork and Countryside Agency, 2005 [Bn4]

<sup>10</sup> The River Thames Society includes minor editing suggestions to recognise rivers, canals and listed structures in its Matter 2C.3 statement

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- 12.32 The background text could also usefully refer to mechanisms for improving fringe areas including developer contributions, environmental stewardship funds, woodland grant schemes, endowment of commercial property assets to Community Land Trusts, and signpost any good practice examples or reference material. We understand that SEEDA is a member of the Peri-Urban Regions Platform Europe network which seeks to share best practice, and that the Assembly may issue guidance in the future covering a toolkit of approaches drawing on good practice.
- 12.33 With these amendments we consider that the policy will serve a useful function. Because of its emphasis on land management initiatives we suggest that its name is reversed to rural-urban fringe, as used in the Countryside Agency work.
- 12.34 We also recommend that the supporting text for Policy BE4 should include a cross-reference to the new policy on green infrastructure and the role of the rural-urban fringe in providing sustainable access to the countryside.

## **OTHEcIc UE c**

### **Access to the Countryside (Policy C4) c**

- 12.35 Policy C4 covers access to the countryside and rights of way management. The policy was added as a result of the consultation on the January 2005 draft and we accept that it has something of a bolt-on feel about it. This has given rise to concerns that the policy is too narrowly focused on the rights of way network and does not address the wider issue of providing sustainable access for all. However the Plan should be read as a whole. Taking account of our recommended new policy on green infrastructure, and of other policies in the draft Plan (Policy TSR6 on Visitor Management, S3 on Supporting Healthy Communities and the suite of transport policies) we consider that the policy framework on this matter is acceptable. Nonetheless, it would help the reader if these other policies were to be cross-referenced in the supporting text.
- 12.36 At the examination we heard some concern that encouraging access to the countryside could be detrimental for certain sensitive landscapes. However, we are satisfied that the proposed amendments of this policy and Policy NRM4 which reflect the AA's findings on this matter would fully address these concerns.

### **Countryside Quality Indicator c**

- 12.37 We asked participants whether they felt that it would be appropriate to include a "countryside quality" indicator as a measure of the success of the draft Plan strategy. We received a very mixed response, with some strongly of the opinion that it would be impossible to construct a meaningful indicator that gave correct weight to all the variables, and others equally adamant that without an indicator it was impossible to judge the direction of travel let alone the absolute level of success of countryside policies.
- 12.38 Natural England drew our attention to the work in which they are involved, "Countryside Quality Counts", which may provide an appropriate indicator<sup>11</sup>. This has been a long running project involving Defra and English Heritage aimed at producing an objective measure of countryside change and it has involved widespread consultation with the aim of producing an indicator that has public acceptance. The work was not completed by the close of the EiP, but we understand that one of the merits of the countryside quality indicator is to fulfil the requirements of the European

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<sup>11</sup> See [www.cqc.org.uk](http://www.cqc.org.uk) as referred to in Natural England's statement for Matter 6B.

Convention on Landscape that the UK Government signed in February 2006. We suggest that consideration should be given to using the countryside quality indicator for monitoring purposes in due course, possibly as one of a basket of measures. In the interim period, we consider that the six indicators listed under D7 in Table G1 of the proposed Monitoring Framework, together with the urban-rural fringe indicator listed under D8 would be sufficient for the purpose of monitoring the effectiveness of the Plan in regard to countryside and landscape management matters.

## **VER THAMES c**

12.39 The River Thames is a major natural feature running across the western part of the Region, through London, and out through the east of the region. It is clearly of regional and inter-regional significance, some would contend national. The draft Plan includes policy guidance on two aspects, which we do not consider needs supplementing, namely on:

- improving informal recreation and sports, and management of and access to the River in the non-tidal reaches (Policy TSR7). Joint working is well established through the River Thames Alliance, and the delivery mechanism for this policy is given as the Thames Waterway Plan<sup>12</sup> in the draft Implementation Plan; and
- provision for riverside employment uses, especially river transport users (Policy KTG4 vi)) and taking forward functional blue space through Greening the Gateway in North Kent (Policy KTG10). Thames Strategy East already provides the vision for this part of the River, and joint working is also well established, e.g. through the Thames Estuary Partnership.

12.40 However, in common with many environmental and amenity groups, we do not consider that this affords sufficient policy recognition to the non-tidal corridor, because

- existing guidance within RPG3b/9a<sup>13</sup>, albeit limited to the Windsor to Hampton section, will be superseded by the South East Plan, and needs to be replaced, and extended;
- some read across is necessary with the Blue Ribbon Network policies in the London Plan; and
- real benefits have been demonstrated in London from policy coordination across local authority boundaries in terms of maximising the multi-functional value of the River frontage and its corridor, and enhancing its appearance.

12.41 In response to the debate, the Regional Assembly suggested inserting a reference to the River Thames as a regionally significant piece of green infrastructure within the text accompanying Policy CC12. We do not consider that this single reference gives adequate impetus to joint working along and across the River Thames. Instead we suggest a new policy within the Countryside and Landscape Management section. It cannot be included as a sub-regional policy, as the non-tidal Thames flows through parts of Central Oxfordshire and Western Corridor Blackwater Valley and areas between.

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<sup>12</sup> Prepared by the River Thames Alliance comprising all riparian local authorities, business, sporting and recreational interest groups. The Plan contains detailed recommendations for practical actions to improve leisure and tourism facilities along each reach including filling Waterway Standard gaps

<sup>13</sup> Strategic Planning Guidance for the River Thames, Government Office for London, February 1997

12.42 The voluntary groups devoted considerable effort on making alternative suggestions for new policy content. Of these, we favour the broad approach of the Chiltern Society (which incorporates some of the River Thames Society criteria) in that it is explicit about the type of coordinated actions that local authorities and others should take. The main aspects to be covered within our recommended new policy for the whole of the non-tidal Thames within the Region<sup>14</sup>, are:

- encouraging riparian local authorities to adopt a coordinated policy framework for the River through their LDFs;
- encouraging joint working between local authorities and other organisations to protect and enhance the natural environment and conservation resources of the River corridor;
- where the River passes through urban areas, encouraging a coordinated approach across the river bank to maintain and improve public access and open space, protect and improve views of and from the river, and encourage high design quality; and
- safeguarding land for river-related businesses that support sport and leisure use of the River, and encouraging sustainable use of the River.

12.43 The background text to this new policy could usefully include:

- The objectives and principles which should guide local policy, taken from RPG3b/9a, para 2.11;
- cross-references to the other RSS policies dealing with the River Thames;
- the fact that these sections replace previous guidance in RPG3a/9b; and
- examples of working methods, e.g. those used in the Thames Landscape Strategy, Hampton to Kew<sup>15</sup>, landscape character assessment as recommended in draft Policy C3, identifying a River policy area, coordinating local landscape designations, and producing a joint SPD.

## **RECOMMENDATIONS**

### **Recommendation 12.1 c**

Indicate in Box B1 all policies with a rural component by name, rather than merely the sections in which they are located. (para 12.6)

### **Recommendation 12.2 c**

Strengthen the introductory text to give greater emphasis to the positive role of the countryside and to indicate what is regionally distinctive. (paras 12.7, 12.9)

### **Recommendation 12.3 c**

Amend Policy C1a to recognise the specific character of the New Forest, to provide a positive message on suitably located and designed small-scale proposals, and to make its setting a material factor in planning decisions. (paras 12.10, 12.11)

### **Recommendation 12.4 c**

<sup>14</sup> Cricklade/Lechlade to Hampton/Sunbury

<sup>15</sup> RPG3b/9a good practice box, page 15 and referenced in the text to Surrey Structure Plan Policy SE10



Replace the wording of Policy C1b with new policy wording which provides interim protection for land within the proposed South Downs National Park boundary, pending its final approval. (para 12.12)

**Recommendation 12.5 c**

Amend Policy C2 on AONBs to mirror the high priority protection given to the New Forest National Park (para 12.13)

**Recommendation 12.6c**

Add supporting text for Policy C2 to

- indicate what is regionally distinctive, including the scale of population and added pressure from London
- explain links to AONB Management Plans and other strategies that are relevant to AONBs
- mention the specific issue of protecting the setting of nationally designated landscapes as far as the mean low water level mark. (paras 12.14, 12.15, 12.16)

**Recommendation 12.7 c**

Restructure Policy C3 to cover protection and enhancement of local distinctiveness, positive land management around the edge of London and in areas subject to most growth and change, and a criteria-based approach to development control in LDDs. (paras 12.18, 12.20)

**Recommendation 12.8 c**

Expand and update the supporting text to Policy C3 to

- explained further the role of Landscape Character Assessments, with the inclusion of a map if practical (para 12.19)
- acknowledge the importance of the Environmental Stewardship Schemes and the Rural Development Programme for England (paras 12.21, 12.22)
- acknowledge the potential contribution of agriculture to the achievement of climate change objectives and include cross-references to Policies NRM4 and EN5 in D7 of the Plan. (para 12.23)
- include a supportive reference to the North West and South West Green Arc initiatives. (para 12.25)

**Recommendation 12.9 c**

Move Policy BE4 to Section D7, renumber and rename it as ‘Managing the Rural-Urban Fringe. Delete the requirement to map the rural-urban fringe, separate aspects to do with normal plan making functions from broader management initiatives, and change the emphasis away from identifying urban extension areas to prioritising areas already proposed for such extensions for proactive fringe management. (paras 12.26, 12.28, 12.30, 12.31, 12.33)

**Recommendation 12.10 c**

Amend the background text to the rural-urban fringe policy to refer to mechanisms that can be used to improve fringe areas, and signpost any good practice examples or reference material (para 12.32)

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**Recommendation 12.11 c**

Amend Policy C4 as proposed by the Assembly in response to the AA. (para 12.36)

**Recommendation 12.12 c**

Add cross-references in the supporting text for Policy C4 to Policy TSR6 on Visitor Management, S3 on Supporting Healthy Communities and the suite of transport policies that are also relevant to sustainable access to the countryside. (para 12.35)

**Recommendation 12.13 c**

Insert a new policy and supporting text on the River Thames Corridor to encourage a coordinated approach to planning and decision-making along this linear asset. (paras 12.42, 12.43)

## **13 2 SMALL TOWNS AND SUBURBS 2**

Matter 2C2-3

*This chapter examines policy on suburbs and suggests the need for more locational guidance on where intensification might be sustainable. It then seeks to strengthen the role of small market towns in the spatial strategy. It recommends a policy amendment to assist the identification of those villages most suited for additional small scale growth.*

### **INTR2 CTIO22**

- 13.1 The draft Plan includes policy for different settlement types in its Built Environment chapter (Section D8). This is intended to take forward the urban focus theme in Policy CC8a and the quality and character objectives in Policy CC12. The chapter starts with an overarching policy (BE1) promoting the principles of urban renaissance, and is supported by a list of good practice guidance in Box BE1. This policy attracted much support in the consultation response to the submission draft and was not included in our matter for examination. We note however that CABE give some minor suggestions for strengthening the design tools in this policy<sup>1</sup>.
- 13.2 The chapter also includes a policy on the historic environment (BE7) which again was not formally examined. The Regional Assembly accepted English Heritage's case that the policy could be tied back to the regionally significant features listed in the text (D8, para 8.3) and that the policy could also influence development control decisions as well as plan making and implementation<sup>2</sup>. We assume that the Government will wish to take notice of these suggestions on Policies BE1 and BE7 in finalising the Plan.
- 13.3 We have already given our conclusions on Policy BE4 on the urban-rural fringe in our previous chapter. Because of the importance we attach to positive management of such areas, it fits more logically alongside other land management guidance.
- 13.4 We comment on the remaining policies in the order in which they appear in the Plan for convenience, although Policy BE5 covering small rural towns attracted the most interest, partially because of its significance to housing provision levels in the rest of county areas.

### **SUBURBS 2**

- 13.5 We are satisfied that suburban development is a regionally significant topic for coverage in this RSS given the extent of suburban areas in the region, and in respect of intensification, the associated pressures that come from high housing demand. The suburbs will be key areas of change in the future, and there is a recognised national policy deficit on this topic. Given the thorough background research that was undertaken<sup>3</sup>, some may consider the resulting policies to be rather bland, even acknowledging the public sensitivities. However we are satisfied that they serve a useful purpose, with minor amendments.
- 13.6 Policies BE2 and BE3 deal respectively with suburban intensification arising from strong market demand, and neighbourhood renewal of relevance to regeneration areas

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<sup>1</sup> CABE Matter 2C.3 statement

<sup>2</sup> English Heritage Matter 2C.3 statement and Proposed Changes offered responding to issues raised in all EiP Debates – SEERA in response to Panel request, April 2007 [SEERA5A]

<sup>3</sup> Neighbourhood Revival: Towards More Sustainable Suburbs in the South East, Executive Summary, Urbed for SEERA, November 2004 [Br3]

and pockets of deprivation. The background text does not assist in making this distinction as clear as it might be, and it could usefully be restructured.

## **Intensification (Policy BE2) 2**

13.7 Representations on the submission draft Plan revealed extensive concerns for "garden grabbing" particularly in suburban areas and the effects that incremental housing redevelopment can have in altering the character of neighbourhoods and towns. We welcome this policy to the extent that it may lead to a more planned approach. But to achieve this there is a need to identify locations where intensification might serve wider policy objectives, e.g.

- promoting greater use of public transport and a wider mix of housing types and tenures, and strengthening the range of local services in predominantly residential areas; and
- promoting a wider mix of uses and greater efficiency of land within under utilised industrial estates, and low-density retail parks.

Otherwise there is a danger that intensification will remain an ad hoc response through the planning application system.

13.8 We therefore recommend that the policy is expanded to require the identification of suitable locations as a first step. This would meet the concerns of local authorities about the resource implications of conducting local character appraisals, and ensure that use of this technique was targeted on opportunity areas.

13.9 The background text usefully refers to possible means of implementing this policy, through the use of local authority land assembly powers and through the production of Area Action Plans (D8, para 3.6). Any good practice examples of where a planned approach has been used would also be useful in the text (design guidance by Wycombe DC was mentioned by the Regional Assembly).

## **neighbourhood Renewal (Policy BE3) 2**

13.10 This policy involves incorporating into RSS the recognised approach to neighbourhood renewal, used for example for ailing former public housing estates, of integrating physical and land use improvements at the same time as improved service delivery through targeting mainstream programmes. As such we do not seek any policy amendments. We do not consider that a specific reference to green infrastructure is necessary in the policy as Natural England argued, since it already refers to environmental quality which would embrace this.

13.11 However the text could usefully be made clearer to indicate that in some cases partial demolition and restructuring of estates or neighbourhoods, including the creation of more usable green space, may be beneficial to help transform their image. This would be clearer than the current terms used in D8, para 3.7 (redevelopment and planned intensification), despite the obvious sensitivities. We also suggest that any good practice examples could be referenced in the text to provide a spatial context (initiatives at Leigh Park, Havant were mentioned).

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**2**

## **RURAL SETTLEMENTS 2**

### **Role of Small "Market" Towns 2**

- 13.12 There was general support for the importance of small rural towns, and initiatives to maintain their viability and health<sup>4</sup>. The positive approach of Policy BE5 was generally welcomed, although there were concerns about housing development being limited to "small scale". While environmental and conservation interests supported the emphasis of the policy on enhancing local character, the CLA emphasised the importance of new housing to meet the local needs of rural business, as a catalyst to rural development, and through the injection of new people to maintain services. Developer representatives are concerned that the role of smaller towns is insufficiently recognised in the draft Plan's spatial strategy. This links to the broader issue of the way in which large areas outside the sub-regions are perceived to be treated as a residual element.
- 13.13 We are not entirely convinced that the rest of county areas have been treated simply as a residual in terms of housing provision. We saw evidence that alternative options for the scale and distribution of housing had been considered in some areas e.g. East Sussex. However we consider, from our testing in the relevant area-based debates, that there are some locations which are rail connected and not subject to serious environmental constraints, which should contribute to meeting wider housing needs. It is not a question of separately identifying the components to meet wider needs, as all existing and future need and demand elements are interrelated. In some locations e.g. Rest of West and East Sussex all new housing development will notionally contribute to meeting wider needs since the zero net migration household projections, approximating to locally generated natural change, produce barely a positive figure in the case of Rest of West Sussex or even a negative figure in the case of East Sussex.
- 13.14 Hence we recommend that RSS should identify those towns expected to make a wider contribution to the spatial strategy, e.g. Winchester, Uckfield, Banbury in the new section that we have already suggested should be added to Part E of the Plan covering areas outside the sub-regions.

### **Policy BE5 2**

- 13.15 With one minor amendment, we consider that Policy BE5 will provide the necessary flexibility for LDDs when deciding how to accommodate the district provision levels recommended. The amendment relates to point iii) on housing development in the list of five requirements for LDDs. The existing reference to meeting "identified" needs at the end of this point already allows for a possible role wider than just local needs in some locations, and we support this. However the contribution of market towns with good accessibility by public transport could be constrained by the reference to "small scale", hence we recommend the term "sufficient" for consistency with the Plan's housing objective as amended.
- 13.16 The supporting text to Policy BE5 defines small rural market towns as being between 3-10,000 population. We agree with the majority of participants who consider that this threshold is too low, not least because it leaves towns of 10-20,000 without policy guidance. According to SEEDA there are 43 towns in this size bracket in the South East, together with some 136 below 10,000, and its own Market Towns Programme covers settlements up to 20,000. This also corresponds to the upper end of the range

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<sup>4</sup> Eg through the South East Rural Towns Partnership

identified in the Rural White Paper. We therefore agree that the text should be amended to indicate that the identification of small rural market towns in LDFs should take account of both the function and size of the town but that such towns will generally be up to about 20,000 population. This change was accepted by the Regional Assembly during the debate.

- 13.17 We disagree with the suggestion of substituting the term "key service centres" for "local hubs" for consistency with PPS7, but instead suggest that the role of local hubs should be amplified in the text to link them back into the spatial strategy as a complement to regional hubs. This is consistent with the applicability of the hub concept to all levels of the settlement hierarchy (see supporting text to Policy CC8b at D1, para 1.22). The text could indicate that local hubs are similar to key service centres. It could also cross-reference to guidance elsewhere in the draft Plan that local authorities should identify other towns to complete the town centre network, review their needs, and provide a strategy for their future (D9, para 1.11).

## **Village Management (Policy BE6) 2**

- 13.18 We endorse the requirement of this policy to plan positively for villages, but recognise along with Winchester City Council that not all villages are necessarily suitable for growth. We therefore consider that the policy should set out the criteria that would assist local authorities in identifying those villages where additional development would be appropriate. In authorities with extensive rural areas this may mean defining a settlement hierarchy, an approach used in Winchester, but in others the criteria may be used directly to guide site allocations. The criteria that we suggest are the functions performed by the village, its accessibility, and the need to protect or extend key local services. The reference to functions would then tie back to the role that one village may have serving an adjoining cluster, which was considered to be very important by the South East Rural Affairs Forum, and is already included in the text (D8, para 7.1).
- 13.19 We also suggest a minor reordering of the first sentence to put the emphasis on meeting the defined local needs of rural communities, and an addition to recognise the context within which such local needs should be defined, namely changing patterns of agriculture, economic diversification and continued viability of local services. The dynamic nature of agriculture, horticulture and forestry is also recognised in Policy RE2 in terms of economic needs.

## **REC2 MME2 ACTIONS 2**

### **Recommendation 13.1 2**

Amend Policy BE2 to require the identification of locations where intensification could assist wider planning objectives. (para 13.8)

### **Recommendation 13.2 2**

Include in the supporting text to Policy BE2 any good practice examples of where a planned approach to intensification has been used. (para 13.9)

### **Recommendation 13.3 2**

Amend the supporting text to Policy BE3 to make clearer that in some cases partial demolition and restructuring of estates or neighbourhoods, including the creation of more usable green space, may be beneficial to help transform their image, and add any good practice examples. (para 13.11)

**Recommendation 13.4 2**

Identify those smaller towns that could make a wider contribution to the spatial strategy in the new section of the Plan covering areas outside the sub-regions (para 13.14)

**Recommendation 13.5 2**

Amend Policy BE5 to refer to "sufficient" rather than "small scale" housing development in the context of meeting identified needs. (para 13.15)

**Recommendation 13.6 2**

Amend the supporting text to Policy BE5 to indicate that the identification of small rural market towns in LDFs should take account of both the function and size of the town but that such towns will generally be up to about 20,000 population. (para 13.16)

**Recommendation 13.7 2**

Amplify the role of local hubs in the supporting text to BE5 to link them back into the spatial strategy as a complement to regional hubs, indicating that local hubs are similar to key service centres. Add a cross-reference to guidance in the Plan's town centre section on reviewing the needs of, and providing a strategy for, smaller centres. (para 13.17)

**Recommendation 13.8 2**

Set out the criteria in Policy BE6 that would assist local authorities in identifying those villages where additional development would be appropriate. Reorder the first sentence to put the emphasis on meeting the defined local needs of rural communities, and add a recognition of the dynamic nature of agriculture. (paras 13.18, 13.19)





## **14 cTOWN CcNTc c**

Matter 5B

*This chapter examines the overall soundness of the proposed strategy for town centres, the justification for the strategic network of town centres identified in Policy TC2 and introduces the concept of centres of significant change. It assesses the adequacy of the guidance for local planning authorities and other stakeholders on the steps that should be taken to secure accessible, attractive and vibrant town centres. The guidance on the regional shopping centre at Bluewater, together with its linkage to Ebbsfleet is also considered.*

### **OVc LL cTRAcTEGy FOR TOWN CcNTc c**

- 14.1 Section D9 of the draft Plan sets out four policies for town centres and contains much supplementary detail on the regional and sub-regional patterns of town centre development. In broad terms there is strong support for the draft Plan's vision of a vibrant, accessible network of town centres in the region but the representations and debates at the EiP identified a number of concerns about focus and clarity which we share.
- 14.2 We were also persuaded by the concerns of the coordinating body of lead local authorities for the RES Diamonds and others that the relationships between the draft Plan's designated town centres, the regional hubs and the RES's Diamonds for Growth could be made clearer. The concept of "living centres" is found in Policy TC1, and although this policy was not examined, it ties in with the role of regional hubs. It seems to us that the employment role of town centres that are designated as regional hubs or as Diamonds in the RES needs to be more actively promoted in order to achieve better integration with the RES. We recommend amendments to the draft Plan accordingly (see para 14.11 below).
- 14.3 Section D9, para 1.3 acknowledges that by far the biggest influence on the South East's town centres is the relationship with London. Further reference to this issue is made in D9, para 1.7 while para 1.4 acknowledges the links to other regions. D9, para 1.7 also refers to the need to take account of the polycentric nature of the settlement pattern in certain areas, while para 1.12 advises local authorities to work across administrative boundaries to assess capacity and need for new development.
- 14.4 This results in fragmentation of a key message which in our view is the close relationships between centres within and beyond the region and especially with centres in London. We agree with a number of participants that the Plan needs to be clearer about the importance of these inter-relationships and the implications for cross-boundary working, both within and beyond the region, in order to help deliver the vision for town centres. We consider that this would be best incorporated as part of an amended Policy TC3 as referred to below. Also the revised versions of Maps TC1 and TC2 submitted by the Assembly during the EiP, which show the town centres beyond the regional boundary that lie within the buffer zone catchment boundary as referred to in D9, para 1.20 should be substituted for the draft Plan versions.
- 14.5 As discussed in more detail below in regard to the hierarchy of centres, a number of participants seek more guidance in the Plan about the scale and location of growth that will occur within the region. D9, para 1.18 already provides an indication of the overall scale of growth that can be expected and the extent to which existing

commitments will meet the demand<sup>1</sup>. The Assembly has provided an update of this information to relate to the draft Plan's proposed housing level<sup>2</sup>. On this basis around £18.5 billion residual expenditure for comparison retail should be used for planning at the regional level and this would result in a floorspace capacity of about 3.5 million m<sup>2</sup> gross. However we would urge caution about providing a more detailed breakdown of the figures, given the sensitivity of the forecast to the input assumptions. Also, our recommended higher level of housing provision would equate more closely to the basis for the figures already in D9, para 1.18 and therefore we do not consider that they should be amended. This forecast appears to be based on a conservative assumption<sup>3</sup> about the growth of e-commerce/home shopping and we recommend that this aspect should be carefully monitored by the Assembly.

## **PcIMAR~~Y~~ AND c CONDc Y c GIONAL CcNTc (POLICY TC2) c**

- 14.6 Policy TC2 lists the proposed 23 Primary Regional Centres (PRCs) and 26 Secondary Regional Centres (SRCs) in the region. The basis upon which the list of centres has been selected is set out in the background technical papers<sup>4</sup>. We are satisfied that this was a systematic exercise that took account of a number of retail and non-retail indicators and was sensitivity tested against relevant data on employment, floorspace and rateable value. The final list also seeks to relate to the spatial strategy, reflecting the policy intent (although as set out below we do not consider that it has gone far enough) and it has taken account of the consultation responses. Looked at as a whole, we agree that the description of Policy TC2's list as a dynamic network of town centres is both justified and appropriate and it accords with PPS6's advice.
- 14.7 Of the 23 PRCs, all but three are regional hubs<sup>5</sup> while one of the SRCs, Hastings, is also a hub. As we have recommended above, the draft Plan should make clearer the relationships between the town centres, hubs and the RES Diamonds, but we have not found any evidence to indicate that the hub and town centre designations should be merged. We refer in more detail below to the justification for designating particular hubs as town centres and we have considered the concept of hubs in Chapter 5 above but we are satisfied that a distinction can be drawn in principle between the two concepts.

### **Dual Town Centres**

- 14.8 Against this, we accept that the policy can be accused of confusing the distinction since it includes the twin hubs of Redhill/Reigate and Tonbridge/Tunbridge Wells as joint PRCs, while the opposite approach has been taken with Chatham, separating it out as a PRC from the Medway Towns hub. As Kent CC asked, how is the retail central place to be defined in the joint PRCs? However, we are content that this question can be addressed in LDDs and we consider that joint PRCs can be accepted in principle in certain circumstances. Given the linkages between the centres, their complementarity, the individual strengths of Redhill and Tunbridge Wells, and also the role that the twin hubs will play in the spatial strategy, we find insufficient reason to reject these joint PRCs even though each of the individual centres would not stand

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<sup>1</sup> As referenced in the draft Plan, this estimate is based on the work by DTZ Peda for SEERA [Rr4, Rr5, Rr3 and Rr3A].

<sup>2</sup> Note to Panel from SEERA on the DTZ Comparison Retail Forecasts, March 2007 [SEERA 14].

<sup>3</sup> Assumed 7.7% constant market share.

<sup>4</sup> South East Plan Technical Note 2, Town Centres, March 2006 [Rr1]

<sup>5</sup> In addition, Bluewater is not a hub but it is paired with the hub of Ebbsfleet.

on its own as a PRC<sup>6, 7</sup>. We consider the issues raised by the joint designation of Bluewater/Ebbsfleet separately below.

### **Differentiating between Centres**

- 14.9 In accordance with the policy the network of both PRCs and SRCs will be a focus for major/large scale development for retail, employment, cultural, tourism, social and community uses as well providing housing, particularly in mixed use schemes. “Major” is defined as mixed use sites of 10 ha or more (10,000 m<sup>2</sup> gross floorspace). We understand that this broad approach to a range of town centres of significantly varying sizes is intended to achieve the objective in D9, para 1.5 of distributing growth to middle and lower order centres; it seeks to support a balanced network of centres that is not overly dominated by the largest centres.
- 14.10 This approach can be broadly reconciled with PPS6’s advice that RSS should actively promote growth and manage change in town centres, and that a network and a hierarchy of town centres should be defined that will enable each centre to perform its appropriate role to meet the needs of its catchment. However, as a number of participants commented, there are certain tensions in the policy:
- it does not distinguish between centres in the regional growth areas, areas for regeneration or elsewhere
  - it does not differentiate between the PRCs and SRCs in terms of the scale and type of development that should be accommodated
  - it does little to support the regional hubs policy objective to encourage higher density land uses and/or mixed land uses that require a high level of accessibility
  - nor does it provide much encouragement for the RES Diamonds which are identified as foci for selected infrastructure investment as a stimulus for sustainable growth.
- 14.11 Taking all of the evidence into account, we suggest that the policy should be used to highlight the hubs that will be the focus for significant growth in accordance with the Plan or where there are particular regeneration needs or a specific growth area focus. On this basis we suggest that Ashford (Kent), Aylesbury, Crawley, Chatham, Guildford, Milton Keynes, Oxford, Portsmouth, Reading, Redhill-Reigate, Southampton and Woking should be identified as centres that are likely to undergo the most significant change across the range of town centre uses and where proactive, integrated strategies for town centre development will be particularly important. Most of the RES Diamonds would also be included within this group. The above-listed centres should be highlighted in the policy (by means of an asterisk) and the policy expanded to explain their significance as above. We also recommend that these appear on the Key Diagram as Centres of Significant Change.
- 14.12 This should not imply that the other PRCs or SRCs would “stand still” or decline. The overall aim of the town centre policies, as set out in D9 para 1.5, should remain one of distributing growth to middle and lower order centres, to support a balanced network of centres that is not overly dominated by the largest centres. This will be guided by Policy TC3 (as amended).

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<sup>6</sup> Technical Note 2 (see above) shows that Redhill ranks 45 (DTZ rank), 26 (employment – all categories), 36 (floorspace) and 28 (rateable value). Reigate ranks 95 (DTZ rank) and is 45 (employment – commercial, comparison and service retail employment). However when the two centres are combined they rank well inside the top 20 on all the indicators.

<sup>7</sup> Technical Note 2 (see above) shows that Tunbridge Wells ranks 15 (DTZ rank), 6 (employment – all categories), 7 (floorspace), and 11 (rateable value). Tonbridge ranks 46 (DTZ rank), 51 (employment – all categories), 54 (floorspace) and 51 (rateable value).

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- 14.13 Some participants would wish the Plan to go further and define a more detailed hierarchy with specific advice about the broad quantum of growth for certain uses that should be expected in certain parts of the region over five year periods of the Plan. However we do not consider that the background studies provide a sound basis for this level of disaggregation and we are content that more detailed planning of the hierarchy should take place through LDDs.

### **Amendments to List of Centres**

- 14.14 Turning to more detailed issues that were raised about the inclusion/exclusion of particular centres, some participants raised concerns about the treatment of Bognor Regis, Burgess Hill, Farnham and Westwood Cross. Bognor Regis has been excluded from the list of SRCs on the basis that the Sussex Coast sub-regional strategy includes a focus on the Chichester and Worthing which are close to Bognor Regis. The town ranks 43 (DTZ rank) but would not be included within the top 50 centres on the sensitivity test rankings (employment, floorspace, rateable value). We appreciate the desire to pump-prime regeneration of the Sussex Coast towns through a more focused strategy for investment. However, from the evidence we heard at the EiP, Bognor Regis is now well-placed to bring forward sustainable schemes that are likely to generate significant commercial interest in the town centre. We could find no substantive evidence that this would undermine the overall strategy for the Sussex Coast. Therefore it seems appropriate to recognise and encourage this sustainable regeneration potential by including the town as a SRC.
- 14.15 At the EiP the Assembly accepted that there may be a case for designating Haywards Heath and Burgess Hill as a joint SRC. Haywards Heath is included as a SRC in its own right, based on its scores on the sensitivity test rankings and to support the Gatwick sub-regional strategy, although it ranks 20 places outside the DTZ's top 50 centre. However we do not have sufficient evidence that the linkages between the two towns are such as to justify a joint designation. In its own right Burgess Hill ranks 86 (DTZ rank) and would not be included in the top 50 centres on any of the sensitivity rankings. As we have concluded on the Gatwick sub-regional strategy, Burgess Hill has potential for additional growth and we recognise the strong partnership approach that has been fostered to plan its future development. On balance we consider that it would not be appropriate to include the town as a SRC or joint SRC with Haywards Heath at this stage but that it may justify this ranking in the future. Its role and relationship with Haywards Heath should be reviewed as part of the regular assessment of town centres in the network in accordance with Policy TC2.
- 14.16 With regard to Farnham, we accept that it is an historic market town and that Surrey CC has concerns about the impact of further growth on the centre. The Assembly agreed at the EiP that on this basis it could be deleted from the list of SRCs. We have some reservations about this, given that it ranks within the top 50 centres on the DTZ measure and on all the sensitivity rankings. Any proposed development within the centre would have to take account of its setting and character, regardless of its classification as a SRC. On balance however, given the principal authority's view and the intention of the policy to look towards future growth and change within the listed town centres, we accept that Farnham could be deleted from Policy TC2.
- 14.17 Kent CC wishes to have Westwood Cross in Thanet included as a SRC. Westwood Cross is a new centre that has grown around large retail outlets and it is not included in the government's town centre statistics. However in terms of retail floorspace<sup>8</sup> it is

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<sup>8</sup> As at March 2006.

bigger than Margate and similar to Ramsgate. It does not have a comparable office and leisure function but as a result of its designation as a town centre in the local plan its leisure and housing role is expanding. The structure plan identifies it as a principal town centre and it is expected to continue to play an important role in the regeneration of East Kent. Taking all of these factors into account, we accept that Westwood Cross would be appropriately designated as a SRC.

## **BLUEWATER/EBBSFLEET (POLICY TC2 AND KTG8)**

- 14.18 Bluewater/Ebbsfleet is included as a joint PRC in Policy TC2. The Assembly describes Bluewater as a catalyst for regeneration and development of Thames Gateway. While it accepts that it does not currently fulfil a town centre role it is expected to do so in the future, in combination with Ebbsfleet. The latter is a key development node, a proposed major business district and is designated as a Regional Hub. Large scale housing development is taking place at Eastern Quarry, adjacent to Ebbsfleet, and both are located close to Bluewater. Taken together as a joint centre the Assembly considers that Bluewater/Ebbsfleet will perform a PRC role during the lifetime of the Plan.
- 14.19 Policy KTG8 and its supporting text provide more guidance on the intended strategy, although some participants have highlighted the tensions between the two policies. In accordance with Policy KTG8 Bluewater would not to be permitted to evolve into a multi-purpose town centre; only limited additional floorspace would be permitted if it enables the centre to maintain its specialist regional role for comparison goods shopping (Policy KTG8 i)).
- 14.20 In general the draft Plan's proposals for Bluewater/Ebbsfleet have met with only limited support from Kent CC and the local councils while the Mayor of London and the London Councils, Essex CC and GOSE have raised serious concerns about them. The representatives of Bluewater are not alone in objecting to the linking of Bluewater and Ebbsfleet as a joint PRC and seek to promote a much wider town centre role for Bluewater.
- 14.21 We appreciate that the joint designation is intended to be forward-looking and to provide a planning framework that could integrate and consolidate Bluewater/Ebbsfleet as the core of the new community in this part of the Gateway. However we share the concerns expressed that the practical effect would not be as intended. Ebbsfleet is not destined to play a significant retail role<sup>9</sup> and there is no indication that it would justify PRC or even SRC status over the course of the Plan period. Accordingly it should not be included in the list of town centres in the Plan. The regeneration of the traditional town centres of Dartford and Gravesham should be the priority in our view, and the long-term strategy for the area would be better structured as quadri-nodal, with these town centres, Ebbsfleet and Bluewater playing complementary roles and linked by Fastrack.
- 14.22 Policy CC8b and the KTG policies seem to us to provide the appropriate guidance for development of Ebbsfleet as a hub with a sub-regionally significant employment function, although we have recommended elsewhere that its employment role should be given more prominence at a regional level.

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<sup>9</sup> According to Gravesham Borough Council an explicit objective of the outline planning permission for development at Ebbsfleet is to limit the retail element.

- 14.23 As a major retail centre Bluewater requires consideration in its own right and it is accepted that it cannot stand still. Also, in the future it will form part of a new urban structure in this area. However,
- given its very specialised role it does not merit designation as a town centre
  - it is at the base of a former quarry and is very heavily dependent on access by private car
  - although it is served by Fastrack, even with the completion of developments proposed around it there remains uncertainty that it can achieve a good level of accessibility by a choice of means of transport
  - the background studies show that there is no need for additional out-of-town regional or sub-regional centres or large scale additions to existing out-of-town centres
  - if Bluewater were to be accorded unconditional town centre status it could lead to developments that would harm the overall vitality and viability of a number of town centres within and beyond the sub-region
  - while Policy KTG8 refers to only “limited additional floorspace” being permissible at Bluewater if it maintains its specialist regional role for comparison good shopping, it is not clear how this would be controlled
  - the contention that additional development is required in order to maintain its competitiveness does not persuade us that the arguments against its general expansion should be set aside
- 14.24 Taking all of these considerations into account we recommend that Bluewater/Ebbsfleet should be deleted from Policy TC2. The town centres chapter should acknowledge Bluewater’s role as a regional destination for specialist comparison goods shopping and should refer to the guidance provided in the Kent Thames Gateway sub-regional strategy. Policy KTG8 should be amended to acknowledge that Bluewater will continue to maintain its specialist regional role as a centre for comparison goods shopping and that any proposals for limited additional floorspace at the centre that would maintain this role would be subject to the tests in PPS6, para 3.4 and should provide for improved access to the centre by non-car modes. We suggest that the supporting text (E4, para 2.21) should be amended to explain that in the new urban structure of this part of Kent Thames Gateway, Bluewater’s regional role as a specialist comparison goods shopping centre is expected to develop in a way that is complementary to the growth at Ebbsfleet and the enhancement of Dartford and Gravesend as the main town centres..

### **POLICIc TC3 Ac ND TC4 c**

- 14.25 Some elements of Policies TC1 and TC2 are repeated in Policy TC3 and as referred to above, a re-structuring and amendment of Policy TC3 would improve clarity and ensure that key guidance is provided for local authorities. We suggest that Policy TC3 should become the core policy that guides local authorities on the implementation of Policy TC2, including the need for joint working between local planning authorities within and beyond the region. This would reciprocate the London Plan’s policy framework for inter-regional working.
- 14.26 We share the concerns of participants that the second paragraph of Policy TC4 gives rise to potential conflicts with PPS6 and appears to conflict with the findings of lack of need for further out-of-town development in the region. We do however consider that policy guidance on out-of-town centres should be included in the Plan. The third paragraph of the draft policy that refers to town centre management and promotion does not in our view add anything that is regionally distinctive to national planning

policy and should be deleted, although the retention of some reference to the matter in the supporting text to either Policy TC1 or Policy TC3 would be appropriate. Hence we recommend that Policy TC4 is renamed and deals solely with out-of-centre regional/sub-regional centres by using the existing first paragraph.

- 14.27 Section D9, paras 1.25-1.39 set out advice on town centres in the sub-regional strategy areas and other areas outside the sub-regions. In some cases this overlaps with the guidance in Section E of the draft Plan. In our view it would be more appropriate to incorporate this material into the sub-regional strategies or, in accordance with our recommendation, into a new section of the Plan dealing with the areas outside sub-regions.

## **COMMENDATIONS**

### **Recommendation 14.1 c**

Amend the draft Plan to clarify the relationship between the draft Plan's designated town centres, the Regional Hubs and the RES's Diamonds for Growth and to strengthen support for the employment role of town centres that are designated as Regional Hubs or as Diamonds in the RES. (para 14.2)

### **Recommendation 14.2 c**

Substitute Maps TC1 and TC2 with the revised versions submitted by the Assembly during the EiP. (para 14.4)

### **Recommendation 14.3 c**

Amend Policy TC2 to:

- identify that the centres that are likely to undergo the most significant change across the range of town centre uses and where pro-active, integrated strategies for town centre development will be particularly important are Ashford (Kent), Aylesbury, Crawley, Chatham, Guildford, Milton Keynes, Oxford, Portsmouth, Reading, Redhill-Reigate, Southampton and Woking, and annotate these centres in the list of PRCs. (paras 14.11);
- include Bognor Regis and Westwood Cross (Thanet) in, and delete Farnham from, the list of SRCs (paras 14.14, 14.16-14.17); and
- delete Bluewater/Ebbsfleet from the list of PRCs but include a reference in the town centres chapter to Bluewater's role as a regional destination for specialist comparison goods shopping and to the guidance provided in the Kent Thames Gateway sub-regional strategy. (para 14.24)

### **Recommendation 14.4 c**

Include the 12 named centres on the Key Diagram as Centres of Significant Change. (paras 14.11)

### **Recommendation 14.5 c**

Amend Policy TC3

- so that it provides the core guidance for local authorities on the implementation of Policy TC2, including the need for joint working between local planning authorities within and beyond the region. (para 14.25)

- to emphasise the importance of inter-relationships between centres within and beyond the region's boundaries. (para 14.4)

**Recommendation 14.6 c**

Amend Policy TC4 so that it deals solely with out-of-centre regional/sub-regional chopping centres, and makes clear that no need has been identified for any further such centres or large scale extensions to existing centres of this type; delete the second and third paragraphs but include a reference to the benefits of town centre management partnerships and the mechanisms for strengthening the wider role of town centres in the supporting text to either Policy TC1 or Policy TC3. (para 14.26)

**Recommendation 14.7 c**

Relocate D9, paras 1.25-1.39 into the sub-regional strategies or as appropriate, in accordance with our recommendation, into a new section of the Plan dealing with the areas outside sub-regions. (para 14.27)

**Recommendation 14.8 c**

Amend Policy KTG8 to acknowledge that Bluewater will continue to maintain its specialist regional role as a centre for comparison goods shopping and that any proposals for limited additional floorspace at the centre that would maintain this role would be subject to the tests in PPS6, para 3.4 and should provide for improved access to the centre by non-car modes. (para 14.24)

**Recommendation 14.9 c**

In process terms:

The Assembly should ensure that the implications of the growth of e-commerce/home shopping on the forecast requirements for new floorspace in the region are carefully monitored. (para 14.5)



## **15 g SOCIALgCUg ALgAND HEAg H g**

Matter 1F

*This chapter examines the way in which the draft Plan has approached the requirements of the new spatial planning system in relation to social, cultural and health issues. It considers the role of RSS, the issue of social inclusion and the strategy response to it. It comments on the existing coverage of health, education and skills issues, and culture, and suggests that community safety deserves more coverage.*

### **OLgE OF RSS g**

- 15.1 The Regional Assembly is to be congratulated on the way that it has covered social, health and cultural issues in the RSS; the very existence of Section D11 of the draft Plan is testimony to the willingness of the Assembly to embrace the concept of new style spatial planning. In particular we acknowledge and welcome the fact that the Assembly has pushed the boundaries of traditional land use planning in order to try to ensure that the Plan contributes towards inclusive communities. Policy CC11 on supporting an ageing population is also relevant to this subject, and our comments on this are given in Chapter 5.
- 15.2 Contributors at the examination, while being generally supportive of this section of the draft Plan, made frequent requests for greater clarity and greater spatial precision – what does it mean, what will happen on the ground, who will do what? But we were given very few concrete suggestions for improvements which is a tacit admission of the difficulty of incorporating the social, cultural and health agendas into a regional spatial plan.
- 15.3 Further headway on the delivery angle can be made as the Implementation Plan is progressively updated<sup>1</sup> and as a result of the changes which are being implemented in line with the Government White Paper ‘Strong and Prosperous Communities’<sup>2</sup>, as summarised below. But it would be unreasonable to expect the draft Plan, which has multiple objectives, to provide all the answers. It is a spatial plan and while it can make a contribution in many areas by providing a positive context for the provision of services and facilities, it is not the sole guidance on these matters. RSS sits within a hierarchy of policy, and much of what our contributors were asking us to add to the draft Plan is already tackled by national policy that should not be repeated in RSS.

### **The New Community Planning System g**

- 15.4 The Local Government White Paper was published a month before the examination opened. It appeared too late to be reflected in the written statements we received, and did not influence the debate. The White Paper sets out how local authorities will in the future play a key role as strategic leaders and place-shapers for their areas. It notes the importance of coordinated action by all service providers at the local level to achieve sustainable communities. Upper tier local authorities or unitaries are to be given a statutory duty to produce a Local Area Agreement (LAA) in consultation with listed partners. Lower tier authorities will have a statutory responsibility to draw up a Sustainable Community Strategy (the strategic vision for a place) working through the

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<sup>1</sup> particularly on the delivery mechanisms and agencies in Annex 1. The Implementation Plan includes an intention to further consult key delivery agencies to inform future updates as and when information becomes available and several participants offered to contribute. We note that faith groups could usefully be added alongside the voluntary and community sectors in a supporting role in Annex 1.

<sup>2</sup> Strong and Prosperous Communities: The Local Government White Paper, DCLG, October 2006 [GOSE1]

Local Strategic Partnership (LSP). Local authorities, as democratically accountable bodies, will take the lead in coordinating the work of the LSP. The LAA will be the delivery mechanism for the Sustainable Community Strategy, and named service providers will be under a statutory duty to agree the targets in the LAA and to have regard to them in their activities. Although voluntary and community groups are not given a statutory duty to cooperate, local authorities are expected to consult with them in drawing up their strategies.

- 15.5 These proposals when implemented will overcome one of the key concerns of DCSE – that they had no mechanism for getting service providers to align their work to achieve planned community objectives. Under the new scheme, the Sustainable Community Strategy and other local and regional plans must have regard to each other. There will also be new monitoring arrangements with 35 targets for the LAA against which progress will be measured, drawing on a list of 200 nationally set indicators. The White Paper also tells us that it will strengthen and simplify local arrangements for delivering responsive services and involving local people by, inter alia, ‘improving and integrating strategic planning procedures’.
- 15.6 We cannot second guess the detail of the new system, but clearly it will have a major impact on the way local authorities operate and in giving some statutory ‘teeth’ to partnership working. It also means that it is essential that the RSS, which must be reflected in Sustainable Community Strategies, sets a framework that is sufficiently flexible to allow all local service providers to agree common targets, but at the same time specific enough to influence the outcomes.

## **DRAFT PLAN’S APPROACH**

- 15.7 The draft Plan’s approach to social, health and cultural matters led to considerable and stimulating discussion with participants recognising that there is limited experience in the UK of integrating social policy into regional planning. The harshest critics of the draft Plan would delete virtually the entire chapter and its policies as being either repeats of national policy or as being insufficiently regionally specific or for lacking a spatial dimension. Given that we are all feeling our way in the new spatial planning system, we prefer to support the Assembly in its work on this topic and are willing to lower the bar somewhat in testing these policies. Ideally though Section D11 would contain more locational specificity and clearer detail to provide a strong framework to ensure that LDDs give adequate weight to social issues.
- 15.8 There was a general acceptance that the draft Plan has laudable aspirations to improve the quality of life, particularly for the socially excluded. There are various objectives relating to social, cultural and health issues within its early sections<sup>3</sup>. However we have argued that a social equity aim should be explicitly recognised in the Vision, and that the objectives should be rationalised while still giving prominence to reducing social and economic disparities (see Chapter 3). The question for this chapter is how effectively the draft Plan translates the various social objectives into policies, and how far those policies will be effective in achieving the aims.
- 15.9 There are two key problems for the draft Plan in dealing with social, cultural and health matters:

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<sup>3</sup> Section A, para 4.2 iii) on reducing economic and social disparities in the region, v) on affordable housing, viii) on access to transport especially for disadvantaged groups, ix) on skills deficits and x) on health provision; Table B1 IRF objectives 1 and 3 – 9, seeking targeted improvements relating to housing, health, deprivation, education, crime, sustainable communities, accessibility and culture; Box B1 on rural social inclusion

- **The issue of scale:** the RSS is a region-wide document setting the framework and planning principles within which decisions can be made in order to achieve Plan objectives. But it is difficult to set regional social, cultural and health policies that have enough focus or ‘teeth’ to be usable and meaningful.
- **Effective implementation:** local authorities are in many cases not the service providers so successful implementation relies on setting appropriate frameworks, consultation and persuasion.

We consider this in the context of specific policies below.

- 15.10 PPS1, para 16 requires development plans to promote development that creates socially inclusive communities, including suitable mixes of housing, and seeks to reduce social inequalities. Both PPS1, para 32 and PPS11, para 2.11 make clear the need to work closely with other bodies to ensure that the various regional strategies adopt a coherent approach to provision, and not just of traditional land use issues but also in areas such as health and education.
- 15.11 The draft Plan undoubtedly attempts to achieve that, and was drawn up in consultation with the main stakeholders. We heard no complaints that the draft conflicted with other strategies, but we did hear much scepticism about whether the current policies would achieve the broad social, cultural and health objectives. Policy CC5 attempts to tie relevant agencies and providers to align their investment programmes to help deliver the proposals in the Plan, but includes no mechanism to make it happen. On the other hand Surrey CC, noting that the RSS will be used to provide the key strategic guidance for LDDs, say that the social policies should therefore provide more detailed and consistent guidance as to their content and the relative roles of the providers of social, cultural and health care facilities.

## **Service Providers g**

- 15.12 There was general agreement at the EiP that the RSS should go further than simply identifying what other service providers should do, and some suggestions about how this should be presented in the draft Plan. We heard about the importance of the ‘Third Sector’, i.e. the voluntary/community sector (VCS), in the delivery of services, particularly to the socially excluded and elderly. Regional Action and Involvement in the South East (RAISE) tell us that there are 34,000 voluntary/community organisations in the region, yet this sector and the vital role that it plays is barely acknowledged in the draft Plan. We accept that this is fair comment and that there is no mention of one sub-set of the VCS, i.e. faith groups and their role in working with the socially excluded.
- 15.13 The Assembly would like to develop the Implementation Plan further to take on more of the social, cultural and health agenda, and we agree that would be helpful. However, we also feel that some strengthening of the RSS would be useful and specifically that the text should name some of the service providers (who will need to be consulted by local authorities in drawing up their strategies) and acknowledge the key role played by the VCS. The Third Sector are often the deliverers of the services that will operate out of community buildings and should therefore be involved in the planning and decision making. We therefore recommend that Policy S8 on Community Infrastructure should be amended to acknowledge this, and also the role of faith groups in service delivery. We also recommend expanding Policy S4 to update the names of health service providers, as suggested by Barton Willmore.

- 15.14 We are aware that there are inevitably some tensions between the objectives of different service providers. For example, the rationalisation of the health service to provide fewer acute hospitals will lengthen the travel distance of some patients, and this will run contrary to the Regional Assembly's aim of reducing travel to ease congestion and minimise the carbon footprint. However, the parallel development by the health service of more small locally based units for community and primary health care will hopefully offset any negative impact from hospital rationalisation. We consider that such tensions should be openly acknowledged in the text of the draft Plan, in the case of health facilities in D11, section 7.
- 15.15 There were requests from several service providers for the Plan to recognise the need to rationalise their property holdings, and/or for the funding of new social infrastructure to be met through S106 contributions. It is not appropriate in our view for RSS to cover such issues, since they will be dependent on local circumstances.

### **SOCIAg INCg SION g**

- 15.16 We agree with participants that the draft Plan raises issues relating to:
- the extent to which the plan-making process was socially inclusive; and
  - the way in which social inclusion is reflected in the content of policies.

### **Plan Preparation g**

- 15.17 As we note in Chapter 2, the Assembly undertook a huge amount of stakeholder involvement over many months during the plan preparation process. In order to involve the general public, voluntary organisations and interest groups it used a variety of different methods including workshops, MORI surveys, newspaper and radio advertisement, and distribution of a leaflet to 3.2 million households in the region.
- 15.18 We originally had some concerns about how successfully hard-to-reach groups were engaged in the plan preparation process. For example, we understand that although 39 minority and voluntary groups representing BME interests were invited to the workshops, none attended. Of those that did, the majority represented environment/countryside/built environment and preservation/Green Belt interests.
- 15.19 However we learnt from the debate that the Regional Assembly has tried to work through partner organisations and had distributed resource packs to them to communicate in their own way. The Faith Forum representative confirmed that the Assembly had done all it could with this approach, and he had himself written articles on the basis of information provided, as well as attending several Assembly 'roadshows'. He paid tribute to the active involvement of the Brethren's Gospel Trusts. SEFS also gave us some first-hand feedback about how difficult it is to interest the public in long term spatial planning. We have every sympathy with the added difficulty of engaging with hard-to-reach groups who are well named, and indeed we experienced the same thing in that we failed to persuade any of our BME invites to participate in the EiP.
- 15.20 Nonetheless, it is important to ensure that the Plan properly reflects the full diversity of the population whose lives it will affect. The 2001 Census shows that some 4.9% of the region's population – nearly 40,000 people – are from BME groups and it is important that the Plan acknowledges their needs and aspirations. PPS1 notes that 'identifying and understanding the needs of groups who find it difficult to engage with

the planning system is critical to achieving sustainable development objectives', and we therefore recommend that the experience gained in this plan-making round is used as a basis to devise new strategies to ensure the inclusivity of future RSS revisions.

- 15.21 GOSE raise a general concern that the draft Plan fails to address the needs of all sections of the community, notably the specific vulnerabilities of Black, Asian and Minority Ethnic populations or the problems of hard-to-reach groups. Although these needs are covered in a general way wherever the draft Plan talks of meeting the needs of the community, and they are named specifically in relation to housing (Policy H6), we recommend that a specific reference to involving hard-to-reach groups is warranted in Policy CC9 (see also Chapter 5 for our recommended renaming of this policy). The types of groups and vulnerabilities within the term hard-to-reach could then be explained in the text to this policy.

### **Disparities (Policy S1) g**

- 15.22 As we discuss in Chapter 4 and 5, one of the key building blocks of the draft Plan was the wish to reduce the economic gap between the worst-off and best-off parts of the region. In broad terms that means implementing a suite of measures to improve the prosperity of the coastal belt and the eastern part of the region, and encouraging local action in pockets of deprivation. If successful, that strategy should go some way towards achieving social inclusion as long as care is taken to ensure that the benefits of economic improvements are spread throughout the population. Aspects of this are considered in more detail below. Equally, the ambition to increase the supply of affordable housing (Policy H4) and to improve on the quality of the housing stock (Policy H5) could have a major impact on the lives of the socially excluded. So some of the large scale spatial elements and key policies of the draft Plan undoubtedly reflect the social inclusion agenda as required by PPS1, which calls for an integrated approach to planning that allows social, environmental and economic objectives to be achieved together.
- 15.23 There are other key policies that will also potentially help the socially excluded. The concentration of development at and improving access to the regional hubs could bring benefits in that one of the problems experienced by the socially excluded is access to jobs and community facilities. By maximising the number of people within the hubs or able to reach the hubs easily by public transport, the strategy could be argued to help the socially excluded. On the other hand, we heard from those concerned about the lack of policies to tackle social exclusion in rural areas, and concentrating opportunities in the hubs may do little to improve their plight. This is just one example of the tensions within the draft Plan which has to balance the requirements of potentially competing multiple objectives.
- 15.24 The objective of reducing intra-regional disparities is expressed in its social dimension in Policy CC9 (see also Chapter 5 on this policy), which also calls for action to tackle pockets of deprivation. In the Social, Cultural and Health section, Policy S1 on Social Inclusion sets out an overarching requirement for LPAs and other public and private sector partners to fully consider the spatial distribution of deprivation, and draws their attention to the needs of regional priority areas and pockets of deprivation. We remain unconvinced that this rather bland requirement which does little more than restate national policy, adds much to the draft Plan. It also seems to be little more than variation of a theme of Policy CC9, which in our view is a more useful policy in giving a clearer spatial focus. Policy S1 is in addition defective in calling for the involvement of local communities and other organisations in its implementation 'where necessary'. Clearly at the very least that must be deleted to require joint

working with communities as standard practice (which will in any case become a statutory requirement under the new community planning system). On balance we recommend the deletion of the entire policy, plus an amendment to Policy CC9 to require community consultation in the plan making process.

- 15.25 Representations to us noted that in-migration to the region is forecast to be very significant but the Plan makes virtually no mention of the likely social impact that this could have. We agree that the potential impact should be acknowledged in the text of Section D11. We do not however suggest inclusion in policy as the term "in-migrant" covers a vast range of people, some of whose needs, such as those moving out of London, are indistinguishable from the resident population. Where there are more specific needs of assimilation these are covered in the various policies on social inclusion, such as Policies CC9 and H6.

## **SOCIAG ISSUES g**

### **Health (Policies S3 and S4) g**

- 15.26 The over-arching 'The Healthy Region' Vision of the draft Plan brings an expectation that the spatial strategy has been set to improve health outcomes. In broad terms (which also encompasses health in the narrow sense), health improvements can be expected as part of the outcomes of other policies on the economy and housing that lessen deprivation, and as a potential consequence of policies elsewhere in the Plan such as on Natural Resource Management (including green infrastructure, air quality and river water quality), access to the countryside, management of the built environment, safe handling of waste and so on.
- 15.27 Policy CC1 on sustainable development refers to promoting measures that contribute to a strong, healthy and just society, but this has no spatial dimension. The draft Plan tackles the health issue in a broad brush way at regional level and leaves it to local planning to address specific local needs. However, as the SA notes, the relative lack of spatial definition within the Plan does not assist in the development of policies designed to deal with particular social inclusion 'hotspots'<sup>4</sup>.
- 15.28 The new system set out in the Local Government White Paper will alter the way in which health issues are integrated into planning at the local level. The local authority lead member for adult social services will be able to influence the commissioning decisions of health and social care bodies, and there will be systematic partnership working between NHS bodies, local authorities and other partners with joint appointments, pooled budgets and joint commissioning. So we need to be sure that this RSS provides a suitable framework for the spatial expression of the health agenda.
- 15.29 The text sets out some details of the health disparities in the region – too much detail in the case of the repetition of Thanet statistics in para D11 2.6 iv) and para 6.2. – as a context for two policies specifically related to health. Policy S3 requires LDDs to consider community access to recreational and cultural amenities, housing for the socially excluded and healthier forms of transport. Although it partially repeats elements found elsewhere in the Plan (BE4 and C4 on access to amenities, H6 on housing and T1, T2, T7 on transport), this policy makes more explicit the actions needed to improve health, and we therefore agree that it is worth retaining to draw specific attention to the potentially positive health outcomes of those policies. We recommend an addition to the supporting text to encourage joint working to tackle

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<sup>4</sup> SA of submission draft South East Plan, page 62, ERM for SEERA, March 2006 [SEP3]

- health problems that have multiple causation and which require action through several policy sectors, such as obesity.
- 15.30 The Strategic Health Authorities suggested an amendment to Policy S3 to add a requirement that areas with high levels of health inequality should be a priority for development and investment. To the extent that poor health and deprivation are spatially aligned, this is taken care of in Policy CC9, but we nonetheless recommend amending CC9 to add in a specific health element.
- 15.31 Policy S4 on sustainable health services requires local authorities to ensure the provision of appropriate health and social care facilities. While this was criticised by DCSE as being potentially outside the gift of the local authority, under the new system this should be deliverable – and indeed much of the policy becomes otiose. We think it worth retaining in the interim, particularly the elements referring to providing the land necessary for health facilities, and to using Health Impact Assessments (HIA) as part of the decision making process. The role of HIA in influencing LDFs could be expanded in the background text, e.g. the way in which new development in its design can contribute to reducing health inequalities in the surrounding population.
- 15.32 Policy S4 at present refers only to meeting primary care needs, since this is the main source of new premises required. The text covers the restructuring taking place in the health service and the effects on acute provision as at early 2006, but there may be updates to be made as the Plan is finalised.
- 15.33 We heard at the examination from the Federation of Small Businesses about the problems and costs of sickness absenteeism in the workplace. They had particular concerns that many small businesses were unaware of the help that the NHS can provide to tackle the problem and called for Local Delivery Plans and HIAs to take on board the need to improve the occupational health service. This is also important as a support for employers of older people, increasingly past retirement age, as discussed in relation to Policy CC11 in Chapter 5. We agree that a signpost in the draft Plan would be useful and recommend the supporting text to Policy S4 should mention the need to help businesses deal effectively with health related workplace problems and the role of the occupational health service.

## **Education and Skills (Policies S5 and S6) g**

- 15.34 There is a clear link between low educational achievement/poor skills on the one hand and social exclusion/deprivation on the other. This has a spatial element, in that Kent Thames Gateway, East Kent and the Isle of Wight have a lower skill base than areas in the north and west of the region. It is no coincidence that these are the areas of greatest economic underperformance. No one disagrees that improving education and skills attainment will be an important element in achieving the objective of tackling deprivation and reducing intra-regional disparities.
- 15.35 Policies RE3, RE4 and RE5 contain within them elements that aim to improve the skills of the disadvantaged areas. Policies S5 and S6 target school and community learning, and higher education provision, and these policies were generally supported though some education institutions would have preferred fuller recognition of their role. GOSE tell us<sup>5</sup> that evidence has shown that increased learning opportunities for older people, people with mental health problems, ex-offenders and the economically inactive have a positive impact on the health and well-being of the region. They suggest that Policy S5 would benefit from the specific recognition of the training and

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<sup>5</sup> GOSE Matter 1F statement

skills needs of these groups. We agree that the supporting text to the policy should include such recognition, but we stop short of adding it to the policy since we feel it is subsumed within S5 iii).

15.36 On Policy S6, two additional aspects were mentioned:

- the need to recognise the importance of ancillary services for higher education establishments, including student accommodation, sports facilities, and incubator units suitable for small spin-off businesses from universities; and
- the need to give particular encouragement to developments that maximise the potential of a university by siting it as part of a multi-use development to include employment, healthcare, leisure and other community uses.

We agree that these are issues that merit a mention and recommend that the supporting text to Policy S6 is amended to include them. We also recommend that the text supports the location of university facilities in towns other than its main base (multi-campus). Crawley aspires to achieve this (Policy GAT4) and new HE facilities are also proposed in Milton Keynes and Aylesbury.

15.37 Improving the skill base is an important element in achieving smart growth which is fundamental to the success of the region, yet this is barely mentioned in the education text in Section D11. We recommend the addition of a clear cross reference back to the our new regional policy on smart growth.

## **Culture (Policy S7) g**

15.38 Culture SE considers Policy S7 to be an inadequate reflection of the cultural dimension, given the importance of the sector to the economy and vibrancy of the region, and how it is treated in other RSSs. We have already dismissed their suggestion of a new cross-cutting policy on culture in Chapter 5.

15.39 Nevertheless we acknowledge the importance of cultural activities including their potential role as catalysts for regeneration. We also sympathise with the fact that national policy is scattered, and therefore consider it appropriate for the background text to Policy S7 to refer to the joint agreement between CLG and the Department for Culture, Media and Sport which seeks to embed cultural aspects into planning frameworks and delivery mechanisms.

15.40 We are broadly content with Policy S7 itself given that there is also recognition of culture in Policies BE1 and S3. And guidance for LDFs on sport to our mind is well covered in PPS17, together with Policy TSR3 on regionally significant sports facilities. Nevertheless there are minor changes to the wording of Policy S7 which would improve its clarity which we recommend based on Culture SE's suggestions to include:

- encouraging local strategies to cover a broader mix of cultural and sporting activities;
- locating facilities to be accessible by a range of transport modes; and
- prioritising cultural provision in support of economic growth as well as urban regeneration.

15.41 We also recommend the inclusion of a fuller definition of the type of activities the sector covers based on work in MKSM to accompany Policy S7 (D11, para 10.1<sup>6</sup>).

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<sup>6</sup> See Culture SE Matter 1F statement, para 10



The text could also refer to the tools available for assessment of needs, including reference material by Sport England and Museums Libraries Archives (MLA) SE.

- 15.42 Culture SE also had some suggestions for amendments to Policy S8 on the delivery of cultural infrastructure. We do not support this as it would skew the policy almost entirely towards cultural/sporting issues at the expense of the social, health and education agendas, and in any event partnership working is clearly the object of the first part of the policy. Of their other suggestions we accept the factual addition to Box TC1 to include archives as well as libraries, and the addition of low-cost rental space for creative activities in Box RE1 ii).

## **Community safety g**

- 15.43 PPS1, para 27 requires the promotion of communities that are 'inclusive, healthy, safe and crime free'. Section 17 of the Crime and Disorder Act 1998 requires the majority of the agencies who will be implementing the draft Plan to consider the community safety implications of all policies that they make. Yet the draft Plan contains only fleeting mention of crime and safety. It appears as an IRF objective ('To reduce crime and the fear of crime'), and there is reference in the supporting text to Policy BE1 where local authorities, service providers, the community and developers are told to pay particular attention to incorporating crime prevention considerations into the design of new developments (D8, para 2.13 iii). The section on town centres talks of the need to 'proactively address crime' (D9, para 1.50). Crime prevention or reduction is not overtly included in any of the policies.
- 15.44 We heard a very useful contribution at the examination from the Hampshire Police Authority/Hampshire Constabulary on behalf of all the police forces in the region. They noted the gateway role of the region, which is specific to the South East, and made the point that a crime free and safe environment was therefore particularly important in the national context. Vulnerable groups including the elderly are often disproportionately affected by crime and the fear of crime; crime prevention becomes a matter of social equality.
- 15.45 We agree that the Plan could say more about community safety. The Police drew attention to the importance of designing out crime in new developments i.e. ensuring right from the early design stage that developments minimise the likelihood of crime. That makes clear sense, and the Assembly agreed that Policy CC12 could be amended to include reference to designing out crime. We covered this in Chapter 5.
- 15.46 Hampshire Police also suggest a strengthening of the town centre policy TC1 to refer to creating a safe and secure environment. While we understand this sentiment, this policy was not formally examined. In Chapter 14 we have suggested that support for town centre management initiatives which would include security issues should be included in the text to either Policy TC1 or TC3.
- 15.47 The Police point out that given the likely scale of development in the region there will be a need to dispose of some buildings and develop others, and suggest this should be acknowledged in the draft Plan. This is a similar argument to that put forward by the health authorities, and we do not feel that there is a need for additions because Policy S8 on community infrastructure already covers the ground sufficiently.
- 15.48 The Police made a plea to be more involved in local authority decision making about communities, feeling that sometimes they had been 'left out of the loop' until too late. We encourage all authorities to seek to actively engage with their local police forces, and are hopeful that when the new system for creating Sustainable Community

Strategies is in place this will ensure that proper consultation occurs since the Police are one of the named statutory consultees.

- 15.49 The National Offender Management Service (NOMS) which is responsible amongst other things for prisons and probation, points out that the draft Plan contains no mention of the criminal justice system in general and prisons in particular. This is despite the fact that Circular 3/98 sets out the Government requirement for local authorities to make adequate provision through the planning system for prisons, and that the prison population is forecast to increase. The NOMS 5 year strategy published in February 2006 sets out Government plans to reshape the criminal justice system including creating more community prisons. Although there is nothing particularly regionally specific in the need for prison provision in the South East, and national legislation is in place to ensure that the needs are considered, we think it right to include reference to the need to consider providing sustainable locations for prisons in RSS. Circular 02/2006 imposed a new requirement that prisons need planning permission – Government advises that employment land should be used. Prisons are not always the most popular neighbour, and any encouragement that RSS can give authorities to make appropriate provision is worthwhile. We therefore recommend that prison provision should be included in the items covered by the term ‘Community Infrastructure’ in the text that supports Policy S8.

## **RECOMMENDATIONS g**

### **Recommendation 15.1 g**

Delete Policy S1 as having no spatial content and duplicating Policy CC9. (para 15.24)

### **Recommendation 15.2 g**

Add supporting text to Policy S3 to encourage joint working to tackle health problems that have multiple causation and which require action through several policy sectors, such as obesity. (para 15.29)

### **Recommendation 15.3 g**

Update the names of health service providers in Policy S4. (para 15.13)

### **Recommendation 15.4 g**

In the supporting text to Policy S4 expand on ways in which HIA can influence LDFs, and mention the need to help businesses deal with health related workplace problems. (paras 15.31, 15.33)

### **Recommendation 15.5 g**

Expand the supporting text to Policy S5 to recognise the training and skills needs of older people, people with mental health problems, ex-offenders and the economically inactive (para 15.35)

### **Recommendation 15.6 g**

Amend the supporting text to Policy S6 to recognise ancillary services for higher education establishments, to encourage developments that maximise the potential of a university, to support multi-campus university facilities, and to cross refer to the new regional policy on smart growth. (paras 15.36, 15.37)

### **Recommendation 15.7 g**

Make minor changes to Policy S7 including encouraging local strategies to cover a broader mix of cultural and sporting activities, locating facilities to be accessible by a range of transport modes and prioritising cultural provision in support of economic growth as well as urban regeneration (para 15.40)

**Recommendation 15.8 g**

Amend the supporting text to Policy S7 to include a fuller definition of the type of activities covered by the cultural sector, and to refer to the tools available for assessment of needs. (para 15.41)

**Recommendation 15.9 g**

Amend Policy S8 to acknowledge the role of the VCS and faith groups in service delivery. (para 15.13)

**Recommendation 15.10 g**

Strengthen the supporting text to Policy S8 by naming some of the service providers and including prison provision in the items covered by the term “Community Infrastructure”. (paras 15.13, 15.49)

**Recommendation 15.11 g**

Add to Policy CC9 a requirement for community consultation including understanding the needs of hard-to-reach groups, and recognise health inequalities. Explain the vulnerabilities of particular hard-to-reach groups in the supporting text to this policy. (paras 15.21, 15.24, 15.30)

**Recommendation 15.12 g**

Add low-cost rental space for creative activities to Box RE1 ii). (para 15.42)

**Recommendation 15.13 g**

Expand the reference to libraries in Box TC1 to include archives. (para 15.42)

**Recommendation 15.14 g**

In process terms:

Use the experience gained in this plan-making round as a basis to devise new strategies to ensure the inclusivity of future RSS revisions. (para 15.20)

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## **16 t SOUTH Ht SHt E t**

Matter 8B

*This chapter examines the role of the sub-region, and accepts the economic basis underlying the growth proposals, including its employment land proposals. It recommends a new town centres policy and considers the role of Southampton port and airport. On housing, the analysis suggests that the draft Plan levels are appropriate, but that there may be phasing implications in the light of potential constraints particularly on waste water treatment. The chapter endorses the proposals for two SDAs but not the proposed constraints on their timing, and stresses the importance of partnership working to bring them forward. Finally, the chapter considers the intended monitoring and implementation mechanisms.*

### **OVERVIEW AND Rt TtONT LE t**

- 16.1 As E1, para 1.1 of the draft Plan outlines, South Hampshire is the largest urban area in the region and is home to almost one million people. The sub-region covers the whole districts of Eastleigh, Fareham, Gosport, Havant, Portsmouth and Southampton, and parts of East Hampshire, New Forest, Test Valley and Winchester. The two main centres of Portsmouth and Southampton are at its core but a number of adjacent, smaller settlements play complementary roles and together form an almost continuous, loose-knit urban area close to the Solent coastline. New Forest National Park lies immediately to the west and the proposed South Downs National Park to the north-east.
- 16.2 The sub-region has its roots in RPG9's identification of a Priority Area for Economic Regeneration in Southampton, Portsmouth and immediately surrounding areas. This sought tailored strategies to build on the area's strengths including significant potential for economic growth while also addressing the pronounced incidence of local deprivation. The draft Plan's sub-regional strategy generally carries forward the PAER concept in a wider geographical context; this reflects the acceptance by the Partnership for Urban South Hampshire (PUSH)<sup>1</sup> that, while the focus and priority will be on urban regeneration, brownfield sites alone cannot accommodate all the necessary development.
- 16.3 Section E1, paras 1.2-1.3 describe the challenges and opportunities in the sub-region. As we discuss in more detail below, there is little dispute about their general nature even though the proposed strategic response is not unanimously agreed. Nor do we believe there is any significant argument about the need for a sub-regional strategy for this area. The importance of managing the future growth and social and physical regeneration of this network of local authority areas demands and indeed deserves a tailored, sub-regional framework. The progress made by PUSH as a delivery vehicle for the sub-regional strategy is testament to the commitment of the local councils to work jointly to achieve their shared vision for the future. Although some comments were made about the definition of the sub-regional boundary, it is only an indicative delineation and we have found no substantive reason to question its basis.

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<sup>1</sup> PUSH includes all eleven Councils, including Hampshire County Council, which comprise the strategy area.

## **COT E STt ATEGY (t OLICY SH1) t**

### **Environment and Economy t**

- 16.4 Policy SH1 sets out the overall strategy for the sub-region, stating at the outset that development should be led by economic growth and urban regeneration. The Statement of Strategy for South Hampshire at C, para 4.6.5 of the draft Plan expresses the underlying purpose - to foster and encourage increased levels of development in order to try to realise the potential of the sub-region to improve its sustainable economic performance, addressing the needs of significant areas of social deprivation, particularly in areas of Southampton and Portsmouth. The core strategy (E1, para 2.1) explicitly seeks to bring about improved economic performance, by achieving GVA of 3.5% per annum by 2026.
- 16.5 PUSH describes the strategy for the sub-region as one of conditional managed growth. The vision is of increased levels of development over the Plan period to try to realise the sub-region's potential and address the needs of significant areas of deprivation; but to ensure also that the pace of growth and development will be determined by, and will be conditional on, the rate of infrastructure development. However, as the representations identified, there are a number of challenges and tensions posed by the strategy, and we deal firstly with the overall integration of the environmental and economic factors.
- 16.6 The economic target is generally accepted as aspirational (see discussion in 16.16 below) but some participants feared that it would place the area's significant environmental assets under extreme pressure. The SA and the AA provide the basis for concerns, for example, about the impact on water quality and biodiversity in the Solent SPA and SAC, and on the SPA and SAC in New Forest National Park, due to any increased recreational pressure. The relationship with the proposed South Downs National Park is also a particular concern.
- 16.7 However, it is difficult to accept that the draft Plan is not capable of addressing these issues. As the documentation supplied by PUSH to the Assembly in 2005 demonstrates<sup>2</sup>, the immense natural advantages of the sub-region and the range of potential environmental impacts have been factored into the development of the overall strategy. And the AA's recommendations on avoidance and/or mitigation measures, as reflected in our proposed amendments to a number of policies, should provide the means to protect Natura 2000 sites from the likelihood of any significant adverse impact<sup>3</sup>. It is noteworthy in this regard that PUSH has taken the lead in its promotion and development of a strategy for green infrastructure. We set out recommendations below that would address certain environmental and/or economic strands in the detailed sub-regional policies and recommend the deletion of the final sentence of Policy SH1 but otherwise, taking Policy SH1 in the round, we find it is generally sound. It could be made clearer that it is based on an integrated approach by inserting the word "sustainable" before "economic" in the first sentence of the policy, and by ensuring that the illustrative spatial diagram that we recommend (in Chapter 4) for each sub-region shows such important environmental designations as the New Forest National Park and the proposed South Downs National Park.

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<sup>2</sup> The South East Plan, South Hampshire Sub-Regional Strategy, Final Advice, Partnership for Urban South Hampshire, December 2005 [SEP12]. See especially Chapters 1 (Context) and 9 (Environmental Sustainability).

<sup>3</sup> See also our recommendations on Policy NRM4 (Chapter 10) and for a new policy on Green Infrastructure (Chapter 5)

## **Spatial Strategy t**

- 16.8 Policy SH1 states that the two cities will be dual foci for development as employment, retail, entertainment, higher education and cultural centres for the sub-region. It also confirms that the other towns will play a complementary role serving their more local areas. Investment and improvement in transport will reflect this spatial strategy, as will the location of sites for development. High density development will be encouraged in the city and town centres, around public transport hubs and at other sustainable locations. Up to around 2016 development is expected to be concentrated within urban areas and in a number of already planned urban extensions. Thereafter, an additional focus will be on two Strategic Development Areas (SDAs), at Fareham and to the north and north-east of Hedge End. We consider these in more detail later (Paras 16.58 - 16.71).
- 16.9 There was no substantive argument at the EiP that the above is not a clear spatial strategy. Some debate took place about the appropriateness of the locational specificity for the two SDAs but this is a different matter and is discussed later in this chapter. The urban areas which are to be the main focus for development in accordance with Policy SH1 include two regional hubs, Southampton and Portsmouth, where the promotion of higher density development and enhanced links to the local economic area would accord with Policy CC8a of the draft Plan. Although the other towns are not named in Policy SH1, it is clear from references in PUSH's proposed amendment to Policy SH8 that Eastleigh and Fareham as sub-regional centres, and Gosport and Havant amongst a network of local centres, have roles to play in the spatial strategy. We heard arguments that the locations for the main urban extensions should be specified in the policy but have not found sufficient evidence or justification to do so.
- 16.10 The spatial strategy also includes a temporal element, steering development into the urban areas in the period up to 2016. In our view this provides a helpful focus for investment and reflects the objectives for urban regeneration. The implications of the phasing of the two SDAs until around 2016 and beyond were strongly debated during the EiP and we return to these below (paras 16.58 - 16.71) but a broad reference to the likely phasing, as set out in Policy SH1, seems to us to be a realistic acknowledgement that the SDAs will take time to come forward. Overall, we conclude that the broad spatial strategy for South Hampshire as set out in Policy SH1 provides sound, clear guidance for forward planning and investment. We note briefly here that it will be supported by South Hampshire's designation by Government as a New Growth Point with an accompanying phased allocation of funds for key projects.

## **ECONOMY t**

- 16.11 We understand that the sub-regional spatial strategy must be seen as part of the wider economic agenda which also includes skills development and support for enterprise and innovation. The RES<sup>4</sup> refers to the substantial untapped economic potential of the broadly represented Coastal South East, of which South Hampshire forms part, and sets out a package of approaches to resolve impediments to growth and maximise sustainable economic potential. Within this framework, the RES identifies Urban South Hampshire as one of the region's Diamonds for Investment and Growth, where there is a major concentration of economic growth potential which will be supported by targeted programmes and investment by the regional partners. The policies of the

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<sup>4</sup> Regional Economic Strategy 2006-2016, SEEDA, October 2006 [Er2E]

draft Plan, including SH6-SH9, are complementary and include a specific policy on skills development (SH9) to help address relatively low skills levels in the sub-region.

## Realism of GVA Growth Target t

- 16.12 As the debates at the EiP reflected, the economic aspects of the sub-regional strategy are based on commendably thorough background research<sup>5</sup>. This sub-regional strategy is the only one to adopt a specific GVA target, and it is expressed as the level sought by the end of the Plan period (E1, para 2.1). GVA growth has traditionally lagged behind the South East, with a historical trend of about 2.75% pa, 1991-2001. A steadily increasing level is assumed averaging 3.1% pa 2006-26<sup>6</sup>.
- 16.13 The GVA target is based on a process of scenario testing which accords with good practice<sup>7</sup>. The preferred scenario assumes that employment growth will be a more significant contributor to GVA over the short to medium term, with productivity increases being increasingly significant over the medium to long term.
- 16.14 The employment growth assumed to achieve the GVA target is 59,000 between 2006-26. This clearly represents a policy-led approach since it is significantly higher than the estimate of about 43,000 suggested by the Experian trend-based forecasts<sup>8</sup>, and the estimate of about 29,000 from the Assembly's latest projection controlled to draft RSS housing levels. This policy-led employment growth level 2006-26 is taken as a target against which monitoring should take place (E1, para 2.19), and we support this approach.
- 16.15 The assumed productivity improvements (GVA/employee) incorporated in the GVA target average 2.4% pa between 2006-26, reaching a level of 2.7% pa in the last five year period. A 2.4% pa growth level accords with the headline target to 2016 in the RES, and is at the outer end of what was considered feasible by SEEDA's consultants (see para 6.56 above). We note the potential here for achieving high productivity improvements, particularly in the advanced manufacturing sector through the substitution of capital for labour, but nevertheless see this assumption as being very ambitious.
- 16.16 Despite these reservations, we support the proposed GVA level as an aspirational target, and one which is consistent with the priority put on sustainable economic regeneration in this sub-region. The only significant numerical challenge came from Hampshire CC, who considered that a level of 3.25% at 2026 would be more realistic. However we were not persuaded by their arguments, which seemed to have more to do with holding back new greenfield development than setting a headline aspirational target. To our mind a level of 3.5% clearly signifies the step change in economic performance sought in this sub-region.
- 16.17 The PUSH authorities are well aware that the achievement of their GVA target will require action on a number of fronts. As identified in the background documents, these include skills and ICT upgrading, transport improvements, research, conference and hospitality facilities, as well as suitable land and premises. Sub-groups have been

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<sup>5</sup> This includes Economic Drivers and Growth: Productivity Growth, Employment and Housing (Phase 3) DTZ Piedad Consulting, 2005 [SH10], and South Hampshire Town Centres Sub-Regional Study, also by DTZ, 2005 [SH17].

<sup>6</sup> Economic Drivers and Growth: Productivity Growth, Employment and Housing (Phase 3), pages 2-3, DTZ Piedad Consulting, 2005, [SH10]

<sup>7</sup> as identified in Guide to Improving the Economic Evidence Base supporting Regional Economic and Spatial Strategies, Arup for ODPM, Sept 2005 [En2]

<sup>8</sup> as quoted by DLP in Matter 8B.1 debate



set up by the PUSH Economic Development Panel involving key stakeholders e.g. the Learning and Skills Council, Job Centre Plus and Business Link to identify and take forward action plans<sup>9</sup>.

### Smart growth

- 16.18 Without using the term, this sub-regional strategy is clearly seeking smart growth through these coordinated actions, including the reliance on achieving productivity improvements. It also lays great stress on up-skilling its workforce, which besides helping to combat deprivation is also an ingredient in gaining additional productivity and improving economic activity rates. As the chair of the Economic Development Panel explained this was not just a case of improving basic skills, but of investing in human resources and promoting entrepreneurship, and we heard that initial NGP funds were being used to assist an upward movement of those qualified to NVQ3 to higher levels.
- 16.19 Although we support the emphasis on skills initiatives, we are not convinced that Policy SH9 is significantly different to regional policy RE3. This will be for the Government to determine in finalising the Plan as this policy was not included in our matters for debate. But as an alternative, it would be possible to include any specific named initiatives, e.g. enhancing knowledge transfer from the three universities in the sub-region as a component in seeking high-value added activity, in our suggested text on smart growth. This text could also emphasise the need to make more efficient use of land through intensification, which is an objective according to the Regional Assembly.

### Employment Floorspace (Policy SH6)

- 16.20 Policy SH6 provides both numerical and locational guidance on the new business floorspace required in this sub-region. We commend the rigour and transparency of the background work undertaken in this sub-region, which provides a clear audit trail between these floorspace estimates and the GVA target sought<sup>10</sup>. Overall a need for some 2 million m<sup>2</sup> is identified, with B1 offices and B8 warehousing estimates coming directly from the employment forecasts with an offset to allow for town centre uses; the B2 manufacturing estimate comes from the GVA forecast given that no job increases are anticipated in this sector, with an addition for the qualitative needs of advanced manufacturing. A recognised local economic forecasting model was used to step down sub-regional projections into the policy's estimates for the south-west and south-east areas. Floorspace estimates for each SDA assume a balance of jobs and new homes.
- 16.21 The background studies equate these floorspace requirements with some 600 ha of employment land at an assumed 35% site coverage. Floorspace is used as the policy indicator, since some of the requirement could come from intensification of existing employment sites. Of this floorspace requirement, nearly 0.6 million m<sup>2</sup> is likely to require new allocations<sup>11</sup>, excluding any additional land in substitution for existing employment land not considered to meet modern needs (see below). We consider that

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<sup>9</sup> as identified in PUSH Matter 8Bi.1 statement, Appendix 1

<sup>10</sup> S Hants sub-regional strategy, Employment, Background Document 1, PUSH advice to SEERA, December 2005 [SEP12]

<sup>11</sup> By subtraction of floorspace requirements from existing opportunities and commitments, Table 11, pages 27-29 [SEP12]

the relationship between extant permissions and allocations and new floorspace required could be made clearer in the background text.

- 16.22 We were encouraged to hear that PUSH is now working on a system for apportioning these floorspace requirements to individual districts to provide guidance to the LDF system, taking account of sectoral needs, labour supply projections and the availability of employment land. We accept the arguments of the Hampshire Economic Partnership that a range of employment land is needed from city centre to science park environments, particularly as we were told that the result of the continuing shake-out in the manufacturing sector is that R&D and customer care activities are remaining while lower value activities are relocating<sup>12</sup>. In terms of general employment land, we are however satisfied that the amendments we suggest to regional policy RE2 should provide sufficient locational guidance for its subsequent identification.
- 16.23 In respect of strategic employment land we have already argued the case for as much specificity as possible (see Chapter 6 and suggested amendments to Policy RE2). We therefore support a reference to the actions needed to bring forward the area of around 130 ha to the east of Eastleigh (the South Hampshire Strategic Employment Area) as an addition to Policy SH6, as suggested by PUSH<sup>13</sup>. This reflects the comprehensive approach that has apparently only come together after the draft Plan was submitted. An explicit reference to this opportunity area will raise its regional profile, and support the business case for public sector interventions likely to be required to bring it forward e.g. in resolving the current access, water and WWT constraints which could involve compulsory purchase. The importance of this site should be made clear in the first part of E1, para 2.20.

### **Protection of Employment Land (Policy SH7) t**

- 16.24 Policy SH7 is very clear on the intended actions to be taken in carrying out co-ordinated Employment Land Reviews at local level. We have already commended this approach in Chapter 6 and incorporated its thinking into our suggested expansion of Policy RE2. We consider that the existing references in the background text (E1, paras 2.23-25 followed by the latter half of para 2.20) would be sufficient to indicate the sub-regionally specific aspects that should influence the auditing of existing employment land, and that Policy SH7 could be deleted.
- 16.25 We were however persuaded by the arguments of the Hampshire Economic Partnership and Portsmouth CC that a stronger approach to the protection of employment land should be adopted in this sub-region compared to that in Policy RE2. We accept that the result of employment land review work may be that some land unable to meet the needs of modern industry should be reallocated to other uses, and new land substituted. But once employment land review work has been undertaken, we accept that the sentiment in the final sentence of Policy SH7 should be maintained, and recommend that it is added to the end of Policy SH6.
- 16.26 The need to safeguard scarce waterfront sites, including for the potential expansion of port-based industries, was of concern to several participants, including Adams Hendry on behalf of Associated British Ports & Dubai World Ports. A cross-reference to these needs, as argued in para 16.34 below, would therefore be appropriate in the background text, but the general policy stance would be provided by Policy RE2 as amended.

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<sup>12</sup> Portsmouth CC and Havant BC in Matter 8E2i.2 debate

<sup>13</sup> See PUSH statement for Matter 8Bi.

## Town Centres and Office Development (Policy SH8) t

- 16.27 There was no real dispute at the EiP that the draft sub-regional strategy adequately reflects the role of Southampton and Portsmouth in general. We were interested more specifically in the guidance it provides on the role of the city centres and the proposals for office development in the sub-region. This is against the background that there is a significant pipeline of out-of-centre sites with planning permission for employment uses, in particular office use, in the sub-region<sup>14</sup>. Policy SH8 seeks to address this issue but it has given rise to objections about its inconsistency with the sequential approach in PPS6. In an effort to resolve and clarify the matter, a revision of the policy framework has been put forward by PUSH and the Assembly and this was considered at the EiP<sup>15</sup>.
- 16.28 The amended supporting text includes broad estimates of net floorspace need for comparison retail, offices, and food and drink uses over the Plan period. On this basis it concludes that the main centres would have the capacity and the potential to accommodate most of the forecast growth requirements over the Plan period. The amended policy, which would be re-named Strategy for Main Town Centre Uses, sets out a broad planning framework for Southampton, Portsmouth and Southsea, Fareham, Eastleigh, Havant and Gosport, and the other town centres generally. It also provides guidance on new centres and out-of-centre development.
- 16.29 Dealing firstly with the floorspace figures that support the amended policy, it was clarified at the EiP that the main reason for the difference between the office floorspace targets relating to Policies SH6 and SH8 is that the latter does not include a 10% flexibility allowance. The SH8 figures are also presented as a range, based on two different floorspace to job ratios; the lower figure relates to the average floorspace to job ratio for England and SE England as a whole (1 job per 20 m<sup>2</sup>) whereas the higher figure relates to the average ratio for Hampshire (1 job per 25 m<sup>2</sup>). We find no reason to question the soundness of the broad estimates of capacity in the new supporting text for the amended policy on the basis that they are for sub-regional monitoring purposes. As the amended text acknowledges, more detailed appraisals will need to be completed for LDDs. In order to improve clarity and aid understanding of the Plan, the supporting text for Policy SH8 should explain the reason for the difference between the respective figures for office floorspace. Also, the terms 'need' and 'capacity' appear to be used interchangeably in the supporting text for SH8 and to avoid confusion, the term 'net floorspace capacity' in the table should be replaced by 'net floorspace need'.
- 16.30 We are generally content that the amended policy and supporting text would resolve the conflicts with PPS6 that were apparent in the submission draft Plan. The clear references to PPS6's sequential approach to site selection and to the main centres for development are welcomed. It is appropriate that Fareham town centre is identified as the main sub-regional facility to serve the population of the North of Fareham SDA. However there are a few outstanding concerns.
- 16.31 Firstly, we do not consider that the policy proposal to designate the Hard/Gunwharf Quays as a town centre is adequately supported by the evidence. The success of Gunwharf Quays as a mixed development and tourist attraction is recognised, but its designation as a town centre could detract from the prospects for regenerating Portsmouth city centre. The City Council referred to the possibility of a redefinition of the city centre's boundaries as an alternative means of achieving its aspirations for the

<sup>14</sup> South Hampshire Town Centres Sub-Regional Study Final Report, DTZ, 2005 [SH17]

<sup>15</sup> See Appendix 3 of the PUSH EiP Written Statement for sub-matter 8Bi

regeneration of the wider area. This might be acceptable, provided that it would be compatible with other planning objectives for town centres as set out in PPS6, but it would need to be tested through the LDF process.

- 16.32 Secondly, the reference in the amended policy to the potential of the new SDA district centres as office locations requires clarification. On the face of it there is an apparent conflict with PPS6 and with the general thrust of the amended policy to support a “town centres first approach”. We accept that the new district centres may have the potential to serve wider sub-regional needs by providing new office employment opportunities, but this should only be on the basis that the needs test and the sequential approach of PPS6 would be satisfied. Uncertainty about the delivery of significantly improved public transport connections to the SDAs increases our concern on this matter. Any strategic policy approach to office development in the SDAs that is less than compliant with PPS6 would, in our view, reduce the effectiveness of the overall spatial strategy to focus growth on the two main cities and the main towns. Consistent with this view, we would not support Hampshire CC’s request that LDDs should be encouraged to designate reserve greenfield sites for exceptional needs, for example, for very large corporate office buildings.
- 16.33 Subject to the reservations above and to some editing to delete unnecessary detail, we broadly commend the proposed amendments to Policy SH8.

### **Southampton Port and Southampton Airport**

- 16.34 Southampton City Council, Adams Hendry and others regard the draft Plan’s guidance on Southampton Port as seriously inadequate. The relevant references are found in regional policy T10 and in E1, para 2.16. We have considered the interrelated issues about Southampton Port and national ports policy generally under Policy T10 in Chapter 9 and our main conclusions and recommendations are set out there. In addition, we recommend that a cross-reference to Policy T10 should be included in the supporting text for Policy SH6, together with noting the implications of Policy RE2 (as amended) and Policy T11 which should give protection to waterfront land that may be required for port use. It would also be helpful to include a reference in the supporting text for Policy SH10 to the importance for the port’s operation of the Southampton-Midlands rail improvements for the port’s operation, the valued TIF investment in this scheme, and of the Winchester-Southampton transport corridor improvements. However, while we are sympathetic to the calls for stronger guidance to support future development of the port, for the reasons set out in Chapter 9 we do not see a need for an additional policy, along the lines of the Hampshire Structure Plan Policy EC6 on Dibden Bay.
- 16.35 Southampton Airport is also an important element in the sub-region’s gateway functions. The airport is recognised in Policy T9, which encourages the sustaining and enhancing of its role as a regionally significant airport; it also seeks priority to be given in its surface access strategy to a reduction in the environmental impact of surface access and a higher modal share in favour of public transport. Policy SH10 includes provision for managing the strategic transport network for longer distance journeys, including to/from the airport. However, participants at the EiP expressed conflicting views about the extent to which the draft Plan should support the airport’s current role and/or future expansion.

16.36 We have no doubt that the airport is a significant economic driver in the sub-region<sup>16</sup> and note that the draft Plan generally supports the airport's role in providing access to air services that reduces pressure on the international hub airports. Climate change and environmental impacts generally will need to be addressed in any future expansion proposals, but we consider that the draft Plan's guidance on Southampton Airport is broadly appropriate. However, Policy SH10 should be strengthened by the inclusion of a reference in the supporting text to the importance of the Chickenhall Lane Relief Road scheme and improvements to interchange facilities at the airport both for enhanced surface access to the airport and to the adjacent South Hampshire Strategic Employment Area.

## **SETTLEMENT SH10 – AIRPORT**

### **Influence of Water Supply, Waste Water Treatment, Flood Risk and Transport**

#### **Water Supply**

16.37 Notwithstanding the emphasis placed by the local authorities on the existence of a general “infrastructure deficit” in South Hampshire it is evident that infrastructure has had a significant influence on the spatial strategy. Moreover as a result of work by Atkins since the strategy was prepared<sup>17</sup> it is clear that uncertainty about the water cycle in particular will have continuing importance for the delivery of the strategy. This leads Natural England (a non participant) to assert that consideration of water-related issues in the sub-region has been inadequate.

16.38 Although the water companies do not believe that water supply is likely to be a constraint on development, we agree with the EA, PUSH and Hampshire CC that this is dependent on:

- the implications of the Water Framework Directive and Habitats Regulations on the review of consents for abstraction licences;
- provision of new infrastructure such as a new reservoir at Havant, which is included in companies' Water Resources Plans (and safeguarded in Havant local plan);
- working towards 20% improvement in water efficiencies, as is committed in Policy SH14(viii)

16.39 We note the concerns raised in the AA about the possibility of long-term water abstraction having to be reduced to meet needs in the sub-region. However we accept the broad conclusion of the Atkins' integrated water management study, namely that it should be possible to reconcile the competing pressures to meet the sub-regional proposals, but that this will require concerted action and investment by the relevant bodies.

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<sup>16</sup> See for example Southampton International Airport: Economic Impact Study, Geodata Institute, University of Southampton for BAA (Southampton) Nov 2004 [BAA7]

<sup>17</sup> South Hampshire Sustainability Project – Integrated Water Management Overview, Atkins for EA, 2006 [EA13]

## Waste Water Treatment

- 16.40 There are significant discharges of treated effluent direct to the River Itchen at Eastleigh (Chickenhall) and Winchester WWTs and to the Test at Andover and Romsey. The EA modelling suggests that only 4,000 additional houses should be connected to Chickenhall WWT for water quality to remain within acceptable standards<sup>18</sup>, which is much less than the current proposals for Hedge End and Eastleigh, totalling some 11,000 houses. Hence the AA states that it is not possible to conclude that there would be no adverse effect due to increased water abstraction or effluent discharge associated with the proposed development<sup>19</sup>. The Atkins study confirms that local difficulties may arise where river flows are inadequate to dilute sufficiently the treated effluent to maintain water quality. The problem is compounded where flows suffer from further abstraction and since the Chickenhall WWT discharges to a non-tidal river it will require further investment to address this issue.
- 16.41 The nature and cost of the additional infrastructure required at Chickenhall WWT has yet to be clarified. What is clear is that the further wastewater studies in South Hampshire need to be fully integrated with the parallel supply/demand balance studies and that both will influence the funding and/or phasing of the proposed housing development. The draft Plan does not refer to this issue. Although Policy SH14 was not examined, we recommend that it should be expanded to say that decisions on additional WWT infrastructure will be taken on the basis of sustainability as well as cost.

## Flood Risk

- 16.42 The sub-regional strategy is based on the assumption that the developed coast will be defended in its existing position. To that extent flood risk has not influenced the proposals. However although a SFRA has not been undertaken, flood risk maps were available and a SFRA is now being funded via the NGP programme. It is essential that the strategy takes account of the results of the SFRA and in our view this may mean looking again at the precise district apportionment of new housing.
- 16.43 PUSH recognises that some 10,000 houses will be built within flood zones 2 and 3 between 2006 and 2026 but that the coastal flood issue is about the risk to existing properties as well as new development. While we agree with the EA that this is not a good argument to say that putting more people at risk increases the case for investment in defences we also acknowledge Portsmouth's comment that new development could help to fund a higher standard of protection.
- 16.44 Overall we conclude that while there are difficult issues associated with the water environment, current studies should provide the basis from which infrastructure requirements of South Hampshire can be planned, funded and delivered.

## Transport

- 16.45 There is real evidence of the integration of transport and the proposed land-use strategy in South Hampshire. We welcome the references to transport in the context of the overall strategy (Policy SH1), SDAs (Policy SH2) and employment sites (SH7)

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<sup>18</sup> Planning for Water Quality and Growth in the South East, EA, October 2006 [Ar2A]

<sup>19</sup> Appropriate Assessment of the Draft SE Plan, October 2006 [SEP5C]

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as well as those policies dealing specifically with transport. Consideration of accessibility has clearly helped to structure the sub-regional strategy.

- 16.46 We note and accept the high levels of highway congestion that are forecast by 2026. We therefore endorse the importance of interventions based on manage and invest to ameliorate the effects of this growth in traffic demand. We agree with PUSH that without a substantial package of demand management measures the development proposals would not be feasible. We particularly welcome the concentration of development and investment in the regional hubs and the aim of going further than manage and invest by introducing in Policy SH10 a “reduce” phase to the strategy. We agree with GOSE that an area-wide approach to demand management may be needed to deliver sustainable travel patterns as part of a strategy of reduce-manage-invest. We recommend that this point be included in the preamble to Policy SH10.

### **Strategic Gaps (Policy SH3) t**

- 16.47 Policy SH3 applies the cross-cutting policy, CC10b, to South Hampshire. It identifies seven locations where strategic gaps should be designated in LDDs in order to prevent coalescence and protect the separate identity of settlements. All of these gaps are already designated as strategic gaps in the Hampshire Structure Plan. The supporting text refers to the sub-regional importance of these areas in shaping the settlement pattern and in some cases providing valuable recreational opportunities. Paragraph 2.9 refers to five other gaps which are also designated as strategic gaps in the structure plan but which do not fulfil the criteria of Policy CC10b; it advises local authorities to consider whether these should be identified as local gaps in LDDs.
- 16.48 We have recommended amendments to Policy CC10b in order to address concerns that it could be operated inflexibly, lead to the sterilisation of large tracts of land between urban areas, and may not be necessary in its present form to address the planning issues affecting the urban fringe. The debate on Policy SH3 illustrated these concerns. On the other hand, we have no doubt that the strategic gap policies in the Hampshire Structure Plan are very widely supported by local communities and they have helped to engender confidence that new development in the sub-region can be absorbed without losing the identity of existing settlements.
- 16.49 On balance we consider that the settlement form of South Hampshire is likely to continue to merit strategic gap policies in LDDs, but that the appropriate guidance on their designation and review should be as contained within an amended Policy CC10b. This would ensure a more flexible policy approach that would protect the areas which are important for settlement shaping while not sterilising any more land than is necessary. In the case of South Hampshire, we consider that this may entail reviews of the boundaries<sup>20</sup> of the existing strategic gaps referred to in Policy SH3.
- 16.50 We therefore recommend that Policy SH3 and its supporting text should be deleted, but the introductory text on the core sub-regional strategy should be amended to incorporate elements of E1, para 2.7. This would set the context of South Hampshire’s dense and complex settlement pattern and the areas of undeveloped land that have played a role in shaping this pattern. We further recommend that the text to Policy SH12 could be expanded to make clear that Policy CC10b is likely to be applicable here because of the scale of growth proposed. It should also refer to the initial work by PUSH that indicates that some of the gaps designated in the Hampshire Structure Plan should play a role in shaping the future development of the sub-region

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<sup>20</sup> as defined in current development plans.

but that further testing and identification of their boundaries will take place through LDDs.

- 16.51 For the avoidance of doubt, we do not find any justification for inclusion of references in the draft Plan to the potential for identification of local gaps. These are matters to be addressed in LDDs. We also heard much debate throughout the EiP, including the debates on South Hampshire, about the need for buffer zones to protect designated areas and protected sites such as Natura 2000 sites. It was argued that strategic and local gap policies contribute to these objectives. We agree that designated gaps could provide a range of benefits including buffer protection, but this is not the purpose of their designation. Our recommended amendments to other policies in the Plan, particularly NRM4 and the proposed new policy on green infrastructure, would address buffer zone functions in more appropriate ways.

## **HOUSING (POLtCtES SH2, SH12, SH13) t**

### **Overall Level t**

- 16.52 Policy SH12 sets out the overall housing requirement for the sub-region of 80,000 dwellings over the Plan period. In Chapter 7 we have summarised the reasons for our conclusion that this level should be supported. We recognise that the level reflects the aspiration to achieve higher economic growth rates in the sub-region and for this and other reasons it has given rise to serious concerns amongst some participants about its implications for the environment. On the other hand, some of the developer representations argue that the level should be increased because the sub-region is relatively unconstrained and could contribute to meeting the region's overall need for increased housing provision. It has also been contended that the sub-regional figure would unduly constrain housing growth and lead to a labour shortfall by the end of the Plan period.
- 16.53 As we have concluded above, the economic growth-led strategy for the sub-region is aspirational but nonetheless soundly based and worthy of support. It would generate a requirement for about 74,000 homes over the Plan period which would also more than satisfy locally generated household growth<sup>21</sup>. The additional 6,000 dwellings would help to meet the backlog of housing need. The overall total of 80,000 dwellings has been subject to testing and, so far as the economic implications are concerned, we agree with SEEDA that the proposed level is about right. It would still allow for a significant element of in-migration (see Chapter 7), and when taken in conjunction with other complementary measures in the Plan and in the RES to improve the education and skills of the existing workforce, we are confident that the housing level would not act as a constraint to economic growth in the sub-region.
- 16.54 With regard to the overall environmental impact, we note that the level has emerged from testing of three alternative levels, ranging between 72,000 and 95,000<sup>22</sup>. As we have concluded above, the preferred level of 80,000 is challenging in terms of its implications for the water environment and water supply, but on the balance of the evidence before us it is an achievable level. The concerns about the implications for the sub-region's Natura 2000 sites were also fully debated at the EiP. In the light of the AA's findings however, we consider that it is unlikely that there would be significant adverse effects on the integrity of these sites if the recommended policy

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<sup>21</sup> See the DTZ report [SH10] referred to above.

<sup>22</sup> See South Hampshire Sub-regional Strategy: Background Document 2, Housing; PUSH December 2005 [SEP12]



amendments and strategies for avoidance and mitigation are implemented. We are hopeful that the implications for receiving waters of the Solent Estuary can be overcome by the water companies (see above) but we agree to the Assembly's suggested addition to Policy SH12 concerning phasing and distribution (but not scale).

- 16.55 The potential effects of increased recreational pressure on the New Forest National Park and on the South Downs are a particular facet of the environmental concerns. But it is clear that these potential effects were taken into account in developing the proposed strategy<sup>23</sup>. And in our view, the potential recreational impacts can be addressed satisfactorily by the package of policy measures set out in the draft Plan, as amended in accordance with our recommendations. Overall, we are satisfied that the SA findings<sup>24</sup> have informed the selection of the housing level and that the SA's key concerns are capable of being addressed in the implementation of the Plan. But for the reasons set out above, the precautionary principle leads us to advise against increasing the housing level for this sub-region at this stage.
- 16.56 Some but by no means all of the developer representations sought an increased level of housing provision in order to contribute to the overall need for a higher level of provision in the region as a whole. However,
- the sub-regional figure represents a significant step change of 20% above RPG9 levels and a further increase would be exceptionally challenging and in our view unjustified;
  - the substantial body of evidence upon which the 80,000 figure is based indicates that it is a careful balance of the environmental and socio-economic factors, including the need for physical regeneration in the older urban areas;
  - the assessments of urban capacity that have been carried out by the local authorities appear sound and broadly consistent with one another and on this basis, about 32% of the overall housing provision will entail the development of new greenfield site allocations. This will require substantial new infrastructure and it would be unduly challenging, and likely to upset the careful brownfield/greenfield balance of the strategy, if the overall housing level were to be increased;
  - increased provision could also lead to unsustainable patterns of commuting, especially if the sub-region's economic performance were to lag behind expectations; and
  - as we have concluded in Chapter 7 of our report the work by Roger Tym and Partners<sup>25</sup> has limited applicability at a more detailed level, and in this sub-region we are not confident that it provides a reliable basis for any increase in the overall provision figure.

16.57 We comment briefly on the implications of the NGP status accorded to South Hampshire in October 2006. As set out by GOSE for the EiP<sup>26</sup>, some 40,425

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<sup>23</sup> See above, pages 41-48.

<sup>24</sup> Sustainability Appraisal Report of the draft South East Plan, March 2006, ERM [SEP3]. See in particular the key findings regarding South Hampshire on page 77.

<sup>25</sup> Augmenting the Evidence Base for the Examination in Public of the South East Plan: Roger Tym and Partners in association with Land Use Consultants, Main Report, May 2006 [Sr3]

<sup>26</sup> Updated summary of New Growth Point Dwelling Numbers versus draft SEP (2006-2016 only), GOSE, February 2007 [GOSE3a]

dwellings are proposed up to 2016 in accordance with the NGP agreement with PUSH. This matches the draft Plan figure for the same period and is in our view further confirmation that the Plan's figure represents a realistic but challenging target for the early delivery of a step change in housing levels in the sub-region compared with RPG9. The initial NGP funding of £3.6M for capital and revenue works will assist the delivery of sustainable growth to this level in the sub-region. Taking all of the above into account, we conclude that the draft Plan's allocation for South Hampshire of 80,000 dwellings 2006-2026 is appropriate and justified.

## **Strategic Development Areas (Policy SH2) t**

- 16.58 A key element of the sub-regional strategy is the proposal in Policy SH2 for two Strategic Development Areas (SDAs), one within Fareham Borough to the north of the M27 motorway, and the other to the north and north-east of Hedge End (referred to hereafter as the Fareham and Hedge End SDAs). The former would accommodate up to 10,000 dwellings, the latter up to 6,000. The precise form and location of the SDAs is to be established in LDDs.
- 16.59 Policy SH2 proposes that the SDAs should contain a range of housing types and sizes, employment provision, community, social and leisure facilities and greenspace. Particular attention is to be given to securing quality public transport links with the neighbouring city and town centres, transport hubs and existing or planned major employment locations. The separate identity of individual settlements is to be protected by maintaining areas of open land between the Fareham SDA and Wickham/Funtley/Knowle, and between the Hedge End SDA and neighbouring settlements. As Policy SH1 makes clear, development of the SDAs is expected to be concentrated in the second half of the Plan period, and paragraph 2.6 of the supporting text states that if more urban brownfield sites become available than currently expected, the development of the SDAs will be phased over a longer period with some phases not being built until after 2026.
- 16.60 The representations and debate about the SDAs raised three main issues in our view:
- compatibility with the vision and key objectives for the sub-region;
  - appropriateness of the SDA locations;
  - delivery and phasing implications.

## **Compatibility with Vision and Objectives**

- 16.61 Some participants identified potential conflicts between the SDA approach and the vision and objectives for the sub-region's development. We can readily appreciate the concern that the development of two major greenfield SDAs could divert attention from addressing the needs of significant areas of social deprivation in the sub-region. However, subject to the details of the schemes and successful implementation, we consider that the SDAs would be fully compatible with the overall vision and objectives for the sub-region. They should be considered as integral to the overall spatial strategy for the sub-region. As referred to above, the required housing provision for the Plan period cannot be accommodated entirely within the existing urban areas and therefore the most sustainable greenfield options need to be explored. We agree with PUSH that the SDAs have considerable potential for sustainable development. They would be large enough to offer some degree of self-containment but not so large as to compete with the established town and city centres. The

background research commissioned by PUSH into the relationship between settlement size and self-containment has been useful in this regard<sup>27</sup>.

- 16.62 The SDAs would also play a significant role in stimulating economic growth, and would assist urban regeneration by enabling an appropriate balance of housing, employment and other uses to be achieved in the existing urban areas. By providing new employment and affordable housing in close proximity they would help to offer a solution to the problem of access to jobs that has developed in some of the more deprived areas of the sub-region. And by creating large scale opportunities for sustainable construction, integrated transport planning and green infrastructure provision, they would have the potential to minimise the overall impact of essential new housing on the environment.
- 16.63 As Policy SH12 sets out, the housing allocation for the SDAs is separated from the allocation to the individual districts in which they are located. This reflects the intention that the SDAs will meet sub-regional needs as a whole. We commend this approach which makes clear that it should not fall to Eastleigh, Fareham or Winchester districts to make compensatory provision for any shortfall in housing completions in the SDAs.

### **Appropriateness of the SDA Locations**

- 16.64 The SDA proposals have developed from a careful and thorough investigation of locational options for accommodation of growth in the sub-region. Their roots can be traced back to the Hampshire Structure Plan's Major Development Area (MDA) proposals which included two MDAs in South Hampshire<sup>28</sup>. Following on from this, PUSH held a series of workshops in 2004 that led to the investigation of seven locational options for SDAs<sup>29</sup>. Having regard to the identified urban potential and existing commitments, we agree that only two SDAs are necessary for the Plan period. The search for two broad locations, one each to serve the eastern and western housing market areas around Portsmouth and Southampton respectively, was appropriate in our view<sup>30</sup>. The final selection of the Fareham and Hedge End SDAs is challenged by a number of participants but we consider that on balance they are sound choices for the reasons set out below.
- 16.65 The degree of specificity about the locations for the SDAs has also given rise to criticism. But given the options testing that has already been carried out and the need to maintain progress in the planning system, we consider that the level of detail in Policy SH2 is justified as the basis on which local planning authorities will be able to prepare area action plans for the SDAs. Reflecting our recommendations elsewhere<sup>31</sup>, it would be appropriate to include the general locations of the SDAs on the sub-regional illustrative diagram.
- 16.66 The Hedge End SDA location is preferable to other options in the western part of the sub-region for a number of reasons. The danger of coalescence of settlements would be less in this location than around Hamble Airfield. Compared with the west of Hedge End option, it would not impact significantly upon the important gap between Eastleigh and Hedge End nor would it have the complex road infrastructure

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<sup>27</sup> Mechanisms for Promoting Self-contained Settlements, Colin Buchanan and Capita Symonds, 2004, as referred to in the Background Document: Rationale for the Housing Distribution, PUSH, Nov 2006 [SH24].

<sup>28</sup> Hampshire County Structure Plan 1996-2011 (Review). See in particular Policy H3.

<sup>29</sup> South Hampshire Sub-Regional Strategy: Background Document: Rationale for the Housing Distribution, Partnership for Urban South Hampshire, November 2006 [SH24]

<sup>30</sup> Further reference to the housing market assessment is made in paras 16.72-16.81.

<sup>31</sup> See Appendix B2.

requirements that could endanger the River Itchen SAC. An alternative location to the north-west of Southampton is less favourable given its transport, environmental and landscape implications.

- 16.67 This is not to underestimate the critical factors for successful development of an SDA at Hedge End. Attractive, high quality public transport connections to the main urban centres, especially Southampton, will be particularly important. The opportunities to improve services via Hedge End rail station should be maximised, as should accessibility to the station from within the SDA. We note that implementation of the Eastleigh Chord would be particularly helpful for improved rail access to Southampton. A very careful balance will need to be struck between maintaining the identity of the existing settlements while ensuring that opportunities for sustainable access to services and facilities in the SDA and the adjacent urban areas is not prejudiced. The protection and enhancement of landscape quality will be particularly important around the northern/north-eastern parts of the area. Given that the location includes land in Eastleigh and Winchester districts, close working if not a joint Area Action Plan will be required in bringing forward the SDA. For these reasons we consider that the guidance provided by Policy SH2 and the supporting text merits some amendment and strengthening.
- 16.68 The Fareham SDA location offers advantages over other potential options in the eastern part of the sub-region because it is relatively unconstrained from an environmental viewpoint, is well-located in relation to the urban area of Fareham and could offer good links with Portsmouth. In contrast, further expansion at West of Waterlooville would be less accessible to Portsmouth and would raise more environmental concerns. An option to the south of Fareham would be likely to merge Fareham with Stubbington and does not offer a large enough area for development. We accept that the regeneration needs of Gosport and Portsmouth would not be directly addressed by the Fareham SDA but neither in our view would they be prejudiced, and this proposal would be complementary to other aspects of the Plan's strategy and the RES that seek to meet these needs.
- 16.69 We agree that there are significant issues that will need to be addressed in developing proposals for the Fareham SDA. As in the case of Hedge End, the balance between maintaining settlement identity and maximising opportunities for sustainable movement between the SDA and the existing urban area needs to be carefully considered. One of the critical success factors will be the quality of public transport connections with Portsmouth. The abandonment of the light rapid transport proposal linking Portsmouth and Fareham via Gosport is therefore regrettable, and the development of attractive bus-based alternatives will need to be a high priority. In landscape terms, sensitive treatment of the relationship with Portsdown Hill to the east of the SDA location and of the setting of the neighbouring settlements will be required. Accordingly, we recommend some amendments to Policy SH2 and the supporting text.

### **Delivery and Phasing**

- 16.70 We understand PUSH's concern that the pace of growth and development in the sub-region should be closely related to the rate of infrastructure development and that best possible use should be made of brownfield land in urban areas. But as a number of participants argued cogently, the approach that is promoted by paragraphs 2.6, 2.12 and Policy SH5 in respect of phasing of the SDAs is likely to be counter-productive. The scale of development entailed by the SDAs will be challenging for all stakeholders and will require commitment and certainty from the outset. It should not

be made dependent on the availability of brownfield land in urban areas since greenfield development in the SDAs, as well as in the urban extensions that are part of Policy SH1, is an integral part of the strategy (see para 16.90).

- 16.71 It was generally accepted at the EiP that site work could not commence on the SDAs before 2013 even if planning and design continues at full pace. There was much debate about completion rates, and we accept that very high rates have been achieved in certain circumstances in other parts of the country. We have noted Roger Tym and Partners' view<sup>32</sup> that build rates of 2,000 dwellings per year in new settlements would be credible. Nonetheless, on the balance of all the evidence we consider that the assumed completion rates of up to 1,000 dwellings per year on each of the SDAs will be very challenging. Therefore it is particularly important that delivery of the overall housing requirement for the sub-region is not constrained by uncertainties about the degree of commitment by all stakeholders to the SDAs. There must be a climate of certainty for investment and continuity of funding to ensure that the infrastructure for the SDAs is provided. Accordingly we recommend amendments to the draft Plan to remove the references to the phasing of the SDAs being determined by brownfield availability. We do not however accept that the concerns about the deliverability of the SDAs are good reasons to seek other greenfield options. Both of the SDA locations are likely to be attractive to the market, and provided that there is a partnership approach to bringing them forward, and that local communities, environmental groups as well as other stakeholders are properly involved, the SDAs should be capable of meeting the expectations set out in the Plan. The initial feasibility studies for both SDAs carried out by PUSH are a commendable step forward in testing the issues that will need to be addressed for successful implementation<sup>33, 34</sup>. We recommend strengthening of the supporting text to emphasise the importance of a partnership approach for the delivery of the SDAs.

### **Other Distribution of Housing (Policy SH12) t**

- 16.72 Turning now to the rest of the housing distribution across the sub-region, Policy SH12 sets out the proposed allocation to the districts, with figures for each of the five year periods 2006-2026. It indicates that the figures for the latter half of the Plan period are targets, reflecting uncertainties about urban potential, especially within Southampton and Portsmouth.
- 16.73 As PUSH's background document makes clear<sup>35</sup> that the proposed distribution has had regard to the responses to the consultation on the emerging proposals, the SA, estimates of potential supply from commitments and urban capacity sources, and the South Hampshire sub-regional housing market assessment<sup>36</sup>.
- 16.74 We have commented in Chapter 2 of our report about the public consultation on the draft Plan in general. In regard to this sub-region, we commend the work done by PUSH to engage with local communities and other stakeholders in the development of

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<sup>32</sup> Augmenting the Evidence Base for the Examination in Public of the South East Plan, Roger Tym and Partners in association with Land Use Consultants, Main Report, May 2006, paragraph 3.23 [Sr3]

<sup>33</sup> South Hampshire Sub-Regional Strategy, Background Document, North of Fareham SDA Initial Feasibility Study, PUSH, November 2006 [SH23]

<sup>34</sup> South Hampshire Sub-Regional Strategy, Background Document, N/NE Hedge End SDA Initial Feasibility Study, PUSH, December 2006 [SH26]

<sup>35</sup> South Hampshire Sub-Regional Strategy, Background Document, Rationale for the Housing Distribution, section 5, PUSH, November 2006 [SH24]

<sup>36</sup> South Hampshire Housing Market Assessment, Final Report, DTZ Piedad Consulting, April 2005 [SH15]

the strategic options<sup>37</sup>. We have commented above on the SA, the AA, and on water supply, waste water treatment and flood risk implications for the sub-regional strategy. Subject to the caveats we have expressed above, we consider that the housing distribution to the districts has taken proper account of these matters.

- 16.75 With regard to urban potential, conflicting views were expressed during the EiP about the limits to the capacity of the urban areas to accommodate new housing development. On the current figures, just over 60% of all dwellings would be built on brownfield sites over the Plan period. There is a risk that more detailed work on flood risk assessment, especially in Portsmouth, may require a lowering of expectations for brownfield development in the sub-region; the implications of coastal squeeze and the need for replacement habitats for biodiversity protection may also lead to a reduction in the currently assessed urban potential.
- 16.76 On the other hand, South Hampshire Unheard Voices in particular suggested that brownfield potential has been underestimated and that there may be scope for a higher percentage. We agree that high rates of brownfield development in recent years in the cities and larger towns have raised expectations about what can be achieved, but there are uncertainties about whether some very large sites in Southampton and Portsmouth will become available. High targets for the two cities are already set – together they will provide about 39% of the sub-region's dwelling requirement – and there are concerns in a number of districts about the cumulative impact of losses of employment land and other uses to housing.
- 16.77 On balance, we consider that PUSH has set a challenging target for urban renewal in the light of the best available evidence on urban potential, and it should be supported. We hope that the operation of the new provisions in PPS3 for bringing forward brownfield land will enable this resource to be maximised in this and other sub-regions. Clearly, the urban potential estimates for the individual districts for the latter half of the Plan period will need to be updated in due course but we find no reason to dispute their appropriateness at this stage. On this basis we support the retention of the footnote to Policy SH12 but without the reference to Policy SH5.
- 16.78 In accordance with the proposed strategy some new housing will also be provided on smaller urban extensions in a number of districts. This recognises that greenfield sites will be required before the SDAs come on stream in the latter half of the Plan period. The district level allocation of housing seeks to take account of the findings of the housing market assessment (HMA) and we commend PUSH's work in bringing forward this assessment and seeking to inform the housing distribution on the best available evidence. In broad terms the HMA indicates that about 45% of the overall dwelling requirement should be provided in the Southampton HMA and 55% in Portsmouth HMA although there is some overlap between the areas. The proposed distribution to the districts in Policy SH12 generally reflects this split and there was no substantive challenge at the EiP to the overall soundness of this approach, although the Panel notes that two of the key economic drivers (Southampton Port and the airport) are in the western part of the sub-region.
- 16.79 After taking account of the existing commitments and urban potential in the districts, the distribution of the requirement for new greenfield sites for smaller urban extensions has been guided by the HMA, capacity within the districts and other factors. It was decided that Eastleigh and Fareham districts should not be expected to provide greenfield sites over and above their SDAs, although at the Council's request,

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<sup>37</sup> PUSH's Background Document 2 on Housing, referred to above, provides details of the consultation work in chapter 3.

Eastleigh's final allocation includes 1,000 dwellings on new greenfield sites. The two cities and Gosport were not expected to find any new greenfield sites. Also, New Forest district was not proposed for new greenfield development, having regard to the environmental and policy constraints of the National Park. On this basis the sub-regional strategy expects only five districts, East Hampshire, Eastleigh, Havant, Test Valley and Winchester to provide new greenfield sites (excluding the SDAs and existing greenfield commitments), the total for all of them being over 9,700 dwellings. It would be helpful to describe this broad distribution of new greenfield sites in the supporting text.

- 16.80 We have found no reason to question the overall soundness of this methodology. The resulting distribution broadly reflects the population distribution while taking account of environmental attributes. It will provide an appropriate choice of geographical locations and will encourage flexibility in the housing market. Some developers requested more locational specificity or criteria-based policies for the location of urban extensions in order to assist early delivery through LDDs. However, we consider that national policy guidance and Policy H3 of the draft Plan give sufficient guidance to local planning authorities who are best placed to make decisions about the location of smaller urban extensions. And from the evidence at the EiP, we are reasonably confident that the necessary work is already underway.
- 16.81 Finally, in regard to the five-year phases set out in Policy SH12, we agree that this is helpful, clear guidance for the preparation of LDDs and the planning of infrastructure provision. There was no substantive challenge to the realism of the phases and we consider that they are soundly based. Taking all of the above into account, we conclude that the distribution of housing proposed in Policy SH12 is appropriate.

### **ffordable Housing (Policy SH13) t**

- 16.82 In accordance with Policy SH13, on average 30%-40% of housing on new development sites should be affordable. A common policy framework is to be developed by the authorities in the sub-region to ensure a consistent approach to delivery. The intention is that this will be integrated into LDDs. The supporting text emphasises the importance of affordable housing for the local economy; it also refers to the need for substantial public funding and co-ordinated action by regional and local agencies in order to achieve the proposed level of affordable housing.
- 16.83 The HMA study makes clear that the sub-region needs to provide as much affordable housing as can be delivered. On the basis of average supply over the past 10 years, it would take seven years to clear the backlog of need for about 5,000 affordable dwellings in the sub-region. Against this background, there was no substantive argument at the EiP about the scale of the need for affordable housing in South Hampshire, although the appropriateness of the target range of 30%-40% and how it would be applied in practice raised some concerns. We are satisfied however that the range would reflect the varied potential within the sub-region to contribute towards meeting affordable housing needs, having regard to economic viability and other site factors. For consistency with our recommendation on the sub-regional targets generally, this should be expressed as an indicative target range. It is reasonable in our view to leave more detailed consideration about the most appropriate level of provision to LDDs.
- 16.84 We also accept the points made by a number of participants about the importance of achieving balanced communities with a variety of house sizes and types and in particular, avoiding over-concentration of affordable housing in the SDAs. The

research by Three Dragons referred to in Chapter 8 of our report suggests that over 50% of provision in this sub-region should be in the form of intermediate housing. Nonetheless, we consider that the existing policy framework in the draft Plan would address these points. The work already carried out for the HMA on household sizes and stock characteristics will help to inform LDDs. Accordingly, we do not consider that any amendment of Policy SH13 is required.

## **IMPLEMENTATION**

### **Plan, Monitor and Manage (Policy SH5)**

- 16.85 Policy SH5 states that the rate of greenfield land release will be phased in the light of monitoring information. A wide ranging set of indicators is postulated, including economic growth rates, employment development, housing completions, housing affordability, provision of transport and other infrastructure, and the degree to which regeneration objectives are being met. The policy also says that housing and employment land allocations and phasing may be reviewed in the light of this monitoring information.
- 16.86 PUSH considers this mechanism to be justified as part of its conditional managed growth strategy, and the priority it gives to using brownfield land first. There was however considerable confusion about the detail of this policy, as well as fundamental differences of view about its efficacy.
- 16.87 From the debate, we have doubts about the ability to operationalise such a system. And even if it were possible, there could be a risk of it being operated in too mechanistic a fashion. Using monitoring information as a development control tool would not provide the necessary certainty for investment in this sub-region, for either developers or infrastructure providers. We are concerned that several thought processes have been merged into one system. We comment on the individual strands below.
- 16.88 The first is the conventional approach that the rate of new development should be coordinated with its accompanying infrastructure requirements. This is well established in PPS1 and we accept the logic of this approach in masterplanning the SDAs.
- 16.89 A second strand appears to be that new greenfield land could be held back if new urban brownfield land emerges, or if urban regeneration objectives are not being met. This possibility is specifically raised in relation to the phased release of the SDAs.
- 16.90 On housing land, there is now a mechanism for local authorities to phase the development of brownfield sites with greenfield releases (PPS3, paras 43-44 and 53 and 60). It seems sensible for there to be coordination of such housing trajectories within each of the two housing market areas. However this should not mean delaying the implementation of either of the two SDAs once a programme has been agreed. To make their implementation subject to the emergence of any unexpected brownfield urban sites would be wholly unrealistic and prevent certainty in the development process.
- 16.91 On employment land, Policy SH6 already includes a form of sequential approach giving priority to previously developed urban land. The existing text at para 2.22 appears fit for purpose without the reference to Policy SH5. It is quite understandable that the local authorities within this sub-region need to agree broad phasing priorities given the need to coordinate planning for the SDAs with the existence of extant employment land permissions and allocations.
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- 16.92 A third strand appears to be that new greenfield housing could be held back if employment performance was less good than expected, there being a desire as in some other sub-regions to maintain a relationship between new jobs and labour supply. In South Hampshire the respective headline figures for the Plan period are 59,000 jobs and 80,000 new homes, but with an ageing population this number of new homes translates into significantly fewer new workers.
- 16.93 We agree with this concept of balanced growth, but have concerns about the mechanistic way in which the draft Plan suggests that monitoring of this relationship could be used to control the rate of new housing. We do not fully accept the analogy with the system of reserve sites set up by the Hampshire SP (Policy H4)<sup>38</sup>, since that system is related entirely to housing supply delivery indicators and does not include any economic indicators. There are complexities in monitoring and interpreting employment data, including timelags and relationships to external factors as the health of the national economy, so that meaningful results are only possible over a period of say 5 years (see Chapter 23 on MKAV).
- 16.94 PUSH confirmed that it was not its intention that greenfield housing land should necessarily be held back dependent on monitoring of economic and employment indicators. Instead they suggested that if the economy was not performing as expected, it was likely that economic interventions would be more appropriate, e.g. further attempts to improve economic activity rates, upgrade skill levels, and possibly even release new employment land (this last option being acknowledged in E1, para 2.12).
- 16.95 Only Hampshire CC appeared to be strongly recommending the use of reserve land, and that in connection with the increment between their proposed housing level of 73,000 and the draft Plan's proposal for 80,000. On the County Council's approach, the upward revision of housing provision levels justifying this additional land release would only be done through an RSS review. We agree with the Assembly that the concept of reserve land in this way is not appropriate at the regional scale.
- 16.96 The fourth and final element of Policy SH5 appears to relate to the process of RSS review, linked to para 2.14 of the background text. We were told that PUSH has made a good start on its sub-regional monitoring system but that further work still needs to be progressed. We welcome the fact that PUSH was prepared to involve wider stakeholders in this work. There was general support for the inclusion of environmental indicators to be amongst those monitored, and we agree that achievement or not of emissions targets, as suggested by the Hants & IOW Wildlife Trust could be amongst factors to be taken into account in any review.
- 16.97 For all these reasons, we recommend that Policy SH5 is deleted, together with any cross-references to it. Its supporting text should be amended and relocated:
- the message that the pace of housing development within the SDAs should be coordinated with the rate of infrastructure provision, and that the Implementation Agency may have a role in monitoring and implementing strategic land allocations (E1, para 2.13) should be relocated to accompany Policy SH2;
  - guidance on the importance of monitoring the improvement in the economy and increases in labour supply in parallel to housing completions, and the way in which monitoring indicators may be used to inform a review of the sub-regional strategy should be relocated to the final section on Implementation and Delivery.

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<sup>38</sup> The mechanism was elaborated through Supplementary Planning Guidance in June 2001, and a further addendum in June 2004.

- the cross-reference to Policy SH5 at para 2.22 should be deleted, but the content otherwise retained within the supporting text to Policy SH6.
- the cross-reference to Policy SH5's supporting text should be deleted in the footnote to Policy SH12, but the content which we support should remain (see para 16.77 above).

## **Implementation Plan Proposals**

- 16.98 Implementation issues are covered not only in the Implementation Plan and in the final part of Section E1 of the draft Plan but are also referred to in virtually all of the South Hampshire policies. These references include guidance on infrastructure, the content of LDDs and new agencies (which we discuss below). We welcome this emphasis on implementation and in particular the fact that the Implementation Plan brings together the actions necessary to deliver the sub-regional strategy.
- 16.99 We accept that the schemes in the Implementation Plan are those that can reasonably be identified at this stage of the planning process and we note the footnote to Annex 3.1 in the Implementation Plan relating to green infrastructure, flood defence and SDA facilities. We also note that the South Hampshire authorities have produced a report on non-transport infrastructure needs in the sub-region<sup>39</sup>. Even so we understand the concern of those participants who point out that 43 of the 44 projects named in the Plan are in the transport sector. Notwithstanding this apparent bias towards transport schemes there is a case for adding to the Annex some of the additional intervention proposals listed in the Solent Transport Strategy since these give a more comprehensive picture of a demand management strategy than in any other sub-region<sup>40</sup>.
- 16.100 While much of the non-transport infrastructure is essentially local rather than strategic in character we would encourage the authorities to add other major infrastructure schemes to the Implementation Plan as soon as this is justified by the further work. We have commented on flood risk management above and we are pleased that a green infrastructure strategy is in preparation. Water cycle investment is likely to be significant in South Hampshire and should be fully reflected in the Implementation Plan but we agree with the Assembly that this may be more a regional issue than one for the sub-region alone. We also accept that since there is close alignment with the RES there is no need to include skills upgrade initiatives in the Implementation Plan. Although Policy SH14 was not examined, we consider that its preamble would be an appropriate place to include reference to:
- the water cycle and the wastewater issue in particular
  - the green infrastructure strategy
  - flood risk management.
- We also note that the Government may wish to update Policy SH14 to take account of its Code for Sustainable Homes in finalising the Plan.
- 16.101 We do not consider that the Implementation Plan schedules should form part of the RSS and they will in any event be subject to continual updating. But we believe that it is right for the RSS to identify the main elements of infrastructure that are most critical to the delivery of the sub-regional strategy. This is particularly important

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<sup>39</sup> South Hampshire Sub-region (Non Transport) Infrastructure Needs, November 2006 [SH25]

<sup>40</sup> Solent Transport Strategy – Critical Interventions Required for Development to 2026, attached as Appendix 1 to PUSH Statement for Matter 8Biii

where schemes are related to the SDAs, though we agree with the Assembly that many projects may remedy existing service deficits and/or have wide community benefits as well as helping to progress the new growth areas.

16.102 Policy SH10 already encapsulates the key elements of the sub-regional transport strategy but we recommend instead that the text includes the following key themes, to replace and expand on the reference to “schemes” in sub-section iii) as follows:

- motorway improvements to M27, M271, M3, and A3(M), including selective widening and junction improvements
- 5 Park and Ride schemes
- a Premium Network of high quality public transport linking the area at high frequencies with associated priority measures and multi-modal interchanges
- local roads and bypasses, to relieve pressure on town centres and improve access to regional hubs
- rail improvements, including reinstatement and enhancement of capacity of passenger services and additional freight facilities
- ferry services to/from Southampton and Portsmouth
- access to Strategic Development areas at North Fareham and Hedge End and to open up other housing and employment areas
- improved access to and transfer facilities at ports of Southampton and Portsmouth and Southampton airport.

16.103 Although we see a role for the final part of Section E1 dealing with Implementation and Delivery (see paras 16.97, 16.106) we consider the existing text could be tightened to avoid duplicating the regional sections of the Plan. As elsewhere, we suggest the relocation of the listing of agencies and mechanisms to the Implementation Plan.

### **stitutional Arrangements (olicies SH4 and SH11) t**

16.104 Policies SH4 and SH11 provide for an overall implementation agency and a transport delivery agency respectively. While there was considerable interest in these proposals we are inclined to agree with those participants who feel that they raise as many questions as they answer.

16.105 In our view the case for the body proposed in Policy SH11 is the clearer arrangement. There is already a model for this agency in the form of the Solent Transport Partnership that has been established for three years. We were impressed by the joint working between the local authorities and transport undertakings and, while we recognise that the scope of its powers has yet to be determined, we are convinced that it could be a valuable body in both delivering improvements and in managing transport operations. However, we consider that it would be beneficial to incorporate SH11 as part of SH10.

16.106 The nature of the implementation agency envisaged in Policy SH4 is less clear in terms of its possible powers, status and funding. Several participants query the necessity for another body and are critical of the vagueness of the proposal. Despite these concerns, given the fragmentation of responsibility among public authorities and infrastructure providers in the sub-region, we endorse the need for a more formal structure to co-ordinate physical development and infrastructure. Ideally one body rather than two should be charged with that role but if progress can be made with the transport agency it might act as a spur to action on a more wide-ranging body. We commend the degree of collaboration achieved by the PUSH authorities in shaping a

strategy for the sub-region. We would urge them to maintain that momentum in working jointly with the private sector to implement the strategy. If discussions on a local tariff are to be taken forward these will certainly raise the question of some form of accountable group to manage the funding arrangements. We are therefore content that Policy SH4 should remain in the Plan but recommend that it should be re-located, together with its supporting text (which could be clarified and expanded) into the final section of the strategy headed Implementation and Delivery.

## **RECOMMENDATIONS**

### **Recommendation 16.1**

Amend the introductory text setting out the South Hampshire context to refer to South Hampshire's dense and complex settlement pattern and the areas of undeveloped land that have played a role in shaping this pattern. (para 16.50)

### **Recommendation 16.2**

Amend Policy SH1 on the overall strategy to refer to 'sustainable' economic growth and regeneration to indicate an integrated approach to growth and the environment. (para 16.7)

### **Recommendation 16.3**

Amend Policy SH2 to strengthen the references to landscape impact, the need to respect the identity of the existing settlements while not prejudicing opportunities for sustainable access to existing facilities, and the need for joint working to bring forward the SDAs. (16.67-16.69)

### **Recommendation 16.4**

Amend the supporting text for Policy SH2 to:

- include references to the critical success factors for the SDAs. (paras 16.67 and 16.69)
- remove the reference in E1, 2.6 (and, for the avoidance of doubt, the corresponding reference in E1, 2.12) to the rate of development in the SDAs being phased in accordance with brownfield land availability (para 16.70), but instead refer to the pace of housing development being coordinated with the rate of infrastructure provision, and the role of the Implementation Agency in monitoring and implementing strategic land allocations. (para 16.97)
- insert new text to make reference to the importance of a partnership approach for coordination of the overall delivery of the SDAs. (16.71)

### **Recommendation 16.5**

Delete SH3 on sub-regional gaps and its supporting text. (para 16.50)

### **Recommendation 16.6**

Delete Policy SH5 on Plan, Monitor and Manage. (para 16.97)

### **Recommendation 16.7**

Amend Policy SH6 to add a reference to the actions needed to bring forward the area of around 130 ha to the east of Eastleigh. (para 16.23)

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**Recommendation 16.8 t**

Amend the supporting text to Policy SH6 to: t

- include a cross-reference to Policy T10 and its support for the role of Southampton port, and a cross reference to Policies RE2 and T11 and their support for the protection of waterfront land that may be required for port use. (para 16.34) t
- make clearer the relationship between extant permissions and allocations and new floorspace required (para 16.21) t
- make clear the importance of the 130ha South Hampshire Strategic Employment Area site to the east of Eastleigh (para 16.23)
- include the text to Policy SH7 but without the reference to Policy SH5. (para 16.97) t

**Recommendation 16.9 t**

Delete Policy SH7 on Allocation of Employment Sites because this is now part of Policy RE2 as amended, but retain its final sentence and add it to Policy SH6. (paras 16.24)

**Recommendation 16.10 t**

Accept amended Policy SH8 tabled by PUSH, but delete unnecessary detail and amend it specifically:

- by deleting the proposal to designate the Hard/Gunwharf Quays area as a town centre (para 16.31)
- by stipulating that the potential of the new district centres in the SDAs to provide new office employment to serve sub-regional needs should be subject to satisfying PPS6's needs test and sequential approach. (para 16.32)

**Recommendation 16.11 t**

Amend the supporting text to Policy SH8 proposed by PUSH to explain the reason for the difference between its figures for office floorspace and those in Policy SH6. Amend the table by replacing the term "net floorspace capacity" with the term "net floorspace need". (para 16.29)

**Recommendation 16.12 t**

Amend Policy SH10 to delete the list of schemes in sub-section iii. and re-locate an expanded list of key themes to the supporting text (16.102)

**Recommendation 16.13 t**

Amend the supporting text to Policy SH10 by:

- including a reference to the importance of the Chickenhall Lane Relief Road scheme and enhanced interchange facilities at the airport for improved surface access to the airport, as well as their importance for the adjacent South Hampshire Strategic Employment Area. (para 16.36)
- including a reference to the importance for Southampton Port of the Southampton-Midlands rail improvements scheme and the valued TIF investment in this scheme, and to the Winchester-Southampton transport corridor improvements. (para 16.34)
- including a list of all the sub-regional key themes. (para 16.102)

- including advice that an area-wide approach to demand management may be needed to deliver sustainable travel patterns as part of a strategy of reduce-manage-invest. (para 16.46)

**Recommendation 16.14 t**

Delete Policy SH11 on Transport Management and Integration and incorporate it into Policy SH10. (para 16.105)

**Recommendation 16.15 t**

Add a qualification to Policy SH12 on the phasing and distribution of new housing as a result of the AA and amend the existing footnote by deleting the reference to Policy SH5. (paras 16.54, 16.77)

**Recommendation 16.16 t**

Amend the supporting text to Policy SH12:

- to provide a fuller explanation of the basis for the housing distribution by clarifying that in accordance with the strategy, no new greenfield development (over and above existing commitments) is expected in Southampton, Portsmouth, Gosport, the part of New Forest district that lies within the sub-region, or in Fareham district outside the SDA. (para 16.79)
- make clear that Policy CC10b is likely to be applicable in South Hampshire because of the scale of growth proposed, and include a reference to the initial work by PUSH that indicates that some of the gaps designated in the Hampshire Structure Plan should play a role in shaping the future development of the sub-region but that further testing and identification of their boundaries will take place through LDDs (para 16.50)

**Recommendation 16.17 t**

Add a final point to Policy SH14 to indicate that decisions on additional wastewater infrastructure treatment infrastructure will be taken on the basis of environmental sustainability as well as cost. (para 16.41)

**Recommendation 16.18 t**

Expand the supporting text to Policy SH14 to refer to: the water cycle and waste water in particular, green infrastructure strategy, and flood risk management. (para 16.100)

**Recommendation 16.19 t**

Relocate Policy SH4 and its supporting text to the Implementation and Delivery section. Also include here guidance on monitoring economic improvement and labour supply increases in parallel to housing completions, and the way that this will inform a review of the sub-regional strategy. (paras 16.97, 16.103)

## 17 r SUSSEX Cr STr r

*This chapter examines the role of and rationale for this coastal sub-region, and with minor amendments supports the strategy focus on sustainable economic regeneration. It seeks to increase the degree of locational guidance on urban extensions, employment land and critical transport schemes. Given the challenges facing this sub-region, particularly on transport, waste water treatment, and flood risk, the chapter assesses the way infrastructure has shaped the strategy. It analyses the justification for the level and distribution of housing and recommends that the sub-region could make a greater contribution to meeting regional needs. It identifies critical infrastructure themes that should be included in the Infrastructure section based on consideration of the Implementation Plan, and seeks to strengthen the Implementation and Delivery section.*

### ERVIEW AND Rr Ir Nr LE r

- 17.1 The first part of the draft Plan Section E2 Sussex Coast describes the extent of the sub-region, lists indicators of weakness in the sub-regional economy and says that the sub-region is distinctive in a number of other respects. Indeed it is the alleged distinctiveness of the area that is most frequently referred to by participants in explaining the rationale for the Sussex Coast as a sub-region.
- 17.2 However, according to the Regional Assembly the Sussex Coast was considered as a sub-region largely because areas within it were previously identified in RPG9 as the 'Sussex Coast and Towns' Priority Area for Economic Regeneration (PAER). During the process of developing RPG9 there was an indication that other coastal towns in West Sussex should form part of the PAER. The RES also includes the whole area within the Coastal South East where the focus should be on unlocking the substantial untapped economic potential.
- 17.3 The sub-regional study carried out by the local authorities in 2004 concluded that, given the structural weakness and poor performance of the local economy, the combination of tightening development constraints and the absence of locally generated demand for additional housing, there was a need to consider specific policies to address the needs of the area<sup>1</sup>. Subsequent work also highlighted the extent of multiple deprivation in many of the towns, poor education and skills levels and inadequate transport infrastructure<sup>2</sup>. The Regional Assembly and the principal authorities argue that it is these factors acting together that make the area unique and give rise to a set of issues that need to be addressed sub-regionally.
- 17.4 We accept that the area faces particular challenges and that these relate primarily to weaknesses in the local economy. However we do not find the assertions about the unique mix of local characteristics altogether convincing in making the case for the sub-region. We also agree with participants like the Federation of Sussex Amenity Societies who point to the big internal differences within the sub-region, and with the South Downs Campaign who says that the links to London are probably stronger than between many of the settlements within the sub-region. Despite the arbitrariness of the sub-regional boundary few participants comment on its definition. We have some sympathy with CPRE Sussex who (in a non-participant statement) say they cannot see

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<sup>1</sup> Proposed Sub-regional Strategy for the Sussex Coast, Advice by East Sussex CC on behalf of the principal planning authorities, October 2004 [SC4]

<sup>2</sup> Sussex Coast submissions to SEERA, December 2005 [SEP11]

any logic in separating a coastal strip from the rest of Sussex, and we concur with Lewes DC who stress that it is a conceptual boundary and not a fixture on the ground. We are aware that alternative limits were considered but on the basis that it is only an indicative delineation and since some participants at least felt it helped to give the area a 'sense of place' we see no reason to question the boundary of the sub-region.

- 17.5 While the case for treating the Sussex Coast sub-region as an entity may not be compelling we agree that there is an urgent need to stimulate the local economy and to achieve a better balance between jobs and housing. We are also convinced that, despite progress being made by the Regional Assembly, SEEDA, the principal authorities and bodies like the East and West Sussex Economic Partnerships, a more co-ordinated effort is required to achieve the regional strategy's regeneration objectives for the Sussex Coast. In this respect we consider that there is a policy deficit in relation to the Sussex Coast. We therefore conclude that the sub-region is justified particularly as a focus for continued joint working on economic issues.
- 17.6 In the interests of clarity we recommend that that the introductory section covers the distinctive features of the Sussex Coast and the challenges it faces, in accordance with our presentational recommendations in Appendix B2.

## **Cr E Sr EGY (Pr LICY SCr 1) r**

### **Economic/environmental balance r**

- 17.7 The 2004 technical work emphasised that it is the need to achieve a step change in the performance of the local economy that must be at the heart of the sub-regional strategy. In similar vein the 'statement of strategy' for the sub-region in the draft Plan Part C focuses on improving overall economic performance and achieving high levels of economic development. However debates at the examination ranged much more widely and the issues were as much about the scale and implications of new housing and the impact of development on the environment as on economic measures. In this respect the overall aim of the strategy as set out in Section E2 para 1.2 is more comprehensive. It refers to the need to secure regeneration and to reduce disparities with the rest of the region whilst protecting and enhancing the environment and quality of life of residents.
- 17.8 Policy SCT1 and the preceding text similarly refer to the protection of the sub-region's high environmental quality and the achievement of a better balance between housing provision and the ability of the local environment and economy to absorb this development. However there are differing views among participants about the way in which that balance has been struck in the sub-regional strategy.
- 17.9 While most participants accept the broad environmental/economic balance in Policy SCT1 and recognise the force of the regeneration arguments, others consider that there is an economic bias in the core strategy. Among these the EA (in a non participant statement) and the Folkington Estate consider that there is an overriding emphasis on economic objectives with insufficient regard for the environment and they observe that the environment is referred to negatively as a constraint on development in several paragraphs, including E2,1.3, 2.4 and 5.2. The South Downs Joint Committee, while accepting that the balance in Policy SCT1 may be fair objects to the lack of recognition that environmental designations are an asset to the area's economy and not just a constraint.



- 17.10 In contrast to these views some developer interests caution against giving too much protection to the less important environmental assets as this could lessen the choice of acceptable locations for development. Others, while accepting the broad balance in Policy SCT1 also want a more flexible approach to environmental constraints.
- 17.11 In considering the relative weight given to the environment we acknowledge and appreciate the concern expressed about any impact of commercial development on the South Downs. But in terms of the overall balance of the strategy we also understand SEEDA's rhetorical question about how far it really is an economically-led strategy. On the basis of the available forecasts the strategy is not aspiring to achieve much above the economic growth trend projection. In this sense it is hardly an economically ambitious strategy. Hence our conclusion that the balance of the sub-regional strategy is sound. However, with the support of the Regional Assembly and East Sussex CC we recommend that the wording of Policy SCT1 v) should be amended to provide for the enhancement as well as the protection of the Sussex Coast environment. This wording is already in the text and its omission from policy was accepted as a drafting error.

### **Spatial strategy**

- 17.12 In terms of spatial strategy for the sub-region we note that Policy SCT1 is silent. However there are some broad locational references in the supporting text in Section E2, paras 2.4 and 2.5 as well as in the sub-regional vision statement on Sussex Coast in Part C.
- 17.13 We recognise that given the physical and environmental characteristics of the sub-region there is a limited range of options for locating future development in the Sussex Coast. This means that the existing urban areas must play a key role. Hence we believe that it would be helpful to add a reference in Policy SCT1 to the need to optimise the use of previously developed land particularly in the largest urban area of Brighton and Hove. In order to provide adequate spatial guidance on greenfield development we consider that the broad locations referred to in E2, para 2.3 should be included in Policy SCT1. We recommend that the core strategy policy should say that meeting the sub-region's housing target is likely to require sustainable urban extensions in Arun, Chichester, Rother and Wealden districts.
- 17.14 E2, para 2.5 mentions the need for considerable investment in infrastructure to deliver the strategy. In this context there were frequent comments at the examination about the inadequacy of transport systems. However as designated regional hubs Brighton and Hastings already figure in the spatial strategy as foci for investment in transport and we see no need to add to the core sub-regional strategy in this respect.

### **Economic needs and regeneration**

#### **Economic needs and development opportunities (Policies SCr 2 and SCT6)**

- 17.15 Although the draft Plan recognises the whole of the Sussex Coast as an area in need of regeneration all participants accept that social and economic needs vary within the sub-region. We share the view of most participants that the draft Plan is right to focus

- investment and other support on those areas that exhibit the greatest economic and social needs.
- 17.16 As well as encouraging other bodies to align their priorities with the draft Plan, Policy SCT2 targets support to Hastings/Bexhill and Shoreham whilst increasing priority to the rest of the Sussex Coast from Shoreham to Rye as well as other pockets of deprivation. Policy SCT2 also wants improved east-west communications and better links with the rest of the South East. This spatial dimension of the economic strategy is further refined in Policy SCT6 which requires the development of multi-agency plans for Hastings-Bexhill, the Eastbourne/Hailsham area, Shoreham-Brighton & Hove, Newhaven area and Coastal West Sussex from Selsey to Adur.
- 17.17 While there is a virtual consensus on the logic of targeting resources on the areas showing evidence of greatest need for regeneration, participants do not all agree that the balance in the draft Plan between the coastal towns is right. Whereas the plan highlights the serious deprivation in parts of the eastern towns in the sub-region, some of the local authorities in the west of the sub-region express concern at the implied lower priority given to the western towns. Arun DC and Worthing DC feel that if economic opportunities are to be fully exploited then Bognor, Littlehampton and Worthing should be separately identified. The District Councils feel that this would reflect the level of regeneration and investment which should continue to be directed towards these towns.
- 17.18 The east versus west debate is part of a wider question about the degree of locational specificity that is appropriate in the sub-regional strategy, since Policy SCT6 already refers to the western sector of the coast and Policy SCT2 includes a general reference to pockets of deprivation. Several participants, including SEEDA, Cluttons and the Federation of Sussex Amenity Societies consider that economic opportunities within the Sussex Coast could be more clearly identified. This concern relates primarily to the location of commercial development, which we discuss in the following section.
- 17.19 We understand the desire of the western towns to ensure that their needs are fully taken into account, particularly having regard to the competition for scarce public resources. However in terms of overall priorities we believe that the broad economic strategy for the sub-region is right. We agree with the Regional Assembly and East Sussex CC that the most intractable problems are mainly in the east and that the Plan recognises the need to maintain the momentum of regeneration at Hastings-Bexhill and to promote development at Shoreham while recognising the key role that Brighton & Hove can play as a catalyst for economic activity. We also agree with West Sussex CC that Policies SCT2 and SCT6 take account of the differences in scale and in deprivation characteristics along the coast to reflect needs from Rye to Shoreham as well as westwards along the West Sussex coast.
- 17.20 We acknowledge that there is a need for both a greater and a more co-ordinated effort to deliver regeneration and growth in the sub-region. We therefore agree that it is reasonable for Policy SCT2 to deal with investment and infrastructure while Policy SCT6 proposes a framework for multi-agency working at a local level. However since coordination and leadership is so important for delivery of the sub-regional strategy, that we recommend that Policy SCT6 and its text should be included in the final section on Implementation and Delivery. We endorse these two policies though we recommend the deletion of the advocacy element at the end of Policy SCT6.
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## Job Forecasts r

- 17.21 Sussex Coast is the only sub-region without a job estimate for the 2006-16 time period for monitoring purposes. The only measure of the scale of the economic regeneration task facing this sub-region is a 2001-16 estimate of workforce growth resulting from Anglian Ruskin University forecasts commissioned independently by the principal authorities (E2, para 3.4). This equates to a growth in labour supply of 28,500 for 2006-16, which is more than 60% greater than the Regional Assembly's projection based on draft RSS housing levels.
- 17.22 We take the view that a strategy giving a high priority to sustainable economic regeneration should contain a job target, against which progress can be monitored. This would be consistent with the adjoining coastal sub-regions (South Hampshire, EKA, and KTG). We recommend that this should be set at 30,000 for the 2006-16 period, which is the trend-based estimate given by SEEDA from the Experian standard regional forecasts published in October 2006<sup>3</sup>. This level was accepted as "reasonable" by the Regional Assembly<sup>4</sup>.
- 17.23 Pitching a job target at this level would imply a higher rate of job growth than labour supply, which in our view is a reasonable objective given that this sub-region is currently a substantial net exporter of labour and virtually all coastal towns experience more out- than in-commuting<sup>5</sup>. It is also compatible with the emphasis that the strategy places on increasing skill levels within the existing workforce, and helping the economically inactive into work.
- 17.24 Beyond 2016 employment forecasts are more uncertain, although it is noticeable that both job growth and labour supply are forecast to decline in the Regional Assembly's projections based on draft Plan housing levels.

## Employment Land (Policy SCr3) r

- 17.25 In order to increase the rate of GVA growth, as is sought by this strategy, it is necessary to have a range of developable and available employment land. Of the 290 ha of allocated industrial and commercial land, only about 50 ha is readily available (E2, para 4.1). We therefore support the strategy's emphasis on seeking to unlock constraints on existing allocated business parks and other strategic employment sites. We recommend that this proactive message about working with other agencies should be the first item in Policy SCT3.
- 17.26 The real issue in this part of the region appears to be with the **quality** rather than quantity of employment land. Quality sites are needed to retain businesses and attract new firms in those sectors e.g. financial and business services that would help reduce the dependence on public services and seasonal tourism, and move the sub-region up the value-added chain. However we note the caution in the Property Market study<sup>6</sup> that in general East Sussex offers few of the attributes sought by major office occupiers. Brighton appears to be the exception, and in property market terms, was found to be closely tied into the A23 corridor northwards to Gatwick. We consider that the strategy should acknowledge Brighton's key economic role as well as the

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<sup>3</sup> Trend is for 2006-2020 but relates to nearest equivalent whole districts

<sup>4</sup> Employment Figures for Monitoring Purposes, SEERA, February 2007 [SEERA8]

<sup>5</sup> Sussex Coastal Towns sub regional study, page 3, East Sussex CC, April 2004 [SC7]

<sup>6</sup> Final Report: South East Regional Property Market Study, CBRE Ellis, March 2007 [SEERA13a]

importance of public transport improvements in the form of Brighton & Hove rapid transit (committed) and strategic interchange facilities (under investigation). Hence these are included in the list of priority infrastructure projects below.

- 17.27 To increase the chances of unlocking some if not all of these allocated and previously identified sites, we favour listing them in Policy SCT3. This reflects the suggestion by East Sussex CC, but with the detail about the constraints to be unlocked being included in the text not the policy itself. Being explicit in this way would give greater guidance for LDFs and greater clarity to prospective developers, landowners, investors and other agencies. Opening up at least some of these allocated sites would allow provision of a wider mix of premises including starter units, grow on space, and small modern units, as identified by West Sussex Economic Partnership and others as being in short supply. We agree with SEEDA that reliance on town centre provision alone would not provide this range.
- 17.28 Several of the allocated and identified strategic sites are in brownfield locations e.g. Shoreham Harbour and Newhaven, but some are within edge of town residential-led developments e.g. north of Bognor Regis. Given the relative scarcity of opportunities in East Sussex, and the fact that it has the lowest GVA in the Region apart from the Isle of Wight<sup>7</sup>, we attach importance to the Polegate opportunity<sup>8</sup> especially if associated with a new station, despite requests from various interests to delete this reference.
- 17.29 We also consider that Policy SCT3 is right to seek to protect employment land, since that there is a real risk as expressed by East Sussex Economic Partnership of losing it to residential uses because of differential land values and the fact that business demand levels are currently insufficient to stimulate speculative development. The policy provides the right degree of realism, though, in accepting the possibility of some change to mixed use development where this would increase viability and hence bring forward the right type of employment space. However we agree with Lewes DC and others that this change of use process where possible should be done through the LDF, and recommend an amendment of Policy SCT3 iii) accordingly.

### **New Employment Land (Policy SCT4) r**

- 17.30 Given the extent of allocated land and the fact that very little employment land review work appears to have been done in this sub-region, it is difficult to understand whether, and if so how much, additional new land will be required. We do not therefore favour any form of crude conversion of the job forecasts into land estimates, as DLP suggested. However we recognise that suitable land close to the coastal towns not within the AONB or proposed South Downs National Park or covered by other environmental designations, is in short supply. Land supply is also being squeezed because of the likelihood of increased flood risk in the long term from climate change. Hence we support the priority given to employment uses in making LDP allocations given by Policy SCT4 i).
- 17.31 Land scarcity has also led to the controversial statement in Policy SCT4 ii) that local authorities should be prepared to allow for some infringement of environmental constraints in certain circumstances. Although we understand the honourable desire

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<sup>7</sup> East Sussex CC 8Ai statement, Appendix

<sup>8</sup> EASTBC1 & 2

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for transparency that led to this policy provision, and that the wording was amended following the SA of the consultation draft, we are not convinced that evidence exists in terms of a particular business need, or that such a statement is necessary. We agree with the South Downs Campaign that its inclusion would increase hope value, and risk opportunistic planning applications. It could also divert investment interest from the identified regeneration opportunities. On the other hand without this statement, it would still be possible for an exceptional business need to be approved following the most rigorous examination tests (PPS7, para 22), and/or the exception test in flood risk areas (PPS25, Annex D9-14). If a golden opportunity for inward investment emerged, we do not think that there would be any time saving from having had this pre-warning in policy. On balance therefore we recommend deletion of Policy SCT4 ii).

- 17.32 In replacement of this sub-section, we suggest that Policy SCT4 makes it explicit that new employment opportunities should be linked to the sustainable urban extensions in Arun, Chichester, Rother and Wealden (E2, para 8.4) which we have already suggested to should be identified in the core strategy.

## **SETTLEMENTS**

### **Influence of Water Supply, Waste Water, Flood Risk and Transport**

- 17.33 This sub-region faces particular constraints in that it is hemmed in by the sea on one side and over much of its length by nationally protected landscape on the other. There is a general lack of spare capacity in the region's infrastructure and the Sussex Coast is no exception. Indeed we were informed by East Sussex CC that after sieving out environmentally constrained areas there are no locations free of infrastructure problems. In our view that makes it even more important to understand how the availability/lack of existing or future infrastructure capacity has influenced the shaping of the sub-regional strategy. Some information seems to have been produced after preparation of the spatial strategy rather than informing it and there is clearly scope for more technical work to refine the evidence base for local planning in relation to several areas of service provision. Notwithstanding this background we consider that infrastructure has been taken sufficiently into account in shaping the strategy. Despite the inevitable uncertainty at the strategic level we feel that having regard to the available data, broad locations for new development can and should be identified in the Sussex Coast strategy. The proposed pattern of settlement should of course be subject to further testing in relation to infrastructure during the LDF process.

#### **Water Supply**

- 17.34 We heard from the EA and water companies that projected needs for water in the Sussex Coast can be met, with two caveats. The first is that further investigation is needed on alternative ways of meeting those needs, and the second is that solutions are likely to be outside the boundaries of the sub-region. For example, Adams Hendry says that predicted water deficits will require continued movements of water into the Sussex Coast water resource zone at least until new sources are delivered in the Sussex North zone. We accept that the best technical solutions are still uncertain and that water supply issues need to be addressed at the regional level.

17.35 At the local level Lewes DC confirm that new supply schemes like the Clay Hill reservoir just outside the sub-region will be tested during the LDF process. In this context we endorse the point stressed by Adams Hendry about the need for a joint approach among local planning authorities in order to ensure that the necessary water infrastructure is supported and hence that growth in the sub-region is not put at risk. East and West Sussex CCs urge caution in planning for growth because moderated usage of water cannot be guaranteed. While we acknowledge the limitations of the twin track approach in our Chapter 10 we conclude that in the Sussex Coast there do not appear to be any insuperable water supply problems influencing the sub-regional strategy.

## Waste Water

17.36 We agree with the EA and Adams Hendry that waste water treatment issues are more critical in the Sussex Coast sub-region, largely because of the possible implications of the Water Framework and Habitats Directives. We therefore welcome the work done by the EA and water companies in 2006 that identifies locations where they consider that a limit should be placed on additional housing<sup>9</sup>. This includes the Hailsham North and Hailsham South WWT works serving most of the area in Eastbourne and Wealden districts, where the allowable number of extra houses amounts to 2,800 and 1,900 at the North and South works respectively. We note that no costings are available for increasing the capacity of these works nor are there any proposals in the Implementation Plan. However we heard that EA and Southern Water were doing further studies and are optimistic that a solution can be found and we assume that this is most likely to be a phasing issue.

17.37 The other main issue appears to be at Chichester, where the Apuldram WWT works has limited capacity though West Sussex CC expects improvements in 2008-10. But we acknowledge that it is the nutrient enrichment of the receiving waters that poses the most significant potential constraint on new development. This applies particularly in Chichester Harbour which was designated as a sensitive area under the 1997 WWT Directive due to green seaweed growth. The latest EA study based on planned growth to 2015 indicates that by then the nitrogen input to the Harbour from the Chichester WWT works will be greater than permitted levels despite some improvements in treatment<sup>10</sup>. Southern Water Services will need a new consent to discharge additional flows resulting from catchment growth, which will need to be considered under the Habitat Regulations. Although the EA report suggests the possible relocation of WWT flows away from Chichester Harbour we note that the Habitat Directive Site Action Plan for Chichester and Langstone Harbours will not be completed until summer 2007<sup>11</sup>. Meanwhile we accept Adam Henry's warning about the expensive nature of such discharge relocation options. We therefore recognise this uncertainty about future waste water flows should be reflected in the text of the infrastructure section.

17.38 We are aware that a planning decision to facilitate additional WWT capacity is imminent at Brighton and we assume that there are no constraints here on housing numbers. Although there is a general concern about limitations on the capacity of

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<sup>9</sup> Planning for Water Quality and Growth in the South East –Version 11 Final, Environment Agency, October 2006 [Ar2A]

<sup>10</sup> The Control of Eutrophication in Chichester Harbour, EA, 2007 [EA17]

<sup>11</sup> EIP Position Statement – Habitats Directive Review of Consents, EA, March 2007 [EA35]

watercourses in Sussex to accommodate additional waste water there do not appear to be other major water quality issues that have implications for the strategy.

## **Flood Risk**

- 17.39 The regional level SA scored the issue of flood risk as not applicable and the EA question whether it was adequately considered when the draft Plan was prepared. However we accept that this factor was taken into account by the principal authorities using flood risk maps, though more detailed information is only now becoming available. SFRAs are being carried out across the sub-region and developers are also doing work in relation to specific locations. Overall we consider that an adequate process appears to be in place, taking account of the latest Defra forecasts, as a basis for the preparation of LDDs.
- 17.40 Coastal flooding is not referred to in the sub-region, whereas the EA says that tidal flood risk affects 12% of the sub-region. In Arun for example the District Council reminded us that most of the district outside of the AONB is subject to flood risk and around half falls within areas of high risk, including the main towns of Bognor Regis and Littlehampton. We recognise that flood risk issues will arise when new development sites are being assessed and that a full appraisal can only be done at that level of specificity. But simply putting more housing into urban areas, as the Federation of Sussex Amenity Societies suggests, would not be without its problems. We were informed that the expense of providing flood defences may well make some regeneration sites unviable (sites in Lewes and Littlehampton were cited as examples).
- 17.41 We accept that flood risk considerations may rule out development in many locations including those where the costs of mitigation are too high. However, taking account of the 'exceptions' clause in PPS25 and in the absence of results from SFRAs, at the strategic level, flood risk does not in our view act as a major determinant of the scale of growth to be accommodated.

## **Transport**

- 17.42 Despite the inclusion of transport improvements in Policy SCT2 ii) several participants express concern that transport has not been given sufficient weight in determining the spatial strategy. These include Arun DC who feels that modelling work for its district shows that all the development options will lead to worse congestion, the South Downs Society who says little thought has been given to the huge impact of the proposed transport schemes, and GOSE who does not believe that the capacity of rail in particular has been adequately considered in relation to the scale and location of growth.
- 17.43 We understand GOSE's point since there is little evidence that rail transport has shaped the strategy in any substantial way other than in the selection of Brighton and Hastings as regional hubs. The 'Coastway' route along the Sussex Coast has spare capacity and the through service from Brighton and Hastings to Ashford is set to grow. 50% capacity enhancement is planned on Brighton-London trains as part of the Thameslink programme and there are direct services to London from Hastings, Bognor and Littlehampton. We agree with GOSE that although many stations are not best placed to serve their local communities, in general coastal connectivity within the sub-region is good.

17.44 We accept that, as stressed by East Sussex CC, the quality of the east-west route is vital to the sub-region's economic attractiveness and the realisation of strategic development opportunities. However given that the HA's analysis shows that by 2026 at draft Plan levels of development, the sections of the A27/259 at Arundel and Worthing and from Brighton through to Hastings will all be over capacity, it is perhaps surprising that more weight is not placed on the scope for closer integration of rail and new development in the strategy. We appreciate that there are only limited options for development close to the east-west corridor and that significant sites are being held back pending highway improvements, including greenfield land at Chichester, in Arun District, at Polegate, and Bexhill. Even so, given the HA's strictures on the need for realism in delivering road improvements we believe that it would be consistent with the regional transport strategy to maximise the potential for use of the rail network by relating as much new development as possible to the location of existing and possible new stations.

## **HOUSING**

### **Overall Level**

- 17.45 Policy SCT7 sets a housing level of 54,000 (2,700 dpa) between 2006-26. This is some 14% lower than the RPG9 level for the whole of the 10 component districts/unitaries. The Regional Assembly and other supporters of the housing level in the draft Plan tend to rely on arguments about correcting the jobs/housing imbalance, deficiencies in infrastructure and impact on the environment. Unlike in many other locations, there were several participants in this sub-region arguing strongly for a lower provision level, as well as developer representatives seeking a higher level, in some cases up to about 50% more.
- 17.46 We are satisfied that a full range of options on the scale of housing growth was tested in the initial work of the principal authorities, namely around RPG9 levels, 20% below and 20% above. As a result of this initial work<sup>12</sup> and reflected within the consultation draft Plan, January 2005, the preference of the principal authorities was to maintain RPG9 levels, approximating to 60,000 subject to further testing (draft Policy SCT7). No technical reasons were given to us to suggest that this level could not be accommodated. Although the precise reason for the reduction in the draft Plan is not explicit we are inclined to agree with T O'Rourke that the RSS figure seems to have been justified on the basis that lower housing growth is necessary to allow for the development of employment land to catch up.
- 17.47 Chapter 7 summarises the reasoning that underpins our conclusion that the housing provision for the Sussex Coast should be increased back up to a level of about 60,000. In economic terms we are certainly sympathetic to achieving a better jobs/housing balance in the sub-region. The area currently has far more workers than jobs and there is a risk that a significant increase in housing would merely increase out-commuting. Nevertheless incomers can also widen the mix of skills available, contribute to entrepreneurship, and boost the need for overall local services. In numerical terms, if as we suggest earlier, a jobs target of 30,000 is taken for 2006-16, this would be higher than the increase in labour supply expected on the basis of the Regional

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<sup>12</sup> Proposed Sub-regional Strategy for the Sussex Coast: Advice presented by East Sussex CC on behalf of the principal planning authorities, 29 October 2004 [SC4]

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Assembly's dwellings-based projections of about 9,000. The situation becomes much more uncertain post 2016 when on the Assembly's projections both jobs and labour supply could decrease.

- 17.48 Local demographics are not a strong argument for increasing the housing levels in the Sussex's Coast. As a proxy for natural change the projections provided by both the Regional Assembly and East Sussex CC<sup>13</sup> indicate that in the absence of continued net in-migration the sub-regional population would decline by just over 52,000 over the next 20 years. This would however still translate into a need for an additional 18,000 dwellings, i.e. about 34% of the Policy SCT7 levels. However as can be seen from the East Sussex CC figures this locally generated need is strongly focused in Brighton and Hove, an area acknowledged to have a high housing backlog, while East Sussex has a very small need and West Sussex no need at all, on this theoretical basis.
- 17.49 The importance of strong net in-migration flows in recent years is reflected in the fact that Policy H1's housing level for the whole of the 10 constituent districts is set at about half that suggested in the Government's 2004-based household projections.
- 17.50 Assessments of urban potential for the 10 districts in total indicate that about 87% of the Policy H1 requirement is likely to be provided on brownfield land within the urban areas or on already committed greenfield sites<sup>14</sup>. If brownfield land outside urban areas is also included, the percentage would rise to about 93%. Although relating to a slightly larger area, this nonetheless indicates that only a relatively small proportion of new greenfield development is likely to be required. The East Sussex and West Sussex Structure Plans identify strategic locations where much of the greenfield requirement up to 2016 will be found<sup>15</sup>, and in addition possible longer-term greenfield options were explored particularly in the West Sussex Structure Plan.
- 17.51 Developer representatives argue for higher provision on the grounds that the draft Plan level will not allow the growth objectives for the sub-region and region to be delivered, that it fails to meet the Government's aim of a step change in housing supply, and that new housing development can contribute to regeneration and infrastructure. They also provide local evidence of market pressures, and the need for affordable housing. The data assembled by GOSE certainly demonstrates that the Policy H1 level for the 10 districts as a whole is well below recent house building rates. Indeed completions between 2001/02-2005/06 were nearly 12% higher than the draft Plan level<sup>16</sup>. According to data supplied by Pegasus, building rates were even higher in the 1980s and early 1990s.
- 17.52 Those wanting lower provision do not accept that the Sussex Coast should contribute towards meeting wider regional needs, as well as expressing concern at the impact of more housing on the landscape and on congestion. The South Downs Society says that the draft Plan risks breaching environmental limits, and the Federation of Sussex Amenity Societies wants the level limited to that possible on PDL and linked to success in generating jobs.

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<sup>13</sup> SEERA11B and SC9

<sup>14</sup> by calculation from Hr6B

<sup>15</sup> East Sussex and Brighton and Hove Structure Plan 1991 – 2011, December 1999, and West Sussex Structure Plan 2001-2016, Policy LOC1, February 2005

<sup>16</sup> an average of 3489 completions over the 4 year period, compared to the draft Plan level of 3125 (by calculation from GOSE2)

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17.53 We accept that, given its geography and high quality environment and infrastructure deficiencies, the Sussex Coast is not a sub-region that should be expected to make a substantial contribution to meeting wider needs in the South East. We also support the desire to redress the imbalance in housing and jobs, which is at the heart of the sub-regional strategy. But it does seem inappropriate to plan for housing levels to be significantly lower than those in RPG9 and recent completion rates when we believe there is a case for increasing housing provision across the region. We therefore recommend that Policy SCT7 should be amended to provide for an annual average of 2,970 pa and a sub-regional total of 59,400.

## **Housing Distribution r**

17.54 The above recommended housing level represents sites for an additional 5,400 houses over the plan period. We are aware that in the East Sussex and Brighton and Hove structure plan all the locations proposed for development up to 2011 are now allocated in local plans, some of which may last beyond 2011 and that the West Sussex structure plan provides an approved policy framework to 2016. In both counties LDDs are now in preparation for a 10 year period extending beyond 2016. We also note that all the local authorities stress the difficulty of identifying more land beyond that required to meet the draft Plan figure of 2,700 dpa. We acknowledge that a robust technical process has been followed by the local authorities and that in the Sussex Coast much of the land is subject to various constraints.

17.55 In the 2005 sub-regional analysis the distribution of future housing between districts is said to be strongly influenced by the estimated potential supply from extant permissions and local plan allocations and the scope for making further sustainable extensions<sup>17</sup>. In East Sussex (including Brighton) we note that four spatial options were considered and that a 'balanced' dispersal strategy was preferred, distributing growth among three broad locations. In West Sussex much reliance appears to have been placed on the structure plan work that selected five locations, recognising that some of these may accommodate growth after 2016 but that there may be a need for additional locations. The West Sussex Structure Plan also accepted that there might come a time when further growth could be in one or more new settlements.

17.56 Having regard to the evidence contained in the background documents and from the examination debates our comments on the broad locations for development for testing via the LDD process are as follows.

## **Brighton and Hove**

17.57 As was demonstrated in the discussion of regional hubs, with its good connectivity Brighton has a key role to play in the regional as well as local economy, reflecting its RES Diamond status. The higher education institutions are significant job generators and the city should accommodate more housing in order to take advantage of its employment potential and accessibility. We acknowledge that a thorough survey of urban capacity has been carried out and that additional allocations of brownfield land were made. We also recognise that the draft Plan provision of 550 dpa is already above the RPG9 rate (of 470 dpa), though we note that completions since 2001/2 have been running at a rate of 679 dpa. We believe that the city's role is so significant that,

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<sup>17</sup> Sussex Coast Submissions to SEERA, December 2005 [SEP11]

bearing in mind the scope for high density schemes, it would be reasonable to test its potential to accommodate an extra 400 dwellings.

### **Wealden (part)**

- 17.58 The draft Plan provision for the whole of Wealden district of 400 dpa is well below the RPG9 housing figure. Even so, since the level of recent dwelling completions has been under 200 dpa we recognise that delivery of the draft Plan will be challenging. Nevertheless this under provision against the RPG9 housing requirement must not be seen as an incentive to continue doing so and we are not convinced by the local authorities' arguments that the draft Plan figure for this part of Wealden is the maximum that can be achieved.
- 17.59 The location of the Polegate/Hailsham area on the periphery of Eastbourne, with its good rail communications and close to the intersection of the A27 and A22 trunk roads, provides one of the few opportunities in East Sussex to develop a major mixed use urban extension. Existing structure plan policies provide for a strengthening of Polegate's employment role including a high quality business park and there is potential for rail access. Hailsham's function as a service and employment focus will also be enhanced as part of the proposed regeneration of the town centre.<sup>18</sup> We recognise the current congestion problems and the importance of improved transport infrastructure to support further growth in this area. We consider that there should certainly be scope for private sector contributions towards new infrastructure in association with development. In relation to this broad location our attention was drawn to the aspiration to plan for as many as 10,000 houses in the 'Eastbourne/Hailsham Triangle'<sup>19</sup>. While we appreciate that this informal local blueprint is at an early stage we are encouraged by the partnership that has evolved between Eastbourne BC, Wealden DC and other bodies to co-ordinate future planning. This joint approach augurs well for the development of the area.
- 17.60 Taking all these factors into account we consider that some increase in the sub-regional apportionment to this part of the district would be justified. We recommend that an additional 1,000 houses be included in the RSS provision for this part of the Wealden district.

### **Arun**

- 17.61 The draft Plan's provision of 465 dpa for the Arun district is below the RPG9 rate of 536 dpa and is lower than the annual delivery rate of 494 dpa during 2001/02-05/06. We note that is also well below the rate envisaged in the West Sussex Structure Plan to 2016 (625 dpa).
- 17.62 Apart from the committed development north of Bognor Regis the main potential development area in the district has been identified west of the river Arun. This is one of five Strategic Locations in West Sussex proposed in the West Sussex Structure Plan, for development after 2011. We agree with the structure plan that development in this location could help to support regeneration in Littlehampton and Bognor Regis though it would require major infrastructure and access improvements. In particular we acknowledge local concern that the ability of this search area to accommodate

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<sup>18</sup> East Sussex and Brighton and Hove Structure Plan 1991-2011, December 1999, pp 96-97

<sup>19</sup> A Blueprint for the Eastbourne – Hailsham Triangle, Eastbourne BC, November 2006 [EASTBC1]

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large-scale development is inhibited by capacity problems on the A27 particularly at Arundel. In this context while we understand the local disappointment that A27 improvements are only included in the RTB's indicative programme after 2016 we heard that technical work is continuing to address the congestion problems. Against the admittedly difficult access issues we consider that weight should be given to the fact that the area is outside the AONB, is not within a strategic gap and (subject to the forthcoming SFRA) much is away from the land most at risk of flooding.

- 17.63 On the basis of the evidence before us it appears that the search area west of the river Arun does offer alternative sites for new development that would not lead to coalescence of existing settlements. The West Sussex Structure Plan recognises that development of some of the Strategic Locations may continue after 2016, that there may be a need to identify additional land for major development. The plan also says that, if more housing is required than is currently being planned for, the option of a new settlement will need to be considered at an early stage<sup>20</sup>.
- 17.64 We endorse the above analysis in relation to the area west of the river Arun and we believe that the structure plan proposal could form the basis of a larger apportionment. Having regard to the long-term potential of this broad location we recommend that a strategic allocation of 2,000 houses be added to the Arun housing provision.

### **Chichester (part)**

- 17.65 Chichester City is the other Strategic Location in West Sussex identified in the structure plan for development after 2011. We agree with the conclusion in the structure plan that Chichester is potentially one of the most sustainable locations for strategic development due to the provision of employment opportunities, and the quantity and quality of facilities including public transport infrastructure.
- 17.66 We acknowledge that the ability of the City and the wider area to accommodate large-scale development is limited by capacity problems on the A27 Chichester bypass. Any peripheral expansion of the existing urban area would have implications for the bypass and its junctions. Hence we agree that significant improvements to transport infrastructure and other services are required in order to bring forward all significant greenfield sites adjacent or close to the City.
- 17.67 We heard that the district council supports the draft Plan housing figures for Chichester and intends to provide a strategic location in its LDF strategy as a contingency likely to come forward towards the end of the RSS period in order to ensure that the necessary infrastructure improvements are in place. We welcome this acceptance of the contribution that Chichester city can make towards meeting wider housing requirements. In this respect we note that while the draft Plan provision of 430 dpa for Chichester district as a whole is just above the rate of recent housing completions it is below the RPG9 rate of 474 dpa.
- 17.68 We believe that it would be consistent with the urban focus of the draft Plan and the general approach to the selection of strategic locations established by the West Sussex structure plan to accommodate a large sustainable extension at Chichester City. We accept that this would require firm commitments to the delivery of transport schemes especially those related to the Chichester bypass. Taking account of these factors we

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<sup>20</sup> West Sussex Structure plan 2001-2016, paras 35-37, 2005

recommend that an additional 1,000 houses be added to the provision for Chichester (part).

## **Adur**

17.69 Although Adur's urban areas have limited capacity for new housing the redevelopment of Shoreham Harbour offers a significant opportunity for a mixed use scheme. We accept that realisation of that potential is very challenging, and that delivery of the necessary infrastructure is in our view likely to depend on an intensive form of development. We therefore agree with SEEDA that in order to support this project the housing figures for Adur (and possibly Brighton & Hove) should reflect the housing capacity of Shoreham Harbour. While SEEDA's tentative estimate of up to 6,000 units at Shoreham Harbour by 2026 is probably optimistic we recommend that 1,000 units be added to the housing provision for Adur. As we explain in Chapter 7 we do not consider this figure to be a ceiling if after further testing a higher figure can be supported.

## **Other Districts**

17.70 Hastings is a regional hub and we strongly support the policy to maximise use of PDL as part of the regeneration effort, though we recognise the challenge facing the Hastings and Bexhill Task Force. There is scope for new development in Rother but we accept that Policy SCT7 is already asking for a 50% increase in the house building rate in this part of the district compared to what has been achieved over the last 15 years, so no change in the draft Plan provision is recommended. Neither do we recommend any change for Worthing, Eastbourne or Lewes.

17.71 The above recommendations increase the provision for housing but do not involve any significant departure from the proposed spatial strategy. We accept that the sub-region is not only highly constrained by national and international designations and physical constraints but that its scope for accommodating development is also about how far housing can be matched by jobs and infrastructure. While the capacity of all parts of the sub-region will be tested in detail in the LDDs we do not recommend any changes to the other housing provision figures in Policy SCT7.

17.72 We accept advice from the Regional Assembly that an additional qualification should be added to Policy SCT7 as a result of the AA given the sensitive Natura 2000 and Ramsar sites in this sub-region. In our view it is legitimate to reflect the fact that phasing and distribution may be influenced by the result of more detailed Habitats Directive Assessments at the local level, but there should be sufficient flexibility to accommodate the scale of new housing for this sub-region.

## **Affordable Housing**

17.73 Policy SCT8 states that as a general guideline, at least 40% of new housing development should be affordable housing. We consider that a level above the regional target is justifiable in this sub-region for the following reasons:

- It contains a disproportionately high level of need, according to background studies which replicated the Regional Assembly's method of identifying

backlog<sup>21</sup>. Indeed the combined scale of affordable housing need resulting from local housing needs assessments is more than double the draft Plan's housing provision level.

- Housing affordability is worse than the regional average (in every authority in this sub-region in 2006, quarter 2<sup>22</sup>), in part because of the lower levels of earnings.
- It contains a low stock of social rented housing (12.6% against the regional average of 14% in 2001, draft RSS para 9.1)
- A 40% target is already included in some adopted local plans (Brighton & Hove, Rother) or emerging LDDs (Chichester).
- Viability has been considered in recent studies, and indicates that while some authorities might achieve a lower level e.g. Hastings, some might achieve higher e.g. Brighton & Hove. Joint work for the West Sussex authorities indicated that 30-40% could be viable here<sup>23</sup>.

17.74 We support a target of 40%. We have no doubt that it will be stretching, given that performance since 1991 has been just under 20%, although with significant variations (over 30% in Adur but under 12% in Lewes and Wealden<sup>24</sup>). We also accept the reservations of White Young Green and other developers, that a higher percentage would need to be achieved on major sites to offset negligible provision on small sites and lower provision on sites with older permissions. This is an issue throughout the region but in this sub-region we note that some authorities e.g. Chichester, Arun, Worthing and Eastbourne are considering a graduated payment system such that small sites would still contribute financially to affordable housing although not necessarily through on-site provision.

17.75 We do not consider that expressing the target as "at least" 40% is necessary. Such a phrase is more appropriate at the individual sites level rather than for a monitoring target for the whole sub-region. The encouragement for individual authorities to aim as high as possible in setting their affordable housing target is adequately covered in Policy SCT8 i) and iii).

17.76 We consider that Policy SCT8 v) is right to signal the need for a range of affordable housing types, but leave its nature to be determined at local level. Some authorities, e.g. Eastbourne consider that most of their need is for social rented accommodation. Brighton & Hove, however, have identified shortages of key worker accommodation, and constraints that this imposes on some local businesses were identified in the background studies<sup>25</sup>. We note that the model prepared by Three Dragons for SECL<sup>26</sup> predicted a demand for some 49% of affordable housing in East Sussex to be within intermediate categories, the second highest county result in the Region. A greater

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<sup>21</sup> Sussex Coast Further Advice to SEERA, June 2005 [SC3]

<sup>22</sup> East Sussex CC statement, matter 8Aii.2

<sup>23</sup> Study Relating to the Financial Viability Impacts of Affordable Housing Policy Options in West Sussex, Adams Integra for West Sussex Planning and Affordable Housing Group, August 2005 [GAT53]

<sup>24</sup> Sussex Coast Further Advice to SEERA, June 2005 [SC3]

<sup>25</sup> Sussex Coastal Towns, sub-regional study, pages 3 & 34, East Sussex CC, April 2004 [SC7]

<sup>26</sup> Meeting affordable housing needs in the South East through intermediate housing, final report, Three Dragons and Herriot Watt University for SECL, September 2006 [Hr24]

acknowledgement of the role of key worker and intermediate housing could be reflected in the background text, E2, para 9.3.

- 17.77 In terms of size, this sub-region has the highest level of one person households in Region in part due to retired people<sup>27</sup>. Background work in the West Sussex part of the sub-region identified that the greatest shortage was for smaller unit sizes.
- 17.78 The extended form of Policy SCT8 was supported by most local authorities in this sub-region. Nevertheless we consider that there is scope for simplification, in order to avoid duplication with Policy H4 as recommended to be changed. In particular it would no longer be necessary to include sub-section iv) in that PPS3 (para 29) sets a national indicative minimum site size threshold of 15 dwellings, and we have already recommended that Policy H4 should encourage local authorities to set lower minimum thresholds where viable and practicable.

## **IMPLEMENTATION**

- 17.79 Policy SCT6 is about the institutional arrangements for delivering the sub-regional strategy, though other aspects of implementation are included in Policy SCT9 and its preceding text together with the Implementation Plan.

## **Infrastructure and Implementation Plan Proposals**

- 17.80 We welcome the fact that for the first time the Implementation Plan brings together the actions necessary to deliver a sub-regional strategy for the Sussex Coast area. We are also obliged to the principal authorities for the revised version of the SRIF which includes a cross-reference between the individual schemes and the sub-regional policy whose delivery the scheme is intended to assist<sup>28</sup>.
- 17.81 In terms of balance, the SRIF schemes should in our view reflect the thrust of the sub-regional strategy. In this respect participants express several concerns about the list of schemes in the Sussex Coast SRIF. These include a perceived bias towards road schemes, inadequate recognition of green infrastructure and insufficient recognition of existing infrastructure deficits. We consider that there is some merit in all of these views.
- 17.82 We have sympathy with the Regional Assembly over resource realism, as we discuss in Chapter 27. But we believe that GOSE is right to say that the sub-regional strategy should not rely on unrealistic expectations about the prior provision of infrastructure that cannot be sought through planning obligations and other developer contributions. For the reasons given in Chapter 5 we believe it is too inflexible to assert, as does Policy SCT7, that the planned housing provision in each district should be subject to the provision of the infrastructure listed in the SRIF. We therefore recommend that the second sentence of Policy SCT7 should be deleted.
- 17.83 While prioritisation of schemes has some attractions, in the Sussex Coast it is not sought by many participants, most of whom support the Regional Assembly's approach to the SRIF. However we believe that the most critical infrastructure needed to support the strategy should be identified in the Plan. The definition of such schemes would be those which will assist delivery of the economic objectives for the

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<sup>27</sup> White Young Green statement, matter 8Aii.2

<sup>28</sup> Revised Annex 3 of Implementation Plan 3.2 Sussex Coast [SC8A]

region and/or enable implementation of the housing proposals. As well as the broad reference in Policy SCT2 to east-west communications within the sub-region and links between it and the rest of the South East, we therefore recommend that the following key themes should be mentioned in the text relating to Infrastructure:

- Improvements to the coastal transport spoke, namely those on the A27/A259 corridor and rail improvements including the Willingdon rail chord and Coastal Expressway (several of which will provide environmental relief as well as enhanced access)
- Linking the sub-region to the CTRL by upgrading the Ashford-Hastings rail service
- Newhaven Port Access Road
- Eastbourne Park Road Links
- Shoreham Harbour access improvements
- New station at Polegate
- Rail improvements in the central rail corridor and Arun valley
- Brighton & Hove rapid transit and strategic interchange facilities
- Eastbourne-Hailsham Quality Bus Corridor
- Hailsham North and South WWT
- Chichester WWT.

17.84 In our view there is nothing in the existing Infrastructure paragraphs of Section E2 that is specific to the Sussex Coast and the same applies to Policy SCT9. We therefore recommend that while the text should say that full details of the above schemes and other infrastructure are included in the Implementation Plan, the rest of the text and Policy SCT9 should be deleted from the draft Plan.

17.85 As elsewhere we suggest that the table on delivery mechanisms and agencies should be relocated into the Implementation Plan.

17.86 Policy SCT6 and the preceding text stress the importance of joint working on multi-agency plans and we endorse the importance of a collaborative approach to economic development and regeneration in the Sussex Coast. We recognise that the achievement of the aims of the sub-regional strategy will require strong leadership. We recommend that this point be incorporated in the text preceding Policy SCT6 and that the latter and related text should form part of the final section on Implementation and Delivery.

## **ECr MMENDr IONS r**

### **Recommendation 17.1 r**

Amend Policy SCT1 to ensure that the Sussex Coast environment is both enhanced and protected, to optimise the use of previously developed land particularly in Brighton & Hove, to plan for sustainable urban extensions in Arun, Chichester, Rother and Wealden. (paras 17.11, 17.13)

### **Recommendation 17.2 r**

Include a job growth target against which progress can be monitored and set this at 30,000 for the 2006-16 period. (para 17.22)

### **Recommendation 17.3 r**



Amend Policy SCT3 to emphasise a proactive message about working with other agencies to unlock constraints on existing strategic employment sites, to list allocated and previously identified strategic employment sites, and to ensure that any change of use from employment to mixed uses is done through the LDF. (paras 17.25, 17.27, 17.29)

**Recommendation 17.4 r**

Amend Policy SCT4 to remove the reference to allowing infringement of environmental constraints; add a new sub-section to link new employment opportunities explicitly to the sustainable urban extensions in Arun, Chichester, Rother and Wealden. (paras 17.31-17.32)

**Recommendation 17.5 r**

Remove the advocacy element in the final paragraph of Policy SCT6; move the whole policy and its supporting text, amplified to stress the importance of strong leadership, to the final section on Implementation and Delivery. (paras 17.20 and 17.86)

**Recommendation 17.6 r**

Amend Policy SCT7 to provide for an annual total of 5,400 dwellings (2,970dpa) bringing the total to 59,400 2006-26. Add:

- 400 dwellings to the housing provision level for Brighton & Hove (para 17.57)
- 1,000 dwellings to the housing provision level for that part of Wealden within the Sussex Coast (para 17.60)
- 2,000 dwellings to the housing provision level for Arun (para 17.64)
- 1,000 dwellings to the housing provision level for Chichester (para 17.68)
- 1,000 dwellings to the housing provision level for Adur to reflect opportunities at Shoreham Harbour with an updated footnote(para 17.69)

Also, delete the second sentence and add a qualification on phasing and distribution as a result of the AA. (paras 17.72, 17.82)

**Recommendation 17.7 r**

In Policy SCT8, delete “at least” before the 40% affordable housing target and the reference to site thresholds as these are now to be covered in Policy H4 (see Recommendation 8.3). (paras 17.75, 17.78)

**Recommendation 17.8 r**

Delete Policy SCT9 and those parts of the existing Infrastructure text that are not sub-regionally specific. Reflect instead the particular uncertainties about waste water issues and the critical infrastructure themes. (paras 17.36, 17.37, 17.83)



## **18 EAST KENT AND ASHFORD**

Matter 8D

*This chapter examines the rationale for this sub-region and its gateway role. It broadly endorses its strategy based on the Ashford Growth Area and complementary regeneration of the coastal towns. It supports the draft Plan's position on Lydd Airport. It analyses the justification for the level (in the case of Ashford only post 2016) and distribution of housing and recommends increases in three districts in part reflecting the increased accessibility that CTRL Domestic services will bring. It suggests adding additional detail on strategic infrastructure including water supply and transport, and on implementation and delivery.*

### **VIEW AND RATIONALE**

- 18.1 This sub-region covers the Ashford Growth Area, all of the coastal districts in East Kent, and a small part of Swale district. We accept its rationale for the following reasons.
- There is a need to spread the benefits of an Ashford Growth Area to surrounding areas, as was recognised in the RPG9 Ashford Alterations, July 2004. A stronger integration will require positive planning.
  - It will allow the sub-region to be marketed as a whole. This will require a concerted effort as the economy here is one of the least buoyant in the region.
  - There is a common need to improve connectivity in this area at the periphery of the region, and an opportunity arising from introduction of CTRL Domestic services.
- 18.2 There is a commendably clear audit trail in the background documentation to the technical work that underlies this sub-regional strategy, particularly on employment and housing. But the final product in Section E3 of the draft Plan is rather long, including the incorporation of the adopted policies from the RPG9 Ashford Alterations as an annex. We suggest ways below of tightening the strategy, reducing duplication, creating a new consolidated policy on the Ashford Growth Area, and avoiding naming individual companies.

### **CORE STRATEGY (POLICY EKA3)**

- 18.3 The introduction to the strategy mentions the growth area and gateway roles, the decline of traditional industries, the catalyst of CTRL, and the need to manage and enhance coastal landscapes. This gives a good indication of the challenges facing this sub-region, although the importance of the Kent Downs AONB should also be recognised.
- 18.4 RSPB and others feared that the strategy would place considerable pressure on the area's environmental assets, based on the results of the SA and AA. Of particular concern were the implications of the sub-region's gateway role and other named development proposals for the Kent Downs AONB. However, Policy EKA9 was widely praised as promoting a coordinated approach to coastal management, including a pilot project in the Lower Stour to create new habitats as well as improved visitor access. We endorse this policy, KTG9, with the minor amendment proposed by the Regional Assembly following the AA.
- 18.5 We support entirely the statement that the unique heritage and environment should be protected and promoted for its own sake, and to foster the economic success of the sub-region. This would remain an important element in our suggested core strategy
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policy. The importance of the AONB in shaping new development opportunities at Dover, Folkestone and to a lesser extent at Ashford will also become more apparent by its inclusion on our recommended sub-regional illustrative diagram to accompany this strategy, together with the Natura 2000 sites<sup>1</sup>. The importance of managing and enhancing these environmental assets will also be highlighted through our recommended listing of the regional policies particularly relevant to this sub-region, including Policies C2, C3 and NRM4 as expanded following the AA<sup>2</sup>. On this basis, and because of other changes that we recommend below, we see no reason for the introduction of a new environmental policy in this sub-region, nor the designation of Romney Marsh as a heritage area.

- 18.6 Ways in which a complementary relationship between the Ashford Growth Area and surrounding coastal areas could be progressed were discussed at the EiP. Most accepted that Ashford provided the best opportunity for large scale inward investment that would hopefully provide spin-off advantages through supply chains to the rest of the sub-region. This will be challenging enough and we do not agree that the need to avoid investment being diverted from the coastal areas (E3, para 2.14) should be included in policy, as advocated by Thanet DC. In our view this would send negative signals to investors. Mention is already made in the text to other initiatives in Ashford that will benefit the sub-region, such as the development of a Learning Campus (E3, para 2.31).
- 18.7 Rather than making housing the subject of the first policy, we agree with Dover DC that it would be better to bring forward and modify Policy EKA3, which despite being termed a core economic strategy is more general. This policy would be clearer if the factual information and duplication were removed. It could then provide greater prominence to the distinct economic roles of Ashford, the coastal towns, and Canterbury, and could indicate the main areas for new development, namely through the expansion of Ashford and at the other main urban areas. The priority to the regeneration of the former Kent coalfield can be left to the more detailed urban renaissance policy. We have labelled this Policy EKA0 in suggesting detailed wording in Appendix A.

## **ECw OMY AwD REGEwERATIw w**

### **Coastal Towns and Gateways (Policies EKA4 and EKA5) w**

- 18.8 This sub-region combines several of the smaller Priority Areas for Economic Regeneration in RPG9, as well as the Ashford Growth Area. The focus on regeneration is expressed through the promotion of urban renaissance in the coastal towns (Policy EKA4). This gives expression to the overall strategy of a multi-centred sub-region each with mutually reinforcing roles (E3, para 2.14), by attempting to differentiate between the strengths of different coastal towns. In seeking to identify different economic drivers in this way, it is perhaps inevitable that it causes some overlap with the following policy on gateways.
- 18.9 Graham Warren was sceptical about how far sources of growth for individual towns can be predicted given that at the end of the day the market will decide. The development agencies and partnerships clearly have a major role in seeking to stimulate demand and development interest throughout this sub-region, but

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<sup>1</sup> The illustrative diagram should also show the Ashford Growth Area, the gateways and other ports, and the expected routing of CTRL Domestic services

<sup>2</sup> Policy CC9 and RE5 are also very applicable here

particularly in the coastal towns, and this could usefully be reflected at the start of Policy EKA4. The high degree of specificity on economic growth sectors in the remainder of the policy is unusual, but supported by SEEDA given the challenges here.

- 18.10 We do not consider it necessary to add a reference to ensuring compliance with the Habitats Regulations to the end of Policy EKA4 as suggested by the Regional Assembly following the AA, since this is a legal requirement which will have been made clear in the text to Policy NRM4.
- 18.11 Support for the transport functions of the Cross Channel gateways is clearly expressed in Policy EKA5. But to avoid duplication we recommend that it should also cover their roles as catalyst for economic growth. This would mean transferring reference to the gateway role of Kent International Airport from Policy EKA4 – the draft Plan's support for this was not debated at the EiP.

### **Lydd Ashford International Airport**

- 18.12 The potential role of Lydd airport (Ashford International Airport) provoked strongly held views with some 150 respondents to the initial consultation on the draft Plan in favour of its expansion and over 400 against expansion. Support for the potential of the airport for smaller scale operation (2 mppa) was included in the consultation draft Plan<sup>3</sup>, but had been withdrawn from the submission draft because this scale of airport was deemed by the Regional Assembly to be a local issue. The airport operator considered that support should be reinstated in view of ongoing investment, as did the principal authority because of its potential catalytic effect. Local interests and environmentalists supported the draft Plan as written because of the adverse implications they foresaw particularly on the internationally important birdlife, other fauna and flora of the Dungeness Peninsula, and perceived safety conflicts with the nuclear power station. Kent Wildlife Trust quoted from the AA that critical loads for nitrogen deposition and low level ozone were already being exceeded on the rare shingle habitat.
- 18.13 The debate took place against the backdrop of a live planning application for a first phase replacement terminal building which would give a passenger capacity of up to 0.5 mppa (compared to a throughput of around 3,000 in 2005 on CAA statistics, but rising). The operators also aspire to a second phase expansion to take capacity up to 2mppa by 2015. We attempted to constrain the EiP discussion to whether the airport should be reflected in RSS given its potential role as an economic driver.
- 18.14 Having reviewed all the evidence before us, we consider that a reference to potential at Lydd airport would be inappropriate in this Plan for the following reasons.
- There are other small-scale airports in the region which are not mentioned, and there must be a cut off somewhere.
  - There is no support given to expansion of Lydd airport in the RES, which according to SEEDA only refers to existing regional airports.
  - There is no specific support for the expansion of Lydd airport or its recognition as a regional airport in the Air Transport White Paper, only a factual statement that the operators have plans for development<sup>4</sup>. The general support for development

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<sup>3</sup> reflecting similar references in the Kent Structure Plan and the Shepway Local Plan, although in neither case is a scale of operation included in policy

<sup>4</sup> The Future of Air Transport, paras 11.98 – 11.99, Department for Transport, December 2003 [Tn6]

of regional airports, subject to relevant environmental considerations, relates to all airports in the preceding section, including London City and Southampton airport.

- We are unconvinced as to the extent to which the airport could act as a major economic driver since there would be significant environmental and transport implications arising from any attempt to attract ancillary activities such as airline engineering, particularly when there are similar facilities already available at nearby Kent International Airport.
- Kent CC's suggestion to reinstate support to 2 mppa, and to make support for Lydd airport and expansion of Kent International Airport subject to six criteria similar to those set out in the last Structure Plan, would turn part of Policy EKA4 into a detailed development control policy, which would be inappropriate in our view.
- Having no mention of Lydd airport in the Plan does not indicate that growth will be prevented. Instead the case for expansion will be determined through the development control process where a proper testing can take place, including of a full Environmental Impact Assessment.

## **Job forecasts w**

- 18.15 The employment estimate for monitoring purposes is set at 50,000 over the whole 2006-26 plan period (E3, para 2.15). This is significantly above all forecasts available to the examination, and is also above the 39,000 additional jobs achieved over the previous 20 year period. The principal authority's intention is to allow Ashford to achieve the job growth envisaged under the Sustainable Communities Plan with sufficient headroom to achieve the regeneration objectives at the coastal towns<sup>5</sup>. SEEDA estimates that the trend forecast for Dover probably underestimates growth at the port and from town centre redevelopment by as much as 3,000.
- 18.16 We accept the figure of 50,000 jobs as a policy-led target. We have elsewhere supported the concept of job targets for sub-regions focusing on economic regeneration, and we recommend that this figure should be expressed as such in E3, para 2.15.
- 18.17 In also supporting this target, SEEDA advise that its achievement is heavily dependent on the success of Ashford, and the hoped-for transformational effect of CTRL. But they also warn that the development of Ebbsfleet could be competitive. Hence the continued need for development agencies and partnerships to be proactive. Four main marketing advantages were identified for this sub-region, namely its quality of life, its cultural offer, proximity to Europe, and improving rail transport. The Kent and Medway Economic Board confirmed that there was no one economic driver here, but that growth needed to be fostered across a range of sectors, as clear from Policy EKA4, together with the rural economy.
- 18.18 Pitching a job target at this level would imply a higher rate of job growth than labour supply, which in our view is a reasonable objective given that this sub-region is currently a substantial net exporter of labour (jobs currently in excess of labour supply by 16,500 at 2006 on the Assembly's scenario 7 estimates). Most new labour supply is expected in Ashford because of its younger population structure. Elsewhere new labour supply will fall short of the number of new homes because of the effects of an ageing population. In fact under the Regional Assembly's dwellings based projection,

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<sup>5</sup> Annex on Employment Targets and Locations, para 74, Kent CC and Medway Council, December 2005  
[SEP14/15]

there would be negligible growth in labour supply in the second part of the plan period. Our later recommendations for a small increase in housing numbers would improve this situation, but only marginally.

18.19 The elements of **smart growth** that we recommend are noted in this sub-regional strategy are:

- upgrading skills, as being delivered through the Framework and the two Area Investment Frameworks, according to SEEDA;
- improving economic activity rates in accordance with the RES target; and
- improving business formation.

## Employment Land (Policy EKA7) w

18.20 The sub-regional strategy is based on the premise that the amount of employment land should be generous in order to have the best chance of attracting new investment. The amount of business floorspace already committed is given as nearly 1.85 million m<sup>2</sup> at 2004 (E3, para 2.22). This compares with over 1 million m<sup>2</sup> developed over the 13 year period 1991-2004, 40% of which was in manufacturing<sup>6</sup>.

18.21 The issue here appears to be with the **quality** rather than quantity of employment land and the fact that rental levels are not high enough to encourage investment in the necessary infrastructure or access improvements to unlock existing provision. Policy EKA7 gives priority to the completion of major employment sites and by identifying the broad locations of these gives them a degree of prominence that we support.

18.22 At Ashford it is understood that the Greater Ashford Development Framework (GADF) proposes a reconfiguration of major commitments. However we are not convinced that the sub-regional strategy gives enough emphasis to the need for other local authorities to undertake coordinated employment land reviews to ensure the availability of land to benefit the sub-region. If necessary this may mean substituting new land in place of existing land where it is no longer realistic to expect development. Our suggested amendments to Policy RE2 give a clearer framework at the regional level for this process, but we consider that it could be cross-referenced in the background text at E3, para 2.25.

18.23 In relation to new employment land, Policy EKA7 identifies two potential needs, namely for general employment land at Ashford and Dover, and secondly for high-quality land for knowledge-based industries at Canterbury, Pfizer and the Wye Campus. We accept that it is appropriate to identify broad locations for new employment land, although we have comments about the detail below. But we are not convinced that it is necessary to provide a separate policy giving more detailed criteria by which individual sites might be identified. We therefore recommend that any content of Policy EKA6 that is specific to this sub-region as opposed to duplicating the regional policies should be transferred to the background text, and the policy deleted.

18.24 Similarly we find that Policy EKA8 in giving locational criteria for regionally significant development duplicates guidance in regional policies, e.g. the preference for previously developed land in Policy CC8a, and duplicates other sub-regional policies. We recommend that the first element, namely to achieve a broad balance between housing and jobs at each urban area should be transferred into Policy EKA4. It is already reflected in Ashford Policy 2, which is an element in our new Ashford

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<sup>6</sup> Annex on Employment Targets and Locations, Table 12, Kent CC and Medway Council, December 2005 [SEP14/15]

policy. The second element, the fundamental objective of exploiting potential at locations served by CTRL Domestic services, should be included in the core strategy, Policy EKA3. With these elements transferred, the remainder of Policy EKA8 can be deleted.

- 18.25 The fourth element of Policy EKA7 gives a greater emphasis to the town centres as locations for employment growth and cultural activity. We support this strand. It is significant that a considerable proportion of recent employment growth has been on land not formally allocated for employment purposes in retail and leisure, education and health. SEEDA is also investing heavily in several town centres in this sub-region (Margate, Folkestone, as well as Ashford).
- 18.26 The final element gives support to higher and further education and we support this element as a contribution to smart growth.

### **Wye Campus**

- 18.27 Wye Campus is one of the locations proposed for additional high-quality land in Policy EKA7. This was added after the consultation draft Plan stage and reflected a similar reference in the deposit draft Kent Structure Plan which failed to find favour with the EiP Panel<sup>7</sup>. The proposal provoked fierce opposition in the representations on the submission draft Plan from environmental groups and Parish Councils, primarily because of conflict with the AONB and transport implications, with approaching 60 respondents to our consultation registering their opposition.
- 18.28 However before the EiP debate Imperial College had announced that they no longer intended to pursue this proposal. There was therefore general agreement that the reference to Wye Campus should be deleted<sup>8</sup>. We agree with Kent CC that the objective to attract knowledge-based jobs at Ashford should still remain in Policy EKA7 but that the location should instead relate to the urban growth area, and we recommend accordingly.

## **SETTLEMENTS AND INFRASTRUCTURE**

### **Influence of water supply, wastewater treatment, flood risk and water transport**

#### **Water supply**

- 18.29 The evidence base on infrastructure that was used to shape the strategy for this sub-region tends to exemplify two extremes and the water resource issue is no exception. In Ashford we find a clear demonstration of best practice with a comprehensive analysis of options, early involvement of the water industry regulators, environmental quality addressed and funding considered. Elsewhere in the sub-region data on water supply can at best be described as patchy. This difference reflects, of course, the availability of finance for technical studies associated with Ashford's Growth Area status.
- 18.30 Building on the regional studies of water supply the Ashford IWMS<sup>9</sup> concludes that, in addition to Mid Kent Water's new strategic main from Bewl Water to Ashford a

<sup>7</sup> Kent Structure Plan EiP Panel Report, para 5.45, February 2005 [SP4PR]

<sup>8</sup> A new access had already been removed from the SRIF by the Regional Assembly in finalising the EiP submission of the Implementation Plan in late October 2006

<sup>9</sup> Ashford's Future: Integrated Water Management Study, Black and Veatch, August 2005 [EKATG13]



further (preferably local) source of supply is needed to meet long-term needs. Supplementing this new supply source with rigorous water efficiency measures should permit a reduction of the current high levels of groundwater abstraction. On this basis the EA believes that there is enough water resource available to meet the proposed level of growth at Ashford. We accept that conclusion and recommend that it be reflected in the strategic infrastructure section at E3, para 2.32.

- 18.31 Forecasts for the rest of the sub-region are inevitably less certain though it is clear that investment in new sources of water supply will be necessary and two schemes are included in the Implementation Plan. We are pleased to note that the EA is encouraging water companies to review all the options and that funding is available to investigate options including additional capacity at Bewl reservoir and a new reservoir at Broad Oak. However we endorse Kent CC's view that since supply is likely to be tight by 2011 early decisions are needed on the means by which supply is to be increased in an environmentally acceptable manner. We recommend that this conclusion be incorporated in E3, para 2.32.

### **Waste Water Treatment**

- 18.32 The Ashford IWMS confirms the conclusion in RPG9 Ashford Alterations that major investment at the existing Ashford WWT is needed (and possibly a new works south of Ashford after 2031). We note that Southern Water has programmed the funding to extend the WWT but that all the receiving waters are highly sensitive and further work on the quality of the River Stour is in hand. We endorse Kent CC's view that there is a need for integrated long-term planning at Ashford that transcends current water industry 5-year funding cycles. Since the draft Plan makes no comment we recommend that this view be included in E3, para 2.32.
- 18.33 Elsewhere in the sub-region the EA studies have not identified any locations where a cap on new housing is proposed because of potential water quality problems, though further investment in treatment will be required.

### **Flood Risk**

- 18.34 Ashford is the only large urban area in the sub-region where development options are significantly affected by flood risk due mainly to winter run-off from the River Stour. We note that a SFRA was completed in November 2006 and that Ashford BC and the EA are preparing a SPD on sustainable urban drainage systems and are about to undertake a flood risk strategy. We are satisfied that a process is in place to manage flood issues at Ashford.
- 18.35 Elsewhere EA flood maps were used in preparing the sub-regional strategy and SFRAs are in progress or about to start. These will consider tidal flooding as well as fluvial flood risk.

### **Transport**

- 18.36 We acknowledge that the transport implications of the Ashford Growth Area have been fully considered in a series of studies carried out during 2002-05. These studies test the scale of development proposed in the GADF that forms the basis of the draft Plan provision and LDF Core Strategy. We recognise that these plans include major pieces of infrastructure without which development cannot proceed. These include the new M20 junction 10A which connects development sites to the south east of Ashford to the motorway, and on which a process for delivery is being set up.

- 18.37 An alternative view was expressed (by Monserat Properties) who favour a new junction 10B to the south of Ashford on the basis that it would open up a strategic development zone and in the process could enable a port-related lorry park. We accept the HA's view that it is unlikely that there is a traffic justification for junction 10B, quite apart from the compatibility of development here with the compact growth model justified within the GADF.
- 18.38 As part of the transport package at Ashford we particularly welcome a group of projects that contribute to achieving the required shift from private car use to other forms of transport, including the Smartlink bus system. The main improvements are included in Ashford Policy 2.
- 18.39 The influence of transport on the spatial strategy in the remainder of the sub-region is much less clear since transport studies have yet to be completed:
- The Dover area experiences serious transport problems due largely to the increase in freight vehicles using the port and the local topography. We were informed that a comprehensive transportation study is in progress. The study will test the cumulative impact of alternative growth levels going beyond those in the draft Plan and the freight impact as part of the LDF process.
  - At Canterbury, Herne Bay and Whitstable the transport implications of growth have not been fully tested, but feasibility studies have taken place on upgrading the A2 junctions serving Canterbury which are sub-standard.
  - The cumulative impact on Thanet urban area of the proposed housing quantity plus the new Westwood shopping centre and other commitments has not been tested. Further transport studies are needed to provide a basis for investment and demand management proposals.
  - In Shepway the traffic impact of new housing and employment development has not been tested. However Folkestone-Hythe has relatively few congestion problems and we note Kent CC's view that it should be possible to accommodate planned development.
- 18.40 Against the above background we considered the request by Dover DC that the corridor north from Dover to Thanet should be included in the strategy as a transport spoke. Although we are unable to support Dover's claim to be a regional hub we entirely accept that the international dimension of the town's cross channel ferry services make it unique in the region. We believe that this is reflected in its Gateway status and the three regional spokes that connect the town. However we do accept that the importance of Dover's connectivity and the regeneration needs of the town, of Thanet and of the intervening areas justify the designation of this corridor as a regional spoke. We recommend accordingly.

## **USING w**

### **Overall Level w**

- 18.41 Policy EKA1 sets a housing level of 48,000 (2,400 dpa) between 2006-26. The Ashford component of this (22,400) is compatible with Sustainable Communities Plan provisions for a step change of 31,000 between 2001-31 (see para 18.48 below). The component for the four East Kent districts (24,900) is about 20% below RPG9 levels, and about 25% below recent build rates<sup>10</sup>. For both Ashford and the four East Kent districts the draft Plan's level is about 40% below 2004-based national household

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<sup>10</sup> by calculation from GOSE2

projections. There is however already more scope for in-migration than in many other sub-regions, particularly at Ashford consistent with its Growth Area role, and in the coastal towns because of the effects of an ageing population.

- 18.42 The consultation draft Plan included two options with locational assumptions: the first corresponding to a roll forward of the last Structure Plan, and the second 25% higher. The second option was dismissed as being unrealistic by the Steering Group because a distributed growth pattern would give rise to unacceptable environmental, transport and other constraints, and a concentration at Dover and Thanet would involve an imbalance with economic prospects.
- 18.43 For the reasons given in Chapter 7 we consider that a housing level of 53,000 would better reflect regional imperatives and local needs. At the regional scale we recognise that this sub-region has the least stress on its strategic highways network<sup>11</sup>. It will also benefit from major public transport accessibility improvements from the introduction of CTRL Domestic services in 2009. Despite the conclusion of GOSE's consultants on the availability of unconstrained land adjoining existing urban areas, we recognise the risk of fuelling out-commuting if housing levels were to be increased significantly above the likely number of new jobs.
- 18.44 In relation to the needs of coastal towns, we recognise that new housing can help to attract a wider range of skills and can increase spending power on consumer services. However we see limits to the concept of housing-led regeneration espoused by some developer representatives and agree that the principal authority was right to seek housing levels that can be supported by jobs in the area.

### **ousing Distribution (Policy EKA1) w**

- 18.45 Three alternative options for the identified greenfield requirement (6,550 dwellings) were identified in preparing the strategy, having accepted as a base distribution the urban potential estimates in each district and the assumed greenfield land to be accommodated within the Ashford Growth Area. These options were the subject of public consultation in September/October 2005. The final sub-regional strategy largely reflects the first of these options which broadly reflects a spread across all the main urban areas as in the last Structure Plan.

### **Ashford**

- 18.46 A level of growth for Ashford consistent with the Sustainable Communities Plan was taken as 'a given' in all options considered in preparing the strategy. The aspect for discussion at the EiP was the post 2016 housing level for the growth area beyond that included in the RPG9 Alterations, July 2004. The provision proposed between 2016-26 is 12,000 (1,200 dpa) compared to an average annual rate of 1,040 dpa between 2006-16. This represents a slightly faster build up of the delivery rate than included in RPG9, Policy 1, which is therefore superseded.
- 18.47 Remarkably few participants argued for any increase in this housing level, and those that did were promoting earlier implementation of locations within the current development framework, or additional sites. We see no case for increasing the level given the careful background work undertaken including on how to meet infrastructure requirements, and the near consensus reached on the GADF which has been completed since the RPG9 Alterations. It is unlikely that employment levels could keep pace if higher housing levels were imposed, and Ashford's planned growth

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<sup>11</sup> HA sub-regional narratives, Appendix C [HA3]

already represents a 92% increase on the town's 2001 population. It would not be appropriate for us to comment on whether a third expansion area should be begun before 2021, as DLP requested, since there are no boundary issues here that influence apportionment between districts or its timing.

- 18.48 We are satisfied that the proposed levels are consistent with the 31,000 additional homes sought by the Sustainable Communities Plan between 2001-31, following the useful clarification agreed between GOSE and Ashford BC at the EiP<sup>12</sup>. This indicates that on the draft Plan housing levels and taking account of completions since 2001, the implied rate to be achieved between 2026-31 would be just over 932 dpa, i.e. a reduction on the previous 10 years.
- 18.49 The rate of delivery at Ashford over the first five years of its Growth Area status (788 dpa for the borough as a whole) has been much as anticipated in RPG9 Policy 1 (790 dpa average). But the latest trajectory produced by the Borough Council indicates likely completion rates above levels in this draft Plan from 2007/08 onwards until 2016/17<sup>13</sup>. This optimism is due to the fact that extra sites are now being released as part of the development framework, that additional choice will become available in the town centre at the same time that CTRL Domestic services are due to start, and that according to the HA there is now an agreed package of improvements including for M20 junction 10A for incorporation in the LDF.
- 18.50 We note that there is no separate allowance for the rural areas beyond the Ashford urban area within the East Kent and Ashford sub-region. However as there are no sizeable settlements here and Ashford itself is clearly the growth focus, we do not suggest any changes. We therefore accept the proposed housing levels for the Ashford Growth Area in Policy EKA1.
- 18.51 Given Ashford's special status we consider it appropriate for this RSS to include a policy setting out key elements of the spatial framework for its growth. Given that the Ashford LDF core strategy is well advanced based on the GADF, this policy does not need to be in as much detail as the RPG9 Alterations. Our recommended policy incorporates elements from Policies 2 and 3 on new development, employment land, and sustainability aspects not covered by other policies in this sub-regional strategy (labelled Policy EKA1A in Appendix A) and Policies 2 and 3 should then be deleted.

## **Dover**

- 18.52 Dover urban area was singled out as a possible location for concentrating new housing growth in two of the three options on which Kent CC consulted in autumn 2005. This was because of a particular need to regenerate the urban area and to revitalise the economy, and because the District Council had identified areas of search for development as part of their LDF process (E3, paras 2.3 and 2.10).
- 18.53 In the event, the draft Plan proposes a level of housing provision for Dover district of 6,100 which is below recent completions and below the level in the last Structure Plan, but acknowledges in a footnote to Policy H1 the possibility of investigating provision for a further 2,000 homes, subject to testing within the LDF process. The fear of major greenfield development north of the M2 provoked a high number of individual representations to the draft Plan, and a portfolio of additional correspondence largely

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<sup>12</sup> Ashford Growth Area -- Housing Figures [GOSE8]

<sup>13</sup> Housing Trajectory, Appendix 4 of the Ashford Borough LDF Core Strategy Submission DPD, November 2006 [EKATG18]

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from surrounding Parish Councils was submitted to the EIP by the Whitfield Action Group.

- 18.54 Since the submission draft Plan, further work has been done which gives the principal authority confidence to suggest that the additional 2,000 dwellings should be added to Dover's housing level. We agree with taking Dover's level to 8,100 dwellings and that the majority of this should be located at Dover itself, on the basis that:
- it would help maintain labour supply, which under the draft Plan is likely to fall due to the ageing population;
  - investor confidence has increased recently, partly due to the prospect of CTRL Domestic services;
  - Connaught Barracks now looks likely to come forward for redevelopment, increasing the estimated urban potential of 5,090 by 500<sup>14</sup>, and further sites may become available through the work of Dover Pride.
  - It would increase the customer base for the forthcoming town centre developments.
- 18.55 Whether this increased housing level will involve greenfield housing north of the M2 will be for the District Council to determine through its LDF process. In relation to access constraints here, we understand that traffic modelling work is now underway and that the HA is maintaining a watching brief. We note that they expressed interest in the possibility of such development offering a solution to the separation of local and long-distance port-related traffic in this location.
- 18.56 If a significant greenfield scheme is eventually promoted, we hope that the LDF will include a formal mechanism for linking an element of S106 contributions to improvements in housing renewal areas within the older parts of the town.
- 18.57 We do not support calls for an even higher housing level for Dover from the District Council and some developer representatives, because it would increase net out-commuting if new housing moved too far ahead of new job creation, and because it could potentially unbalance the sub-regional strategy with its major growth focus on Ashford.
- 18.58 In terms of phasing, as a guideline to be tested in the LDF, we recommend that the additional 2,000 dwellings is split 30/70 between the two halves of the plan period. This would allow Dover to 'catch the tide' of current investor confidence, while acknowledging the longer term needs for labour supply and the lead-in times for major schemes.

## **Thanet**

- 18.59 The draft Plan proposes a level of 6,500 (325 dpa) which is significantly below the last Structure Plan and recent completion rates. Urban potential is sufficient to meet the majority of this. Thanet DC seek a period of consolidation following the creation of the Westwood Centre and adjoining uses through a major greenfield release, and because recent economic growth has been slow. We also note the demographic evidence that the natural change of the existing population does not numerically require any new housing at all<sup>15</sup>.

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<sup>14</sup> Clarification of Total Estimated Potential Housing Land Supply in Dover District, February 2007 [Kent15]

<sup>15</sup> Kent CC's zero net migration forecasts, Methodology for Distribution of Housing, Annex 7, Kent CC and Medway Council, December 2005 [SEP14/15]

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18.60 Nevertheless we recommend that Thanet's housing level is increased by 1,000 because:

- this would more closely reflect the last Structure Plan;
- it is a level that Kent CC felt able to support;
- it would help to provide greater choice in the housing market of benefit to the pharmaceuticals and technology cluster in the Sandwich/Richborough area in the adjoining Dover district, as well as employers within Thanet.

We suggest that all of this increase could be in the second half of the plan period to reflect the longer term needs for labour supply and to allow the success of the Westwood scheme to be assessed.

## Canterbury

18.61 The proposed housing level of 7,200 (360 dpa) is again below the last Structure Plan and significantly below recent completion rates. This was defended by the principal authority and Canterbury City Council on the basis of longstanding constraint policies, and heritage and environmental constraints.

18.62 On the basis of the evidence before us, we recommend that Canterbury's housing level is increased by 2,000 to 9,200, the majority of which should be focused on Canterbury itself, because:

- its regional hub status provides a good prospect of achieving sustainable travel patterns;
- there is potential for economic growth here including in the knowledge-based sectors;
- Canterbury city already has significantly more jobs and labour supply leading to a net in-commuting of about 12,000<sup>16</sup>;
- this level is only marginally more than the last Structure Plan;
- additional housing could contribute to A2 junction improvements if a pooled system of S106 contributions were used, which could benefit prospects for bringing forward new employment land<sup>17</sup>;
- the need for appropriately priced homes possibly at a higher rate than currently planned is recognised in the Canterbury Futures study to make the town an attractive lifestyle option for knowledge based and creative industry enterprises<sup>18</sup>.

18.63 As a guideline to be tested in the LDF, we recommend that the additional 2,000 dwellings is split 30% between 2006-16 and 70% 2016-26 to acknowledge the longer term needs for labour supply and the lead-in times for major schemes.

## Shepway and Swale

18.64 We do not suggest any change to housing levels for Shepway or that part of Swale in this sub-region. Although levels proposed in Shepway are again lower than the last Structure Plan and recent completion levels, there were no significant economic drivers identified for further growth of Folkestone, and there are extensive environmental constraints. The District Council did not provide any evidence to

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<sup>16</sup> Sub-regional narratives, EKA para 4.2.23, Parsons Brinckerhoff for HA, November 2006 [EKATG22]

<sup>17</sup> There are current HA objections to new employment land in the south east of the town until the A2 Bridge junction has been improved, Kent CC and Canterbury City 8Diii.2 statements

<sup>18</sup> At the Crossroads: Canterbury Futures study, page 25 where the possibility of 8-9,000 homes and possibly more is postulated (over the next 20 years), Experian for Canterbury City Council, October 2006 [CantCC1]

suggest that the proposed levels would not give adequate flexibility to meet its objectives of regenerating the Folkestone seafront and other initiatives.

18.65 Swale only has one main settlement within this sub-region – the historic market town of Faversham, in which a locally-based regeneration strategy is being pursued. Its proximity to the M2 makes it attractive to the development sector, but in our view further growth here could be at the expense of the coastal towns, and possibly the nearby Growth Areas. The need for more employment land is a matter that should be determined through the coordinated employment land reviews that we suggest earlier.

### **Affordable Housing (Policy EKA2 and Policy 1) w**

18.66 Policy EKA2 states that an indicative target of 30% of all new dwellings applies throughout this sub-region. A 30% target is also included in Ashford Policy 1. The most recent Housing Needs Assessments suggest an affordable housing need above the draft Plan's housing provision level, except in Ashford<sup>19</sup>.

18.67 We consider that it is justifiable to set a level lower than the regional target for the following reasons:

- A higher level is unlikely to be viable because land values are lower than in many other parts of the region, and developer contributions are required to unlock infrastructure constraints.
- Housing affordability ratios are not as bad as in many parts of the region (Map H3) because of lower house prices.
- There is a relatively high proportion of social housing in some areas, including private rented stock.
- This level will already be very stretching to achieve since affordable housing completions have only been about one third of this level recently (E3, para 2.11). However it was generally agreed by the local authorities to set the right 'direction of travel'.
- A justification for this level in Kent was independently verified by a recent region-wide assessment for SECL<sup>20</sup>

18.68 Targets consistent with this level are included in several of the Local Plans. Only in Ashford does the draft LDF policy seek a higher rate of 35%, but this applies only to sites above the qualifying size thresholds. Several developer representatives were uneasy about this level, and sought a phased introduction particularly in view of the step change from the previous level of 20% in the adopted Local Plan. However this is a matter for local negotiation, and not for us.

18.69 There is useful guidance in the text about the type of affordable housing likely to be needed, including a higher proportion of key worker and shared equity housing in Ashford (E3, para 2.12). But we accept that further detail on type and size needs to be left to LDFs.

18.70 Finally we are not convinced that affordable housing requires a separate policy. The need for regular review is part of the normal plan system. The role of LDDs in setting targets and the circumstances in which tenure may be specified is already included in Policy H4. Any additional information, e.g. the factors on which local authorities

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<sup>19</sup> Annex on Affordable Housing, Annex 9, Kent CC and Medway Council, December 2005 [SEP14/15]

<sup>20</sup> Meeting Affordable Housing Needs in the South East through Intermediate Housing, Three Dragons and Herriot Watt University for the South East County Leaders, September 2006 [Hr24]

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should base their target in the second paragraph of the policy could be transferred to the text. We therefore recommend that the opening sentence of the policy, containing the sub-regional target, is relocated to Policy EKA1.

## **IMPLEMENTATION**

### **Plan, Monitor and Manage (Policy EKA1)**

18.71 The final sentence of Policy EKA1 refers to a downward adjustment in the proposed housing provision figures, particularly at Ashford, if there is delay in infrastructure, services and employment. We have discussed the merits of such a contingent approach in relation to Policy CC5 and, while we are aware of the general support for the concept among local authorities and some environmental interests, we are not persuaded that it is appropriate particularly in relation to Ashford. The reasons for our rejection of this part of Policy EKA1 are that:

- a PMM process involves a positive approach to management of infrastructure and services if monitoring reveals delay in their delivery (Ashford Policy 1 requires active pre-planning of infrastructure capacity);
- the wording of Policy EKA1 and E3, para 2.8 could be counter productive by sending negative signals to the private sector and introducing unnecessary uncertainty (several developer participants argued that the threat of reducing numbers could only have a detrimental effect on housing supply);
- linking housing completions to short-term trends in employment within the sub-region is hard to justify and almost impossible to apply in practice (Ashford Policy 2 refers to encouraging job growth to move forward in tandem with housing development).

18.72 We note that while the Kent and Medway Structure Plan (Policy AS1) stresses the need for improvements in infrastructure and a close relationship between economic performance and housing it does not make phasing of development conditional on provision of infrastructure. In a similar vein Ashford Policy 2 stresses the need for further work on the linkages between development and infrastructure. The latter approach is in our view more realistic and we recommend below that it is incorporated into a policy on delivery.

18.73 As elsewhere we disagree with the prospect that the rate of growth in new jobs could be used as a development control tool on housing levels. In our view both should be monitored and if the intended relationship becomes 'out of sync' over a reasonable period, say five years, then housing levels could be reconsidered in the next RSS review or a subsequent LDF review. The same applies to considerations in the event of any major delays in strategic infrastructure. We suggest that this message is substituted for more negative comments currently in the text (E3, para 2.8 second half).

18.74 The aim of achieving a broad balance between new homes and new jobs would be included in our recommended revision of Policy EKA4 (see para 18.23) and remain in our proposed Ashford-specific policy as currently expressed in Policy 2.

18.75 We therefore recommend deletion of the last sentence of Policy EKA1 and its replacement with the need for active pre-planning of strategic infrastructure currently in Policy 1.



## **Institutional Arrangements (Policy 4) w**

- 18.76 In the Ashford Growth Area we welcome the establishment of the Ashford's Future Delivery Board which represents the key organisations that will have a role in delivering the strategy. Not only do the institutional arrangements at Ashford seem sufficiently robust to give confidence in the implementation of the strategy but we consider that real progress is being made with funding options to assist delivery of infrastructure.
- 18.77 The report prepared for the Ashford Landowners' Group<sup>21</sup> concludes on the basis of various assumptions that the level of housing growth can be delivered through a strategic infrastructure tariff, alongside existing and mainstream public sector funding and investment by the regulated utilities. We understand that the tariff and other funding will be utilised by a separate company. We also note that since the maximum achievable tariff would cover most of the residual infrastructure costs that need to be funded there should be no 'funding gap'. However we recognise that there may be a short-term cash flow issue and a need for assistance with phase 1 infrastructure.
- 18.78 We strongly endorse the partnership working on delivery mechanisms that is evident in Ashford and the business planning approach that is leading to a costed implementation plan for capital expenditure. Ashford's Future is also collating the delivery plans of other authorities which will cover revenue implications. Policy 4 appears to summarise well the intention to continue the promising start on funding of infrastructure and we therefore recommend its retention in the Plan, suitably updated and extended as below.
- 18.79 It would also be appropriate to mention other important partnership arrangements, including the East Kent Partnership and the Channel Corridor Partnership in a final section of the strategy on implementation and delivery.

## **Implementation Plan Proposals w**

- 18.80 The SRIF for East Kent and Ashford in the Implementation Plan includes schemes under the headings of Transport, Education, Social Infrastructure, Green Infrastructure, Utilities and Flood Defences. This represents a much more balanced picture of infrastructure than in most sub-regions (even though social infrastructure is confined to Olympic sports facilities!).
- 18.81 Nevertheless they also contain significantly more entries. In part this reflects the serious constraints imposed by infrastructure deficiencies here. It is also because needs have been identified to a higher level in Ashford through the Growth Area studies, and it is questionable whether some of the more local proposals are sub-regionally significant. GOSE also questioned whether some of the schemes in this sub-region had been sufficiently justified in terms of the development and transport benefits that they would deliver.
- 18.82 As elsewhere, we accept that subsequent additions may be necessary as more detailed work takes place at growth locations. Indeed Ashford BC had already put forward some such suggestions<sup>22</sup>.

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<sup>21</sup> Funding and Implementation of the Ashford Growth Area, RTP, October 2006 [BERST 1]

<sup>22</sup> Ashford BC Matter 8Diii.2 statement

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## Transport (Policy 2) w

18.83 We think it important for the Plan to identify the main pieces of infrastructure that are critical to the delivery of the sub-regional strategy. While most elements of infrastructure are adequately covered in the regional policies or are appropriate to the Implementation Plan, transport improvements are so vital to support the spatial planning framework that a separate section is justified. This would build on and expand the existing text (E3, para 2.30) with its own heading. It would supersede the detailed listing in Ashford Policy 2.

18.84 Taking account of these and the SRIF we consider that the following key transport themes should be named in the text to indicate the Sub-regional Transport Strategy to support sustainable growth and regeneration in East Kent and Ashford:

### Rail

Frequent domestic services on the CTRL for Ashford and the East Kent towns

### Ashford

- Improvements of junction 10 of M20 and additional junction 10A
- Ashford to Thanet improved rail links
- Ashford-Hastings rail capacity improvements
- Enhancement of Ashford station and a new south Ashford rail station
- Co-ordinated bus route planning with new and existing development, new bus interchange and park and ride facilities
- Measures to support cycling and walking
- A south Ashford orbital road linking the A28 to the A2070 after 2016

### Canterbury

- Improvement of A2 Canterbury bypass junctions together with associated demand management measures including park and ride

### Dover

- Improvements to A2 and A20 for port traffic and lorry parking facilities

### Thanet

East Kent Access Phase 2.

18.85 Most of the themes above are related to housing and employment development. There are additional priorities in this sub-region relating to its gateway function. Hence we consider landside access issues to Dover port to be particularly important. Several schemes are included in the SRIF table, and the need for progress is made more urgent because freight traffic is now running at levels previously forecast to be reached in 2014 and there are air quality concerns in the port's vicinity. Of particular concern in the short-term is the extensive disruption that accompanies Operation Stack. We hope that a satisfactory management system and longer-term solution will emerge quickly from the co-ordinated work currently being undertaken by the HA and Kent CC. We also share the concerns of Dover Harbour Board that lack of progress on road improvements around and through Dover might inhibit redevelopment of the Western Docks.

18.86 We are conscious that although the above list provides for some significant improvements to travel by non-car modes there is only limited emphasis on demand management measures in this sub-region. This reflects two factors. First, while there are serious localised problems associated with access to the port of Dover the rest of the strategic road network currently shows little sign of "stress". However, the HA commented that, given their trans-European role, in the longer term it may be necessary to consider forms of traffic management on the A2/M2 and A20/M20

Secondly, there are relatively few alternatives to the car outside of the main urban areas and rail corridors. Pending the outcome of various local transport studies we do not therefore consider that there is any need to add a sub-regional flavour to the regional demand management policies.

## **Infrastructure (Policy EKA10) w**

- 18.87 The text accompanying this policy contains useful information on the need for other strategic infrastructure and services (E3, paras 2.31-2.33). This was updated by Kent CC following the debate<sup>23</sup> and contains a useful insert on groundwater protection and SFRAs. A new final paragraph puts emphasis on infrastructure phasing. We are content with these suggested amendments, with the exception of a sentence which reintroduces the contingent approach.
- 18.88 Policy EKA10, as clarified by Kent CC, covers the need to refine the SRIFs, address phasing of development, and bring forward proposals for the timely implementation of infrastructure during refinement of the sub-regional strategy. As written there is little that is sub-regionally specific. However because of the undoubted importance of unlocking infrastructure constraints and its influence on development we recommend incorporating the main message on phasing of development into an expanded Policy 4 on Delivery. We favour the wording used at the end of Policy 2 to do this, but it would now have applicability to the whole sub-region and not just Ashford (our suggested wording for this policy is labelled Policy EKA10A in Appendix A).
- 18.89 The table showing delivery mechanisms and agencies would be more appropriately located in the Implementation Plan.

## **RECOMMENDATIONS**

### **Recommendation 18.1 w**

Bring forward and modify Policy EKA3, removing factual information and duplication, to become the first policy and incorporate more guidance on the location of new development including the significance of CTRL currently in Policy EKA8. (paras 18.7, 18.24)

### **Recommendation 18.2 w**

Generally simplify the policy structure and avoid naming individual companies. (para 18.2)

### **Recommendation 18.3 w**

In Policy EKA1 increase the housing levels as follows:

- total sub-regional level 2006-2026 from 48,000 to 53,000 (para 18.43)
- the level for Dover by 2,000 to 8,100 (para 18.54), and split the extra 30/70 over the two halves of the Plan period (para 18.58)
- the level for Thanet by 1,000 to 7,500, with all of the increase in the second half of the Plan period (para 18.60)
- the level for Canterbury by 2,000 to 9,200, and split the extra 30/70 over the two halves of the Plan period (paras 18.62-18.63)

<sup>23</sup> Note on 8Div Implementation and Format, Kent CC, February 2006 [Kent16]

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**Recommendation 18.4 w**

Delete the last sentence of Policy EKA1 to replace the use of the “contingent” approach with the need for active pre-planning of strategic infrastructure currently in Policy 1. Delete Policy 1. (paras 18.46, 18.75)

**Recommendation 18.5 w**

Retain an affordable housing target of 30% but locate this in Policy EKA1, and delete the rest of Policy EKA2 (para 18.70)

**Recommendation 18.6 w**

Create a new policy setting out key elements of the spatial framework for Ashford’s growth, by combining key points in Policies 2 and 3, to be located immediately after the housing policy. Delete policies 2 and 3. (para 18.51)

**Recommendation 18.7 w**

Amend Policy EKA4 to mention the role of development agencies, particularly in coastal towns (para 18.9) and move the detail on gateways to Policy EKA5 (para 18.11). Include the aim of seeking a broad balance between housing and jobs in each urban area, currently in Policy EKA8 and delete the remainder of Policy EKA8 (para 18.24)

**Recommendation 18.8 w**

Amend Policy EKA5 to include reference to the role of the Cross Channel gateways as catalysts for economic growth (para 18.11)

**Recommendation 18.9 w**

Treat the figure of 50,000 job growth 2006-26 as a target (para 18.16), and identify the elements of smart growth that are particularly pertinent to this sub-region (para 18.19)

**Recommendation 18.10 w**

Transfer sub-regionally specific elements of Policy EKA6 to the text and delete the rest (para 18.23)

**Recommendation 18.11 w**

In Policy EKA7 retain the objective of attracting knowledge based industries at Ashford but delete the reference to Wye Campus and instead relate this to the urban growth area (para 18.28)

**Recommendation 18.12 w**

Include the minor amendments suggested by the Regional Assembly as a result of the AA in Policy EKA9 (para 18.4)

**Recommendation 18.13 w**

Add an additional regional spoke to Map T1 and the Key Diagram from Dover to Thanet (para 18.40)

**Recommendation 18.14 w**

In the section on strategic infrastructure include references to the forecast adequacy of water resources to meet Ashford’s needs, and to the importance of early decisions on how

to increase water supply capacity and to the need for longer term planning of water resources (paras 18.30-18.32). Include additional text suggested by Kent CC (para 18.87)

**Recommendation 18.15 w**

Create a separate section on Transport. List key transport themes critical to the delivery of the sub-regional strategy in the text. (paras 18.83-18.84)

**w**

**Recommendation 18.16 w**

Create a final section of the strategy on Implementation and Delivery. Mention other important partnership arrangements. (para 18.79)

**w**

**Recommendation 18.17 w**

Expand Policy 4 to create a final policy entitled Effective Delivery to cover both Ashford and other areas in East Kent and delete Policy EKA10. (para 18.88)



## 19 7 KENT THAMES 7 TE7 Y 7

Matter 8C

*This chapter examines the role of the Kent part of this national Growth Area, and broadly endorses its strategy based on brownfield regeneration underpinned by economic growth. It considers the importance of attracting higher value businesses, including the catalyst of the international station at Ebbsfleet. From an assessment of site capacity and phasing it broadly endorses the proposed housing levels although with a small increase in Swale. It recommends an expanded section on Infrastructure and Implementation given the importance of flood risk management and transport in particular. Policy on Bluewater is considered in Chapter 14.*

### OVERVIEW 7

#### 7

- 19.1 The Thames Gateway was established as a priority area for regeneration and an accelerated pace of development in the 1980s through the initiative of the local authorities in the area. Subsequently RPG9 and RPG9A (Thames Gateway Planning Framework) confirmed the area as a key element of national and regional planning policy as well as an integral part of the strategy of successive structure plans in Kent. Against this background it is not surprising that there was no real questioning of the rationale for this sub-region.
- 19.2 There was however debate around the scale of growth that Kent Thames Gateway can accommodate, support and deliver. The challenges for the UK's largest growth area all derive from that central question. The Communities Plan<sup>1</sup> referred to the collective potential for additional housing above planned levels in the four growth areas in the wider South East, including Thames Gateway. The Inter-Regional Planning Statement (IRPS) indicated even higher figures than the Communities Plan for the whole of the Thames Gateway. It included a capacity for 43,000 houses in North Kent by 2016<sup>2</sup>, but made clear that the capacity identified should be tested further through the regional planning process.
- 19.3 While the sub-region is a priority area for economic growth in its own right the Communities Plan stressed that employment growth should accompany housing growth. We acknowledge that, while achieving the overall level of job growth will be challenging<sup>3</sup>, the draft Plan's approach to the scale of development rightly reflects the need to relate housing provision to local economic performance.
- 19.4 As well as rooting aspirations for the sub-region in realism about the employment growth needed to support housing the strategy points to the delivery of essential infrastructure as a key determinant of both economic growth and the phasing of development. Since the economic assumptions are heavily predicated on the transformational effect of major infrastructure improvements we agree that the enhancement of the capacity of transport and upgrading of the skills base are fundamental to the success of the strategy.
- 19.5 A major thrust of the strategy is the focus on the reuse of PDL. Although some developer representatives argue that the use of such land should not be seen as a prime

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<sup>1</sup> Sustainable Communities: Building for the Future, ODPM, February 2003 [Sn6]

<sup>2</sup> Growth and Regeneration in the Gateway, Inter-Regional Planning Statement by the Thames Gateway Regional Planning Bodies, Table 2, July 2004 [RPG9A Advice]

<sup>3</sup> The draft Plan's aspiration to achieve an additional 58,000 jobs in KTG over the plan period has to be compared with the 80,000 jobs envisaged in the Thames Gateway Interim Plan Development Prospectus, November 2006[EKATG16b]; as discussed later in this Chapter

driver of the strategy, we accept that over-reliance on additional land release involving sensitive greenfield land would be likely to detract from the main regeneration thrust. Hence we would emphasise that maintaining this delicate balance between aspirations for the level of growth and the focus on brownfield land will be a key test of the PMM process.

- 19.6 While endorsing the general coherence of the resulting sub-regional strategy we believe that there are two kinds of spatial tension that will pose particular challenges to its delivery. First there is a tendency for the draft Plan to view the sub-region too much in isolation whereas it forms part of one nationally defined growth area, with a shared vision<sup>4</sup>. The connectivity across the South East/London boundary is especially strong and collaboration is essential on economic prospects and labour markets, and over traffic flows and management policies. Secondly, within the sub-region each of the towns has its own characteristics. However it is unclear whether the draft Plan's assumption about greater self-containment among individual towns is either realistic or desirable. This issue is exacerbated by the pattern of administrative responsibilities in the sub-region, which comprises parts of one unitary authority, one county council and three district councils. We comment on working relationships under Implementation, but consider that seeking complementarity between the towns would be a better objective.

## **7 CORE STRATEGY (Policies KT63 and KTG7)**

- 19.7 Policy KTG3: Core Strategy includes eight priorities for the sub-region, covering PDL, existing communities, skills, housing supply, design, density, freight and environment. These elements are amplified by the six aims of the strategy for sustainable regeneration and growth that are listed in the preceding text (E4, para 2.11). While we share the general support for this wide-ranging policy we note that it does not explicitly address the balance between economic and environmental factors, and the only spatial dimension is in Policy KTG3 viii) relating to protection of designated areas.
- 19.8 However criteria for the location of sub-regionally significant development are set out in Policy KTG7. In our view the key locational criteria should form part of the core strategy for the sub-region since:
- it is important that spatial structure, even if it is only expressed in a criteria based policy, is seen as an integral element of the sub-regional core strategy;
  - the relationship between land use, transport and accessibility is also central to the core strategy and is clarified in Policy KTG7;
  - Policy KTG7 v) raises a key policy issue in balancing the arguments for development of green field sites which is also referred to in Policy KTG3 (and para 2.11).
- 19.9 The last of the above points led to some confusion because of inconsistency between two policies. Policy KTG3 i) states that "first priority" should be given to development on PDL and when this is no longer possible new land should be used in a manner which improves the form, functioning and environment of existing settlements. However Policy KTG7 v) says that a criterion for locating major development should be to develop PDL before greenfield sites "except when there are

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<sup>4</sup> The shared vision is set out in the Thames Gateway Interim Plan-Policy Framework, Government & Thames Gateway Strategic Partnership, November 2006 [EKATG16]



clear planning advantages”. We agree with SEEDA that Policy KTG7 appears to give more leeway to greenfield development, if there is a “clear planning advantage”, than KTG3. We understand the concern of the North Downs Society and others that such a phrase might be used as a catch all phrase to encourage developers to press for development of greenfield sites.

19.10 We consider that the general presumption in favour of developing PDL in national policy as well as in the draft Plan is clear and unambiguous. However since even in the Thames Gateway some greenfield development is likely to be required and since the exceptions in Policy KTG7 are limited to urban extensions or a new community we consider that the sense of this part of Policy KTG7 should be retained and added to a modified Policy KTG3. It will then be for LDDs to set out the detailed criteria by which such planning advantages will be assessed. Other key points in Policy KTG7 could also be simplified and incorporated in Policy KTG3 to form one statement of core strategy.

19.11 We therefore recommend that:

- Policy KTG3: Core Strategy should become the first KTG policy, together with supporting text, subject to the following amendments
- Policy KTG3 i) be reworded to say that “as a first priority, make full use of PDL before greenfield sites, except when there are clear planning advantages from the development of an urban extension that improves the form, functioning and environment of existing settlements, or of a new community
- Points i) and ii) of Policy KTG7 should be amalgamated into Policy KTG3 to say that “major development be located to exploit the potential of the regional hubs at Ebbsfleet and Chatham and locations served by the CTRL, and housing, employment and community services should be located where they are accessible by a choice of transport
- Policy KTG7 be deleted, with the text used to support the Core Strategy policy.

## **ECONOMY 7**

### **Job Forecasts 7**

19.12 The employment estimate for monitoring purposes is set at 58,000 over the whole 2006-26 plan period. This is significantly above all forecasts available at the examination, and is also above the 29,000 additional jobs achieved over the previous 20 year period. Its basis derives from an estimate of site capacity within the Inter-Regional Planning Statement projected forward at a higher rate of growth post 2016 (E4, para 2.13).

19.13 GOSE argued for inclusion of a higher jobs target following publication of the Thames Gateway Interim Plan. As argued elsewhere we agree entirely with the principle of using an above trend-based employment projection in sub-regions focusing on economic regeneration. We also agree that a degree of aspiration is appropriate in this area which is a national regeneration priority. But at the same time the figure adopted must be capable of being realistically achieved, and we were given no new evidence on sources of demand to justify a figure so significantly above 58,000, which will already be challenging.

19.14 We have looked closely at the Interim Plan Development Prospectus, and the job estimates associated with a new office centre at Ebbsfleet are broadly equivalent to

those assumed in this sub-regional strategy<sup>5</sup>. There are a large range of other site and project-based estimates but overall they appear to fall well short of the figure of 80,000 new jobs promoted by GOSE. The least supporting detail seems to be given for Medway, and perhaps reliance has been placed on the statement that Medway Council has recently set an aspirational target for the creation of up to 40,000 new jobs. We are additionally concerned that to accept a site-based figure in this sub-region would be inconsistent with the approach in all other parts of the region, and as Kent CC pointed out in its formal advice to the Regional Assembly, capacity estimates would not represent a net increase of this scale as new employment land generally accommodates a proportion of relocations.

- 19.15 It is entirely appropriate to aim for a higher rate of job growth in the second half of the plan period, and recent trends will be of less relevance in establishing a longer-term growth level. But in the short-term as elsewhere we have paid attention to the Experian trend-based projections and for this area these equate to 23,000 for the 2006-16 period. These projections will already have taken account of the fact that higher value B1 activities have already begun to appear in the Kent Thameside area, particularly around the Queen Elizabeth II Bridge. Hence to our mind there is already scope within a figure of 58,000 to allow for higher rates of job growth in the longer-term.
- 19.16 We therefore accept the figure of 58,000 jobs as a policy-led target, and recommend that this figure should be expressed as such in E4, para 2.13. It may well be possible to elevate the implied rate of job creation within this target at the next RSS review, when hopefully the effects of the CTRL transformational change will have begun to be clear on the ground.
- 19.17 Pitching a job target at this level would imply a higher rate of job growth than new housing, which in our view is a reasonable objective given that this sub-region is currently a substantial net exporter of labour (nearly 100,000 out-commuters, according to the Interim Plan Development Prospectus). The aim here is to achieve additional labour supply from those in the resident workforce who currently commute out to jobs in London. This particularly applies to office jobs created at Ebbsfleet, given that many of the existing out-commuters work in clerical sector. London Councils also pointed out that additional labour could be attracted in from adjoining areas of south east London through reverse commuting, given the relatively poor prospects for employment growth envisaged here by the latest Greater London Economics forecasts. Reverse commuting has already occurred to jobs created by the Bluewater shopping centre.
- 19.18 The elements of **smart growth** that we recommend are noted in this sub-regional strategy are:
- upgrading skills, including via the creation of high-quality housing and living environments to attract in-migrants;
  - improving economic activity rates;
  - encouraging business formation; and
  - encouraging higher value activity, as discussed below.

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<sup>5</sup> The challenges presented in achieving up to 20,000 jobs here are identified in recent report by Knight Frank for Kent Thameside Delivery Board and Locate in Kent and we do not believe that this estimate should be increased, June 2006 [DART3]

## Higher Value Activity (Policy KTG4) 7

- 19.19 The emphasis in the first part of Policy KTG4 on higher value activity is widely supported by participants. We agree with Kent CC that the need for diversification is evident in the structure of local employment, in participation and education attainment levels and skills, as well as in the dependence of KTG on London jobs. In this respect Dartford BC pointed out that local jobs grew by 12,000 during 1991-2001 (mainly due to Bluewater and Crossways business park), whereas the number of economically active residents increased by only 2,000. On the positive side SEEDA demonstrated that although low, productivity rates in KTG have been rising, and that employment in distribution and logistics has actually declined. We agree with those who say that the development of Ebbsfleet, improved connectivity, and the “Olympics effect” should help the attractiveness of the area to high value jobs.
- 19.20 This general desire to break the cycle of low aspiration and achievement is qualified by CPRE and the North Downs Society who express concern that the policy could be a charter for commercial developers and who want the Plan to make clear that it is not the intention to encourage an over-supply of land. However as noted below we do accept that the approach in KTG is to be generous with employment land.
- 19.21 Other participants sought clarity in relation to:
- the definition of high value activity;
  - how such business is to be attracted to the right parts of KTG;
  - collaboration across the London boundary.
- 19.22 Some participants including Paul Sharpe and Associates stress that it is knowledge-based activity rather than simply high value that is the key (and that Kent Science Park at Sittingbourne is therefore significant as the only 'cluster' of knowledge driven businesses in KTG). However knowledge industries and R&D are specifically mentioned in the first part of Policy KTG4, and the science sectors in KTG4 v), and we see no need to redefine terms or to modify the policy.
- 19.23 We agree with GOSE that the draft Plan appears to assume that the provision of serviced sites and infrastructure will lead to the attraction of higher value jobs. While this is certainly an ambitious part of the economic strategy in our view the mechanisms for raising aspirations and skills are more appropriately matters for the RES than RSS, while more details about targeting of infrastructure investment are in the Implementation Plan.
- 19.24 The potential for growth of technology-led businesses throughout the Thames Gateway is confirmed in the Interim Plan Policy Framework<sup>6</sup>. London Councils therefore wish to see a positive stance adopted towards knowledge industry economic development in outer east London as well as North Kent and we agree that this should form part of the joint approach needed across the London boundary.
- 19.25 We endorse the remainder of Policy KTG4 which identifies the economic role of locations within the sub-region. It supports the economic drivers within each of the three main parts of the local economy – Kent Thameside, Medway and Sittingbourne/Isle of Sheppey, which together form one of the RES Diamonds. It also supports the continuation and expansion of riverside employment uses especially where using river transport. This recognition is important in our view given pressures particularly from residential uses in waterfront locations, as discussed further in

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<sup>6</sup> Thames Gateway Interim Plan-Policy Framework, Government & Thames Gateway Strategic Partnership, November 2006 [EKATG16]

Chapter 6 and in relation to the River Thames Corridor in Chapter 12. The importance of the two main ports could usefully be mentioned in the text to this policy. This would reflect the fact that the Gateway Port Cluster is identified as one of the four spatial transformers (along with the Ebbsfleet Valley) in the Thames Gateway Interim Plan.

## **Employment Land (Policy KTG6) 7**

- 19.26 The sub-regional strategy is based on the premise that the amount of employment land should be generous in order to revitalise the economy and enable a concentration of new housing. The amount of business floorspace already committed is given as just over 3.2 million m<sup>2</sup> (E4, para 2.14). This compares with nearly 1.3 million m<sup>2</sup> developed over the 13 year period 1991-2004, 44% of which was in warehousing and distribution, and nearly 30% in manufacturing<sup>7</sup>.
- 19.27 Various amendments were sought to the figures quoted, including a suggestion that the figure for Swale was overestimated because much of this land is held by existing employers and not available for new firms. The issue in relation to land for the distribution sector around Sittingbourne raised by Vincent and Gorbing appeared to be a local issue rather than one for RSS.
- 19.28 Several local authorities provided factual updates based on recent take-up. We accept that these figures can only provide a snapshot of the scale of land availability, hence they are appropriately included within the background text rather than policy, in our view. But it would make sense for the figures to be as up-to-date as possible when RSS is finalised<sup>8</sup>. We also note that Kent CC advised that the background text should refer to these business floorspace commitments as the broad scale of expected development rather than minimum to be provided by LDFs (E4, para 2.15).
- 19.29 Policy KTG6 gives priority to the completion of major employment sites encompassed within these floorspace commitments. The four main locations given correspond to those already included in Policy KTG4, where the particular economic sectors to be encouraged are identified.
- 19.30 Policy KTG6 identifies a need for new employment land in Medway and Sittingbourne/Shepway. The background text explains that this may be required in substitution for existing land which is not readily available (E4, para 2.15). This process of employment land review could usefully be cross-referenced back to the regional guidance at Policy RE2 as amended. Criteria for the provision of new employment land purport to be given in Policy KTG5. We are not convinced that additional locational criteria need to be given in addition to those in Policy RE2. The first statement appears to embody the principle that employment land supply should be generous. We endorse this and the aim of providing a broad match of employment land with housing and labour supply and recommend that both these statements be included in text.
- 19.31 The aim of reducing dependence on out-commuting is a fundamental element in the sub-regional strategy already, through the emphasis on the provision of higher value jobs. The second sentence of Policy KTG5 usefully highlights the range of sites required for both existing establishments and inward investors. We therefore

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<sup>7</sup> Annex on Employment Targets and Locations, Table 12, Kent CC and Medway Council, December 2005 [SEP14/15]

<sup>8</sup> see Matter 8Ci.2 statements from Gravesham BC and Dartford BC

recommend that this should become the opening part of Policy KTG6 and that Policy KTG5 should be deleted.

- 19.32 A further element of new employment land identified in this policy relates to high-quality land for technology and knowledge sectors. We have already endorsed the support given to knowledge-based activities above. The policy's support for the expansion of Kent Science Park south of Sittingbourne provoked strong reactions at the examination from some environmental groups, including North Downs Society and CPRE Kent. However we note the importance attached by SEEDA to the presence of science parks in the east of the region<sup>9</sup>, and by the Government in the Thames Gateway Interim Plan. Further discussion is given below on the housing and infrastructure implications of the Kent Science Park, but Policy KTG6 provides appropriate policy support in our view given that it is qualified by the words "unless there are overriding environmental impacts which cannot be adequately dealt with".

### **Town Centres**

- 19.33 The fourth element of Policy KTG6 gives a greater emphasis to town centres as locations for employment growth in services and cultural activity. We support this strand, but consider that the policy should contain a stronger message rather than the existing factual statement that Chatham and Ebbsfleet are transport hubs. Chatham should feature more prominently given that it markets itself as the 'city of learning and culture' in the Thames Gateway Interim Plan. It is not necessary to add further detail on Ebbsfleet as this is covered as a future office centre in Policy KTG4 and in retail terms in KTG8. We have already discussed Policy KTG8 in our chapter on town centres (paras 14.17-14.24) where we support Policy KTG8's guidance on the ancillary nature of the retail offer at Ebbsfleet but argue for a tightening of guidance on Bluewater.
- 19.34 The final element gives support to higher and further education and we support this element as a contribution to smart growth. The University of Creative Arts also indicated the importance of HE establishments in encouraging new businesses e.g. related to the media and digital technology, and we suggest that a reference to the importance of creative industries, particularly in the Medway towns, is included within the text at E4, para 2.16.

## **SETTLEMENT SH7PIN77**

### **Influence of Water Supply, Waste Water, Flood Risk and Transport 7**

#### **Water Supply and Waste Water Treatment**

- 19.35 EA modelling work has identified that water supply can be provided to the KTG sub-region across a range of different scenarios, provided that a combination of greater water efficiency measures and new water resources developments take place (with new resources and more efficiency all but one zone is in surplus at 2026 with KTG's share of 40,000 dpa). We accept this conclusion, while endorsing the uncertainties<sup>10</sup> stressed by most participants including the largest supplier, Southern Water. Although CPRE and the Civic Trust feel that water capacity has not been adequately addressed

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<sup>9</sup> SEEDA also supports the establishment of the London Science Park on The Bridge site in Dartford

<sup>10</sup> The key modelling assumptions are included in Water Resources – Environment Agency Commentary on Draft SE Plan, May 2006 [Ar4]

we acknowledge that the water companies are working to assess future options, including sharing of resources in North Kent.

- 19.36 In respect of water treatment EA did not identify any WWTs in the sub-region requiring a limit to be put on housing beyond a particular threshold<sup>11</sup>. However while we agree that technical solutions can doubtless be found to provide additional treatment capacity the environmental constraints are more serious (as discussed in Chapter 10). Since the necessary WWT and sewerage infrastructure will need to precede the connection of flows from new development we accept that this could require the phasing of housing development.
- 19.37 We agree with the many participants who assert that water efficiency improvements are the key to sustainable water resource management and that further studies of the water quality issues are required to ensure that the proposed growth is achievable. We accept that on the basis of present evidence the main impact of water supply and WWT in KTG is likely to be on the phasing of development rather than influencing the level or location of new housing. However we agree with the EA that there should be a more explicit reference to the importance of improving water efficiency and addressing the uncertainty about water quality (see Implementation section below).

### **Flood Risk Management (Policy KTG9)**

- 19.38 KTG is the only sub-region with a specific flood risk policy and, given the seriousness of the issue, we agree that this is appropriate. Policy KTG9 refers to the need for flood protection measures and for a review of urban development in the light of flood risk management plans. Since the strategy was prepared SFRA's have been completed for Kent Thameside, Medway and Swale. However as we note in Chapter 10 recent forecasts of flood levels from Defra have led the EA to advise that some SFRA's will need to be revised. In addition the EA's current study of the Thames Estuary 2100 will need to be taken into account when published in 2008.
- 19.39 The SFRA's confirm that there are several major sites proposed for development that are at risk from flooding. According to the local authorities:
- in Thameside although a very high standard of flood protection is provided (designed to withstand a 1 in 1,000 year flood tide) 38% of major sites, equivalent to 5,600-6,500 dwellings, are estimated to be at High or Very High risk. So although Dartford BC say that the SFRA was taken into account when sites were selected they feel that it would be unsafe to propose higher dwelling numbers;
  - in Medway the waterside regeneration sites are PDL, and EA appears to accept that they should and can be defended;
  - in Swale the main development sites, accommodating around 2,000 dwellings, can also be defended appropriately.
- 19.40 Notwithstanding the above findings we agree with Kent CC that in each area of KTG it will be necessary to undertake detailed Flood Risk Assessments for sites at risk. Hence we acknowledge that the precise implications for land supply of flood risk cannot be established until this detailed local planning is done, and that it is possible that some LDF site allocations might need to be revised in the light of the Defra forecasts.
- 19.41 However we are satisfied that at this stage the proposed level of growth can be accepted for strategic planning purposes. We say this on the basis that a process is

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<sup>11</sup> Planning for Water Quality and Growth in the South East, EA, 2006 [Ar2A]

underway that will clearly establish the precise level of flood risk and the options for managing that risk.

19.42 The precise wording of Policy KTG9: Flood Risk has been overtaken by more recent information and requires updating. It should also incorporate the reference to opportunities for washlands to contribute to green space as indicated in the text para 2.22. We therefore recommend that Policy KTG9 be amended by:

- Replacing the second sentence to say that “SFRA’s will be kept up to date having regard to the latest intelligence on flood levels, and local assessments will be undertaken for major sites at risk”.
- Adding a final point (iii) to require LDDs to “identify opportunities for flood storage areas to contribute to green infrastructure networks”.

## Transport

19.43 Transport issues have been key influences in shaping the KTG strategy. In particular much reliance is placed on the catalytic effect of the CTRL and development around Ebbsfleet International station while access to the M25 and M2 will continue to influence both market pressures for site development and commuting patterns. However participants stress that the delivery of further substantial improvements in transport infrastructure will be a crucial determinant of the success or otherwise of the sub-regional strategy.

19.44 The HA stress maps show that, even with planned road improvements, there will not be sufficient capacity to cope with forecast travel demand. We accept that, notwithstanding CTRL (and proposals for CTRL Domestic actually involve a reduction in some existing rail services) difficult transport thresholds are being approached. In our view this simply reinforces the importance of sustainable transport measures as an integral part of the KTG strategy.

19.45 In Thameside transport studies concluded that the capacity of the networks might not accommodate the level of growth proposed, with journey times increased by 41% by 2025<sup>12</sup>. We therefore welcome the shared understanding between local and central government and the HA that includes a reaffirmation of existing policy based on demand management and public transport, minimisation of traffic generation from development and measures to mitigate impact. On this basis we agree that the scale of development proposed for Thameside should be manageable in transport terms.

19.46 In Medway we accept that further studies are needed to specify improvements to strategic bus corridors, local rail services and highway access to new development areas. In Sittingbourne and Sheppey we recognise that future development, including the expansion of Kent Science Park, could also depend on finding solutions to congested junctions and relieving pressures on Sittingbourne town centre.

19.47 Our recommendations about specific transport investment priorities are set out below under Implementation. However in the sub-region as a whole we agree with the Regional Assembly that reliance on the private car to accommodate forecast growth in travel demand is a cause for concern<sup>13</sup>. We consider that its designation as a Growth Area provides an opportunity to be proactive in shaping future travel demand patterns. In our view this theme is so critical to the sub-region that it should be more prominent in the Core Strategy. We therefore recommend that a new point be added to Policy KTG3 to require local planning and transport policies to be reviewed to manage the

<sup>12</sup> Kent Thameside model results, Jacobs Babbie, July 2006 [EKATG17]

<sup>13</sup> South East Plan Technical Note 3 :Transport, SEERA, March 2006, para 5.66

forecast growth in car traffic related in particular to employment in the area and to encourage greater use of sustainable modes.

### **Green Infrastructure (Policy KT7 10) 7**

- 19.48 All participants stress that the development of a strategic approach to green infrastructure is fundamental as a key element in shaping the spatial strategy and as a means of transforming the image of the area. We agree and we accept that since preparation of the draft Plan the Thames Gateway Interim Plan<sup>14</sup> has given added momentum to this work, creating a new identity for the area as the “Thames Gateway Parklands”.
- 19.49 In KTG we welcome the “Greening the Gateway in Kent and Medway” initiative promoted by the local authorities. We accept that this overarching green framework in the sub-region is consistent with the wider Interim Plan branding. We agree with Kent CC that wherever possible green infrastructure projects should be implemented in advance of or alongside built development.
- 19.50 We therefore recommend that, as proposed by Kent CC<sup>15</sup>, the first clause of Policy KTG10: Green Initiatives should be updated to reflect the proposal for Thames Gateway Parklands.

### **Implications of Growth Area for Surrounding Area (Policy KTG11) 7**

- 19.51 We find it rather odd to have a policy that is mainly about Maidstone in Section E4. We note the background to the discussion in 2004 of a “zone of influence” to the south of KTG<sup>16</sup>. Although no such policy was included in the Consultation Draft Plan nor is it included in Policy KTG11 the concept is mentioned in E4, para 2.24 of the draft Plan. While we understand that there may be a local wish to affirm that the area south of KTG is not within the Growth Area we agree with Kent CC that this policy is an anachronism., nor do we consider that E4, para 2.24 adds any clarity to the strategy.
- 19.52 Policy KTG11 refers to transport links with Maidstone; to Green Belt, AONB and strategic gaps; and to the future development of Maidstone. In our view the strategy for KTG and for the surrounding area to the south would be much clearer if:
- Para 2.24 and Policy KTG11 are deleted from Section E4.
  - Green Belt, AONB and strategic gaps are dealt with under cross-cutting policies in Section D1 (as discussed in our Chapter 5) and in the KTG core strategy policy.
  - The future role and economic development of Maidstone are covered in a Policy on the town to be included in a new section on Areas outside Sub-Regions including other regional hubs.
  - Transport priorities in and to the Growth Area are considered in the section below on Implementation.

We therefore recommend that Policy KTG11 and E4, para 2.24 should be deleted.

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<sup>14</sup> Thames Gateway Interim Plan-Policy Framework, Government & Thames Gateway Strategic Partnership, pp26-2,7 November 2006 [EKATG16]

<sup>15</sup> Kent CC/Medway statement for Sub-matter 8Ciii

<sup>16</sup> Submissions to SEERA, December 2005 [SEP14]



## **HOUSING**

### **Overall Level (Policy KTG1) 7**

- 19.53 The housing provision in Policy KTG1 provoked a clear difference of view between those who consider the figures to be too low and those who believe the draft Plan figures to be of the right order. The proponents of higher growth levels refer above all to alleged inconsistency between the total growth proposed, of 48,000 dwellings between 2006-26 (2,400 dpa), and the Government's aspirations for a step change in housing supply in the designated Growth Areas. However those developer representatives seeking much higher growth acknowledge that this means developing sustainable urban extensions on greenfield land, whereas the supporters of the plan emphasise the need to focus new housing on brownfield sites as well as pointing to infrastructure and environmental constraints.
- 19.54 We acknowledge that the proposed RSS housing levels emerged following consideration of three options in the consultation draft Plan. These comprised 2,868 dpa, representing a roll forward of the IRPS figures, 3,096 dpa equivalent to the IRPS level plus 20%, and 2,328 dpa similar to the rate of development in the Kent & Medway Structure Plan. We note that the last of these options was preferred by the local authority steering group because it reflected a focus on regeneration and minimised the likely requirement for greenfield land. The consultation carried out in late 2005 was based on only one level of growth, namely the 2,400 dpa included in the draft Plan. While sharing the view of those who believe that the regional housing levels in the draft Plan are too low we consider that in the KTG sub-region the proposed housing provision is broadly of the right order. Our reasoning is summarised in Chapter 7 and elaborated below.
- 19.55 All developer interests and GOSE argue that the proposal for 2,400 dpa fails to reflect the area's Growth Area status since:
- It represents a significant reduction from the 2,900 dpa proposed in the earlier consideration of spatial options by the Regional Assembly (Table C2 of the draft Plan).
  - The right level of housing has not been tested at regional level and that includes the KTG share of a higher regional figure.
  - The draft Plan proposals are much less than the capacity identified for the sub-region in the Inter-Regional Planning Statement, to which the Assembly was a party, and which assumed 2,870 dpa (2001-16)<sup>17</sup>.
  - The above reduction in numbers does not take account of increased Government contribution and interventions, including a task group to advise on how to accelerate housing completions.
  - Building rates are now increasing in KTG.
  - Infrastructure constraints need not limit the total housing rate provided that the plan incorporates sufficient choice of development locations.
  - In Swale Policy KTG1 provides for 540 dpa to 2016, dropping to 220 dpa thereafter, which is much lower than the Kent and Medway Structure Plan figure of 607 dpa to 2016.
- 19.56 However in our view the argument hinges on demographic factors, likely economic performance, urban capacity and the practicalities of delivery. As we indicate in Chapter 7 the proposed housing provision does allow for notional natural change and

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<sup>17</sup> Growth and Regeneration in the Thames Gateway, IRPS, 2004 [RPG9A Advice]

- in-migration and is in line with the 2004-based official household projections. Hence we conclude that there is no strong demographic case for higher housing provision.
- 19.57 The economic basis of housing provision in KTG is more uncertain than the demography since it is linked as much to policy aspirations as to any statistical forecasts. We accept that a prime objective of the Communities Plan is to realise the “outstanding potential” of the Thames Gateway for expanding housing supply close to London in order to meet the national target of 200,000 dpa up to 2016<sup>18</sup>. However in the Growth Areas the Communities Plan is equally clear that employment growth should accompany housing growth. We agree with Kent CC that the draft Plan reflects this economic platform and that the designation of the Growth Area was as much about economic revival as additional housing. KTG is in any event no longer the only expression in the South East of the Government’s policy to increase housing supply.
- 19.58 We share the view of the Regional Assembly, SEEDA and the local authorities that it is important not to set the housing target so high that it puts pressure on the authorities to permit housing on sites suitable for employment use and/or forces the release of greenfield sites and/or adds to out-commuting. From an economic perspective we are also reassured that in SEEDA’s opinion housing provision is set at a broadly appropriate level, having regard to the suggested monitoring target of 58,000 new jobs in the sub-region (see para 19.16 above).
- 19.59 While we would be more inclined to support an increase in housing provision for the area should suitable sites be identified that are able to be brought forward, we accept the view of Kent CC and Medway that there are serious limitations on urban capacity and on the pace at which sites can be brought forward. These two issues, of site capacity and phasing, are discussed further below.
- 19.60 We acknowledge the force of the point made by GOSE and others that the proposed housing provision of 48,000 is only 5,000 more than the Inter-regional Planning Statement assumption of 43,000 dwellings by 2016. However this Statement did not look beyond 2016 and made clear that the capacity identified should be tested through the regional planning process and housing capacity studies. More detailed site-based work has now been completed including flood risk studies which has apparently caused the capacity of some sites to be revised downwards. Housing levels proposed in Policy KTG1 for 2006-16 are now comparable with the total estimate in the Interim Plan Development Prospectus (after excluding completions 2001-06), although the distribution by district is different (see below).
- 19.61 In addition greater consideration has been given to the ability of the housing market to absorb new development. The Statement conceded that completions in North Kent would have to be 75% higher than in the 1990s to achieve its figure for 2016<sup>19</sup>. The draft Plan level of 2,400 dpa represents a 35% increase on the average rate for the last 10 years, although is more like a 22% increase on 2001-06 levels<sup>20</sup>. While we do not agree with the Regional Assembly that this represents a step change in supply, we accept that it is reasonably ambitious in housing market terms.
- 19.62 The most up-to-date site schedules provided by the principal authorities show a total potential supply of some 53,500. We note however that this relates to the whole of the districts, not just the Kent Thames Gateway component, that it includes major sites

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<sup>18</sup> Creating Sustainable Communities: Making it Happen –Thames Gateway and Growth Areas, ODPM, 2003, para 15 [KENT8]

<sup>19</sup> Inter-regional Planning Statement, Thames Gateway Regional Planning Bodies, 2004, para 4.7 [RPG9A]

<sup>20</sup> Kent CC and Medway Council Matter 8Cii statement

where part of the delivery is likely to be beyond 2026, and some sites where capacity is subject to review such as the Swanscombe Peninsula. Hence although some sought to use this information to argue for an increase in KTG housing levels (and SEEDA indicated that such an increase would not disturb the broad balance with economic prospects), we accept that the sub-regional strategy should not be solely based on capacity, and that phasing and deliverability are key considerations as discussed further below.

- 19.63 We conclude that in KTG it would be more appropriate to focus on increasing employment to support new housing development and unlocking sites already earmarked for development before considering whether a further increase to correspond more closely to site capacity can be justified in the next RSS review.

### **Housing Distribution, Site Capacity and Phasing 7**

- 19.64 The basis of the sub-regional strategy is to link housing provision as closely as practical to the potential land supply in each area (E4, para 2.4). We agree with the emphasis given to PDL not only because of regeneration objectives, but also because of the existence of national and international designated areas, which confine most of the urban areas. These include Green Belt in Kent Thameside and west of the Medway towns; designated wildlife areas along the Thames, Medway and Swale estuaries; and the Kent Downs AONB around the south and south east of Gravesend, and south west, south and south east of the Medway towns. We agree with Kent CC that there is a regional need to respect the international and national protection afforded to large parts of the Gateway.

- 19.65 In addition site capacity is constrained by transport infrastructure, funding and delivery and flood risk. We are obliged to Kent CC and Medway UA for their full evidence explaining the indicative capacity of individual sites<sup>21</sup>. The robustness of the proposed distribution and phasing in Policy KTG1 is explored below.

### **Dartford and Gravesham**

- 19.66 All participants recognise that both Dartford and Gravesham have limits on site capacity without infringing strategic constraints. Hence there is a virtual consensus that any significant increase in the proposed housing provision would involve more greenfield land because of the limitations on urban site capacity.
- 19.67 Provision for major growth at Thameside involves a concentrated cluster of large scale development locations focused on PDL or damaged land. Anticipated housing capacity presumes higher density allied to enhanced public transport (particularly Fastrack). We recognise that the regeneration strategy for Thameside is not solely a matter of capacity. The scale and complexity of these sites means that their relationship with infrastructure requirements, phasing and deliverability are key considerations.
- 19.68 The scale of housing proposed in the 2006-16 period is slightly above the site capacity estimated in the Interim Plan Development Prospectus for Dartford, but lower for Gravesham. We are satisfied with the explanation in background text that this slower growth in Gravesham is compensated by frontloaded development in Swale, to give time for Gravesham's major sites to come forward and markets to adjust alongside Dartford (E4, paras 2.6-2.7). Policy KTG1 also reflects a slower pace of development

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<sup>21</sup> Statement for Matter 8Ci, Annex 1, Kent CC and Medway UA

in Dartford than assumed in the Inter-Regional Planning Statement because of delays on major sites.

## Medway

- 19.69 Medway, with its legacy of redundant traditional employment sites and consolidation of the extensive defence estate has substantial redevelopment opportunities within the urban area and along the waterfront. Although there is some unconstrained greenfield land we accept that urban capacity is limited by multiple ownership problems, land contamination, access and flooding issues.
- 19.70 Graham Warren argued for an increase in Medway's housing provision, and on first sight there could be a demographic basis for this. GOSE pointed out that the proposed level is some 65% of the 2003-based national household projection. And it is clear from Kent CC's zero net migration projections that the proposed housing level in Medway does not meet its own natural change<sup>22</sup>. There has apparently been a long history of out-migration from Medway, although this is now easing. However we are not persuaded by this demographic argument, since the whole of Kent Thames Gateway is within one housing market area (Map H6), and the sub-regional strategy is explicit in its aim of using brownfield housing potential where it exists. Hence the thrust of the strategy is for part of Medway's local needs to be met within the adjoining areas of Dartford/Gravesend, where they would be closer to the economic catalyst of Ebbsfleet. We also note that there will be no overall increase in rail capacity from Medway to London as a result of CTRL Domestic, and that it will have a range of housing opportunities, not just urban and riverside regeneration sites but also the proposed new settlement at Chatterden/Lodge Hill on surplus MoD land.
- 19.71 The scale of housing proposed in the 2006-16 period broadly equates to the site capacity estimated in the Interim Plan Development Prospectus. We accept the proposed phasing which has a slightly higher build rate in the second half of the plan period, given the complexity of ground preparation and delivery of some of the regeneration sites.

## Swale

- 19.72 Housing proposals in Swale take account of the primary emphasis of the strategy on regeneration, including around Queensborough on the Isle of Sheppey. We accept that the area's provision will involve greenfield land, particularly in the post 2016 period.
- 19.73 Boyer and others argued for significantly higher housing levels in Swale. While there is no doubt land that could be developed without infringing environmental constraints around Sittingbourne, and recent build rates have been higher than in Policy KTG1, we accept the view of the principal authorities that allowing significant further greenfield opportunities could potentially divert investor interest away from the more challenging sites in Kent Thameside and Medway. We are not convinced that significantly more housing is the answer to Swale's priority need for economic regeneration. We are also aware that it has a very open labour market, with some 35% of its resident workforce working outside the borough. Nevertheless we consider that there is a case, as accepted by Kent CC, for incorporating the additional housing added

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<sup>22</sup> Note to the Panel on Forecasts used in KCC & Medway Advice on Sub Region Strategies, note for demography data meeting – Kent County Council, October 2006 [Hs5]

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during the final stages of the last Structure Plan (+ 600). The resulting total reflects the indicative capacity in the Inter-Regional Planning Statement.

- 19.74 As explained above, Policy KTG1 anticipates a significantly higher level in 2006-16 than the site capacity contained in the Interim Plan Development Prospectus, but we understand that the figure reflects land already identified through the LDF process (E4, paras 2.7). The proposed figure for 2016-26 represents a significant reduction in build rates. With the adjustment to reflect the last Structure Plan above pre 2016, the rates in the second half of the plan period would drop to about one third of those in the first 10 years. This seems unrealistic. We therefore consider that a modest increase in housing provision would be appropriate in this the most unconstrained part of the Growth Area. Whether there is a case for allowing more housing south of Sittingbourne to "enable" the expansion of Kent Science Park, as argued by Paul Sharpe and Associates will be a matter for the LDF.
- 19.75 We therefore recommend that the figures for Swale and the sub-regional totals in Policy KTG1 be increased by 1,000 dwellings (50 dpa) giving an overall level for KTG of 2,450 dpa. This represents a 2% increase on the draft Plan levels for the sub-region as a whole.

### **Plan, Monitor and Manage (Policy KTG1)**

- 19.76 Policy KTG1 refers to a downward adjustment in the proposed housing provision figures, particularly in Dartford, if there is delay in infrastructure, services and employment. We are concerned that such wording could send negative signals to investors and introduce unnecessary uncertainty.
- 19.77 In relation to infrastructure, we have already argued against a conditional approach in relation to Policy CC5. We accept that phasing of housing delivery to accord with site-based infrastructure provision is a normal part of the development control process. In this sub-region we agree that the challenge is to provide necessary strategic infrastructure. We consider that a more positive way of reflecting this would be to delete the final part of KTG1 and to deal with the need for active pre-planning of such strategic infrastructure in a final section on Infrastructure and Implementation. We therefore recommend that the final part of Policy KTG1 be deleted and that the need to support growth at each location by the phased and co-ordinated provision of infrastructure, employment and services be set out in the text under Infrastructure and Implementation.
- 19.78 As elsewhere we disagree with the prospect that the rate of growth in new jobs could be used as a development control tool on housing levels. In our view both should be monitored and if the intended relationship becomes 'out of sync' over a reasonable period, say five years, then housing levels could be reconsidered in the next RSS review or a subsequent LDF review. The same applies to considerations in the event of any major delays in strategic infrastructure. We suggest that this message is included in the text under Infrastructure and Implementation.

### **Affordable Housing (Policy KTG2) 7**

- 19.79 Policy KTG2 sets a target for affordable housing of 30% of all new dwellings compared to the regional target of 35%. Along with most participants we accept this target, though we are concerned lest this lower target sends out the wrong message about housing needs in KTG. In this respect we agree with GOSE that there may be a greater need for affordable housing in the sub-region than in other parts of the region.

- 19.80 However we are persuaded that the lower percentage is justified having regard to the following factors:
- high proportion of low cost dwellings and social rented stock;
  - competing claims of other planning obligations in a Growth Area;
  - high land reclamation costs and resulting problems of site viability; and
  - overall high rate of housing provision in the Growth Area.
- 19.81 We are aware that for the above reasons some authorities including Dartford and Gravesham have already set their level of urban provision at 30%. We accept the general case for local variation, including the need to ensure mixed communities rather than concentrating affordable housing in a few areas. We also believe that there could be scope for meeting some of the needs for social rented accommodation in neighbouring boroughs (for example some of the needs of the higher deprivation areas in Gravesham could be met in the higher scale of development proposed in Dartford).
- 19.82 Since Policy H4 provides for flexibility based on local needs assessments we are satisfied that the LDD process offers the discretion to vary the KTG target in the light of local evidence. However we recommend that paras 2.9-2.10 should clarify the justification for the lower affordable housing target in the sub-region and should refer to consideration of mixed communities and cross-boundary provision. Finally we are not convinced that affordable housing requires a separate policy. The need for regular review is part of the normal plan system. The role of LDDs in setting targets and the circumstances in which tenure may be specified is already included in Policy H4. Any additional information, e.g. the factors on which local authorities should base their target in the second paragraph of the policy could be transferred to the text. We therefore recommend that the opening sentence of the policy, containing the sub-regional target, is relocated to Policy KTG1.

## **I7 PLEMENTATION 7**

### **Infrastructure/Implementation Plan (Policy KTG12) 7**

- 19.83 Policy KTG12 is in two distinct parts. The first says that infrastructure required to support development will continue to be refined in the Implementation Plan, including phasing in relation to transport. The second part refers to a study for a Lower Thames Crossing. Kent CC comments that the first part of the policy has been overtaken by events and suggests new wording<sup>23</sup> while the EA stresses the need for consistency with Policy CC5. We accept both these points but we consider that neither they nor the original wording of Policy KTG12 are sub-regionally specific. We therefore recommend that the first part of KTG12 should be deleted. The new section on Infrastructure and Implementation should include a cross-reference to Policy CC5 to cover the point about relating the phasing of development in relation to infrastructure. We also endorse the importance of environmental infrastructure in KTG and, for the reasons discussed under Settlement Shaping, we recommend that the text should be expanded to say that the provision of environmental infrastructure, including flood defence, water resources, waste water treatment and water quality, together with measures to improve water efficiency are essential to the delivery of growth.
- 19.84 All participants accept that the second part of Policy KTG12 dealing with the Lower Thames Crossing (LTC) requires amendment to reflect the current position. However, although Kent CC feels that a separate policy should set out the criteria for

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<sup>23</sup> Suggested Revisions re Matters 8Ciii and 8Div, Kent CC [KENT16]

consideration of a LTC we agree with GOSE that it is not appropriate to describe the scope of studies for a LTC in an RSS policy. We also consider that LTC is not only, as Essex CC argues, a pan-regional issue but that such a project has national and international significance as well as major implications for the sub-region. We therefore recommend that:

- the second part of Policy KTG12: Infrastructure should also be deleted;
- the latest position on the LTC study should be covered in the text of the proposed section on Infrastructure and Implementation and in the Implementation Plan. This should say that while the LTC would primarily form an inter-regional strategic route it would have important implications for the local economy of KTG and would support the planned growth in north Kent.

- 19.85 The SRIF for Kent Thames Gateway in the Implementation Plan includes schemes under the headings of Transport, Education, Social Infrastructure, Green Infrastructure, Utilities and Flood Defences. This generally comprehensive approach reflects both the level of constraints imposed by infrastructure deficiencies in the sub-region as well as the identification of schemes as part of the extensive growth area studies.
- 19.86 Although for the reasons given in Chapter 27 we do not consider that the Implementation Plan should form part of the statutory RSS we welcome the contribution made by the SRIF to the long term planning of infrastructure within the Growth Area. While we understand the desire of some participants, including GOSE, to see a clearer indication of the relative priority of interventions, in our view the Implementation Plan goes a considerable way towards providing the basis for a costed plan for accommodating growth in the sub-region. We therefore think it important that the main elements of infrastructure that are most critical to the delivery of the strategy should be included in RSS, albeit as part of the text rather than in a formal policy.
- 19.87 Apart from stressing the difficulty of identifying these schemes on the basis of the evidence in front of us there are two other general points we wish to make. First, several of the key transport projects are of wider than sub-regional significance and hence are included here but more fully discussed in the Transport Chapter as regional priorities. Secondly, as indicated above under Settlement Shaping we consider that while we are convinced demand management is built in to the strategy it could be even more strongly reflected in the schemes listed in the SRIF, particularly in relation to transport. This recommendation would reflect our proposed strengthening of Policy KTG3.
- 19.88 Taking account of the above approach, the SRIF, economic drivers in the RES, the views of other participants and the latest Thames Gateway report on infrastructure<sup>24</sup> we recommend that the following projects should be named in the text relating to Infrastructure and Implementation:

#### Rail and Bus

- CTRL and CTRL Domestic Services including multi-modal transport hub at Ebbsfleet
- Crossrail, including safeguarding of land between Abbey Wood and Ebbsfleet for any future extension (as clarified by GOSE)
- Fastrack bus system, including route extensions into ten major KTG development sites and with east London services

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<sup>24</sup> Thames Gateway Interim Plan: Development Prospectus, November 2006 [EKATG16b]

- Medway strategic bus corridor
- Enhanced capacity on North Kent Rail line
- Station improvements at Medway and Dartford
- Rail freight improvements to Grain line and Sheerness rail head
- Other public transport, walking and cycling schemes to promote modal shift as part of integrated local packages.

#### Road Improvements

- A2/A282/M2 corridor schemes to improve connectivity through the area and with London and access from east-west routes to open up development sites
- Sittingbourne Northern Relief Road and links to M2 to allow development of Kent Science Park
- A228 improvements to assist growth of Thamesport
- Study of Thames Crossing options

#### Other Infrastructure

- Implementing green infrastructure strategy in advance of or alongside built development
- Improving the quality and quantity of social infrastructure including higher education at Chatham and Ebbsfleet
- Coastal flood prevention programme.

19.89 We acknowledge that there has been a real attempt to list only schemes of sub-regional significance in the SRIF table. In addition to the above schemes we also recognise that the provision of local infrastructure, including that related to upgrading skills levels, is critical to the success of the growth area strategy. In terms of cost we agree with Kent CC that the cost of the KTG transport schemes in the Implementation Plan seems conservative. They have an estimated total cost of some £700m compared to proposed investment in the Sussex Coast of nearly £1400m. The large number of projects for which funding has yet to be identified is clearly a major challenge for the implementing agencies.

## **Institutional Arrangements 7**

19.90 Several participants commented on the complex and changing organisational structures that had accompanied the early years of the Growth Area, though there seems to be an acceptance that the arrangements are becoming clearer. We accept that the position is complicated by the fact that KTG is one part of a larger Growth Area that extends into three regions. The sub-region provides an interesting contrast with arrangements in Milton Keynes Aylesbury Vale that were quoted as a role model for delivery.

19.91 The three tier structure of Thames Gateway Strategic Partnership, Thames Gateway Kent Partnership and three local regeneration partnerships is accepted by the local authorities. Moreover the Strategic Partnership is chaired by Ministers which as well as demonstrating the Government's commitment to the area provides a direct channel for articulating the sub-region's funding needs. We also note that the Interim Plan concludes that Government does not aim to create any new permanent structures on the basis that the production of the Interim Plan demonstrates the value of a forum for prioritising across each sub-region<sup>25</sup>.

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<sup>25</sup> Thames Gateway Interim Plan – Policy Framework, November 2006 [EAKTG16]



19.92 While the Thames Gateway Kent Partnership is a sub-regional private/public partnership the funding issues clearly require continued joint working on delivery mechanisms, within and between the local regeneration partnerships. There is also a need for costed implementation plans covering revenue as well as capital expenditure by the various agencies (on which we are aware that Kent CC has done pioneering work). As in other sub-regions we suggest that the final part of E4 listing agencies and mechanisms should be incorporated in the Implementation Plan. However, we recommend that the new text on Infrastructure and Implementation should commit delivery partners to continue to work together to find ways of forward funding infrastructure.

## RECOMMENDATIONS

7

### Recommendation 19.1 7

Make KTG3: Core Policy the first policy and:

- retain the priority on PDL but recognise the possibility of urban extensions or a new community (para 19.11)
- include the significance of CTRL and that new development should be accessible to a choice of transport (para 19.11)
- require a review of planning and transport policies to manage the forecast growth of car traffic particularly in relation to employment (para 19.47)

### Recommendation 19.2 7

Amend Policy KTG1:

- to increase the sub-regional housing level 2006-26 by 1,000 bringing the total to 49,000; (para 19.75)
- to increase Swale (part) by 1,000 dwellings to 3,200 for 2016-26, bringing the total to 8,600 for 2006-26; (para 19.75)
- delete the final part and deal with the relationship between infrastructure and development in new text under Infrastructure and Implementation; and (para 19.77)
- include the indicative target of 30% for affordable housing and delete Policy KTG2 (para 19.82)

### Recommendation 19.3 7

Transfer the text on affordable housing to support Policy KTG1 and expand it to clarify the justification for a lower affordable housing target, and to refer to consideration of mixed communities and cross-boundary provision. (para 19.82)

### Recommendation 19.4 7

Delete Policy KTG5, and add a reference to the text to providing a generous supply of employment land to match housing and labour supply (para 19.31)

### Recommendation 19.5 7

Treat the figure of 58,000 jobs as a policy led target (para 19.16) and identify the elements of smart growth that are particularly pertinent to this sub-region (para 19.18)

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**Recommendation 19.6 7**

Amend Policy KTG6:

- Relocate the second sentence of Policy KTG5 to become the opening part. (para 19.30)
- Add to the end of the fourth paragraph that Chatham has a key role as a 'city of learning and culture. (para 19.33)

**Recommendation 19.7 7**

Add to text before Policy KTG6 a reference to the importance of creative industries (para 19.34)

**Recommendation 19.8 7**

Delete Policy KTG7, with text used to support the Core Policy. (para 19.11)

**Recommendation 19.9 7**

Amend Policy KTG9 by updating the guidance on flood risk appraisals to be undertaken, and by incorporating a requirement for LDDs to identify opportunities for washlands to contribute to green infrastructure. (para 19.42)

**Recommendation 19.10 7**

Update Policy KTG10 to refer to the Thames Gateway Parklands. (para 19.50)

**Recommendation 19.11 7**

Delete Policy KTG11 and supporting text on the areas surrounding KTG since this is now covered in policy on the Maidstone hub. (para 19.52)

**Recommendation 19.12 7**

Delete Policy KTG12 and expand text in the Infrastructure section (to be renamed Infrastructure and Implementation):

- to add cross reference to Policy CC5
- to expand text to cover environmental infrastructure and water efficiency
- to include latest position on Lower Thames Crossing and say that while the Crossing would form an inter-regional route it would have important implications for the local economy of KTG and would support the planned growth in north Kent.

(paras 19.83 - 19.84)

**Recommendation 19.13 7**

Include in text under Infrastructure and Implementation the priority infrastructure projects listed in para 19.88 above.

**Recommendation 19.14 7**

Add to text under Infrastructure and Implementation a requirement for active pre-planning of increased capacity in strategic infrastructure, and how the PMM process would work, and a commitment for partners to work together to find ways of forward funding infrastructure. (paras 19.77, 19.78, 19.92)

## **20 t LONDON Ft Nt t**

Matter 8H

*This chapter examines the role of and rationale for this sub-region, concluding that on balance it merits retention as a planning unit. It seeks to recast the core strategy to give more positive support to economic and housing growth, including reference to the need for some selective and also small scale review of the MGB where necessary. It analyses the justification for the level and distribution of housing and concludes that a significant increase in housing level is necessary largely for demographic and economic reasons and that this can be accommodated without significant harm to the environment, notwithstanding the need to protect the Thames Basin Heaths. The chapter recommends a greater role for the regional hubs and sets out how the extra housing suggested should be distributed amongst the districts. It sets out the key infrastructure themes that should be included in the Implementation section, and commends joint working, particularly on a tariff to fund infrastructure from small sites.*

### **Ot EW AND RAtIONALt t**

- 20.1 The sub-regional strategy for the London Fringe covers a large proportion of Surrey from the London border to beyond the towns of Guildford, Woking and Redhill. It also includes a very small part of west Kent around Sevenoaks. All of the Surrey districts of Spelthorne, Runnymede, Woking, Elmbridge, Epsom and Ewell, and parts of Surrey Heath, Guildford, Mole Valley, Reigate and Banstead, and Tandridge, and in Kent, part of the district of Sevenoaks lie within the sub-region.
- 20.2 The sub-region was home to over 828,300 people in 2001 and it is one of the most densely settled parts of the region. It has a polycentric settlement pattern and all of the countryside outside the urban areas is designated as Metropolitan Green Belt (MGB). The sub-region is endowed with high quality landscapes and many other natural and cultural resources. Its economy is buoyant, with high participation rates, a skilled workforce and strong representation of good growth sectors. Apart from the M25 motorway which provides an orbital connection through the middle of the sub-region, the main road and rail links are radial, focussed on London. Heathrow and Gatwick airports lie just outside the sub-regional boundary. Patterns of commuting are complex<sup>1</sup> although flows across the London boundary are dominant. There has been an overall decline in net out-commuting in recent years; out-commuting has increased but has been off-set by an even larger increase in in-commuting.
- 20.3 Set in this context, the draft Plan envisages continued high pressure for development for housing, economic and other purposes. But the sub-region's main transport networks are already congested and the three regional hubs, Guildford, Woking and Redhill/Reigate are said not to have the capacity for major growth. The overarching challenge for the sub-region as identified by the draft Plan is how to sustain the expected development pressures without compromising the quality of life for all its residents.
- 20.4 We have noted the broad conclusions of the SA of the sub-regional strategy and have been guided by its key findings<sup>2</sup>. In our view these serve to highlight the particular tensions between environmental and economic factors in this sub-region. The ability to deliver the affordable housing target, and the requirement for significant investment

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<sup>1</sup> South East Plan Regional Spatial Strategy, Sub-Regional Narratives, Highways Agency, November 2006 [HA3].

<sup>2</sup> Sustainability Appraisal Report of the draft South East Plan, pages 82-85, ERM for SEERA, March 2006, [SEP3]

- in public transport in order to achieve sustainability, are two of the critical success factors upon which we comment later.
- 20.5 There was little agreement in the EiP debates about the coherence of the sub-regional strategy. The local authorities generally maintained their view that the combination of contextual issues and challenges lead to the definition of a sub-region that is sufficiently different from the region as a whole to justify a suite of policies at sub-regional level. We go on to consider the value of those policies identified for examination in the following sections. On the other hand, a number of developer interests argued that the sub-region was constructed on negative policies of restraint, driven mainly by the desire to avoid any significant alteration to the MGB.
- 20.6 SEEDA and others raised concerns about a perceived lack of alignment between the sub-regional boundary and economic drivers or linkages in the area. It was argued that the eastern and western ends of the sub-region have separate foci – Gatwick in the east and Heathrow in the west. The boundary with the Gatwick sub-region is not widely agreed and SEEDA emphasised the closeness of the relationship between Redhill/Reigate and Crawley in the Gatwick sub-region. Others pointed to the many characteristics that are shared with WCBV sub-region, even though the policy approach in the latter was regarded by some as less constrained.
- 20.7 While generally supporting the sub-regional approach, CPRE Surrey rejected the London Fringe title, and favoured Central and North Surrey. Environmental groups raised concerns about the relationship of the sub-region to the AONBs and foresaw conflicts between the protection of these areas and the accommodation of the required growth in the sub-region. There was a general lack of agreement about the inclusion of Sevenoaks within the sub-region; Kent CC and others felt that the district has stronger links with Kent and that the Surrey/Kent county boundary should be used as the sub-regional boundary. We note that property market evidence suggests that there is an east-west divide within the London Fringe, especially in terms of offices, between the Kent area on the one hand and the higher priced Surrey-South West London on the other<sup>3</sup>.
- 20.8 A recurrent theme in the debates about the London Fringe was the need for close working between local authorities, especially across the London boundary. The linkages across the regional boundary are critically important, although we are not convinced that this supports the rationale for the sub-region. It is clear that cross-boundary working already takes place and will continue to do so, and also that it must include local authorities in other sub-regions on the edge of London.
- 20.9 Given all of these issues we have considered very carefully whether the sub-region accords with the principles set out in PPS11, para 1.13 for the adoption of a sub-regional approach. On balance we have concluded that it does, based upon the local planning authorities' arguments about the need for a suite of policies to address the combination of contextual issues and challenges shared by the districts around London's southern fringes; however we recommend a different emphasis in some of the policy responses. Also, the sub-regional approach would mirror the London Arc in the emerging East of England RSS. So far as the sub-regional boundaries are concerned, there are strong arguments for and against changes to the boundaries in the Redhill/Reigate area; the relationships with WCBV and with the Rest of Kent could also justify some realignment of the boundaries. But on balance we consider that

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<sup>3</sup> Strategies and Solutions for Sustaining Success in Surrey and the Thames Valley – Final Report, Deloitte for Thames Valley Partnership, Surrey Economic Partnership and SEEDA, September 2005 [Er5]

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there is greater merit in retaining the sub-region as defined in the draft Plan since it too has a functional logic. It now supports joint working arrangements which we do not wish to disrupt without compelling justification.

## **COT STt ATt Y (POLICY LF1) t**

- 20.10 The statement of strategy for the sub-region aims to support sustainable economic growth and meet as far as possible the pressing housing needs of the sub-region, taking into account considerable MGB and the area's critical relationship to London (C, para 4.6.4).
- 20.11 Policy LF1 states that the core strategy is based on meeting development requirements within urban areas and the protection of the Green Belt across the sub-region. This is to be achieved in a number of ways; these include:
- sustaining growth in the local economy to a level that can be supported by local labour markets and infrastructure
  - generally focussing employment-related development to take place on land already in employment use
  - encouraging a broad base of economic activity which utilises existing skills in the workforce
  - giving priority to meeting locally defined housing needs, including affordable housing, within the overall requirement for the sub-region
  - respecting and enhancing local character and distinctiveness and conserving and enhancing the natural and cultural environment.
- 20.12 One of the recurring themes in the sub-regional debate was whether the core strategy would achieve an appropriate integration of environmental and economic interests for the longer term. Participants' views on this matter were polarised. The environmental interest groups generally are concerned that Policy LF1 gives insufficient recognition and protection to the environment, while the development sector is unanimous that the sub-region is not being asked to pull its weight, even though there is no question that the AONBs and the other statutorily designated areas should be protected.
- 20.13 We are in agreement with SEEDA's analysis that the future approach needs to be creative in order to protect the environment while addressing economic needs. In our view Policy LF1 fails to achieve this – its approach to the economy is restrictive and, for the reasons set out in more detail below, we consider that it is unrealistic and would have harmful effects over a wide area. On the other hand, we do not find any substantive evidence of a weakness in terms of the environmental policies. The nationally protected landscapes, areas of international and national importance for biodiversity, and other natural and cultural assets of the sub-region would be appropriately protected by the core regional policies of the Plan, subject to our recommended amendments and additions to this overarching framework.
- 20.14 The Thames Basin Heaths SPA affects parts of eight districts within the sub-region and is the subject of a specific policy, LF11; parts of the adjacent WCBV sub-region also include lands within the SPA. The potential impact of the draft Plan proposals on the SPA was subject to critical examination throughout the EiP and we set out our recommendations in paras 10.40-10.52. We have proposed there that a single policy covering the SPA would be appropriate and that this should be incorporated in the section of the Plan dealing with natural resource management. A cross-reference in the London Fringe section to the new policy would aid understanding of the context for future planning in and around the hubs, since both Guildford and Woking are close to lands within the SPA.
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- 20.15 The approach to the MGB is one of the most controversial aspects of the core strategy. Many commentators make clear that it is seen not just as a valued policy constraint but also an important environmental asset. We appreciate the strength of feeling on this matter but also the cogent arguments put to us that the interests of sustainable development require a re-assessment of boundaries that have remained unaltered for many decades. From all the evidence, we are persuaded that Policy LF1 has started from the basis that no alteration of any substantive nature should be made to the boundaries of the MGB, but we consider that this is fundamentally wrong and in conflict with national policy guidance. As set out in more detail below, there is an overriding need to accommodate a higher level of housing provision in this part of the region, and this should be accommodated by limited alterations to the MGB boundary where necessary. Our recommendations in Chapter 5 for amendments to Policy CC10a set out how this should be achieved within a context of continued support for the overall purposes of the Green Belt (Recommendation 5.13).
- 20.16 It was apparent from the EiP debates that many of the tensions inherent in the sub-regional strategy were brought together in the proposed approach to the three regional hubs of Guildford, Woking, and Redhill/Reigate. Policy LF1 sets out the urban focus of the strategy, based on meeting development requirements within the urban areas. Policy LF4 confirms that development at the three hubs should take place within the urban areas and the supporting text states that since all three lie within the MGB, its long-term future would be prejudiced by any significant expansion of the hubs.
- 20.17 However, from all the evidence to the EiP we have concluded that the hubs have more potential for sustainable growth than is permitted by the draft Plan and we comment further on this below. It is important that the accessibility of the hubs is harnessed in meeting the need for increased housing provision in this part of the region. We also draw support from the Assembly's description of the characteristics of the regional hubs<sup>4</sup> which highlights the potential of Guildford in particular. Without offering some scope for physical expansion of the hubs beyond their existing boundaries if required, not only would the sub-regional and wider economy be likely to suffer, but fears about town cramming and loss of urban quality could be realised.
- 20.18 We note that the Government's partnership with local authorities in the development of New Growth Points includes one with Reigate and Banstead BC<sup>5</sup>. Suffice to say at this point that we regard the partnership as an indication of the importance that the Government attaches to delivery of housing over and above RPG9 levels at the earliest possible stage. We find it ironical that the district-wide provision for Reigate and Banstead is set below RPG9 levels, and that no overall increase in housing levels is envisaged as a result of its NGP status. As we discuss in our comments on housing below, we consider that the district has potential to maintain these rates over the longer term, by strengthening the role of the Redhill/Reigate hub<sup>6</sup>.
- 20.19 For these reasons we consider that Policy LF1 should be amended. It should be positive about the need to sustain the important role played by the economy in the wider region and beyond, and to meet housing needs, while retaining the overall quality of life. Also, the policy should make clear that the broad extent of the MGB in the sub-region will be protected but that selective and also some smaller scale local review of its boundaries are likely to be required in accordance with Policy CC10a, in order to meet development requirements that cannot be accommodated within urban

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<sup>4</sup> See Appendix B of SEERA's Written Statement for sub-matter 2A.

<sup>5</sup> See GOSE 3a which provides a useful summary of the NGP dwelling numbers compared with the draft Plan.

<sup>6</sup> Although Redhill and Reigate are designated as a joint hub, the sub-regional background work makes clear that the potential is expected to be mainly at Redhill.

areas. We set out more detail on these matters and on the implications for other policies in the sections that follow. Policy LF1 also includes two criteria that appear to add little that is sub-regionally distinctive and duplicate regional policy, and these (points v) and vi)) could be deleted.

## **ECONOMY**

### **Balance between Jobs and Labour Supply**

- 20.20 The draft Plan contains a job estimate for monitoring purposes for 2006-16 based on the Assembly's scenario 4 which incorporates the long-term migration trend (E5, para 2.17). On their dwellings based projection (scenario 7), the Regional Assembly now proposes a figure less than half this level (34,500). SEEDA maintains that at this level the economy would be constrained below the regional average. This is the only sub-region on which the Assembly and SEEDA were unable to reach agreement.
- 20.21 SEEDA suggests a figure of 39,500 for monitoring purposes, which is below the trend employment growth from the Experian published forecasts (46,000) and still slightly below the level at which it estimates that the economy would start to be constrained. In accepting SEEDA's advice, we consider that the Plan needs to be explicit about the economic adjustments on which it is relying to avoid an undue constraint to the economy.
- 20.22 On all available projections, there is expected to be a higher rate of job growth than labour supply. Even on the Assembly's latest projections, job growth up to 2016 is over twice the growth in labour supply, while labour supply is actually projected to fall in the 2016-26 period. On the Assembly's projections, the excess of jobs over labour supply, which was around 13,000 at 2006, is expected to increase by an additional 22,000 or so between 2006-16, and by a further 29,500 between 2016-26<sup>7</sup>.
- 20.23 We accept that it would be unrealistic to expect an exact match here given the complexity of interlinking labour markets, so close to London. However we are concerned about the scale of this projected mismatch, and in common with business and developer interests foresee the risk that the economy would be constrained to the detriment of regional performance. The mismatch is additionally worrying because of the even higher mismatch in the neighbouring WCBV sub-region.
- 20.24 Surrey CC accepts that the labour market is likely to become tighter, particularly post 2016. However it anticipates significant mitigation through the concept of smart growth. Yet there are no distinctive mechanisms proposed in this sub-regional strategy to give effect to this concept.
- 20.25 From the debates and our background reading we understand that the two smart growth components of particular significance in this area are additional productivity improvements and increased economic activity. However the strategy also appears to rely on commuting adjustments, and we consider that this should be made explicit.
- 20.26 We have taken account of the following issues in coming to this assessment:
- SEEDA advised that additional **productivity improvements** should be possible because of the propensity for innovation in this area because of the mix of companies and the type of sectors represented. Given the high representation of corporate HQs, financial and business services, and R&D activities, we can

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<sup>7</sup> Equivalent figures on SECL assumptions are for a widening of the gap by an additional 10,000 or so between 2006-16 and 25,500 between 2016-26

anticipate scope for ever greater application of ICT to enable e-business, home working, and tele/video-conferencing. However we repeat the warning in an earlier study for the Economic Partnerships that expectations must be realistic, given the high proportion also of population-related services, related to the high consumption patterns of London commuters, within which it is harder to substitute capital and electronic communication for labour<sup>8</sup>. Surrey Economic Partnership also drew attention to the importance of upgrading skills and educational initiatives as a way of making more productive use of available labour supply.

- despite already high **economic activity** rates, SEEDA anticipated that about 7,000 additional workers might be available taking account of trends since 2004 and the scope for more older workers. Although we accept SEEDA's advice, again we consider that there are realistic upper limits to the scale of additional labour force from this source, given the likelihood that a large element of economic inactivity in such a prosperous area is due to life style choices and not due to lack of opportunities.
- There should be scope for additional reverse **commuting** from south London. As confirmed by the South London Partnership, job estimates there are significantly lower than the planned housing levels (9,000 job increase and 29,550 new dwellings). However there are some uncertainties attached to this job forecast<sup>9</sup>, and local authorities there will be aiming for a higher rate of job growth in key town centres and strategic industrial locations. An increase in reverse commuting in this way would continue a trend already apparent between 1991-2001. However as the South London Partnership warned, much of this commuting has been car based. We consider it unwise to rely on an increase in long distance commuting from south of the London Fringe, given the aims of the draft Plan to balance future increases in jobs and homes in the coastal sub-regions.

20.27 Despite some potential, as recognised above, we consider that it would be a risky strategy to rely solely on these three sets of adjustments to reconcile such a wide and growing gap between labour demand and supply. We have therefore recommended an increase in housing levels by about 23%, see Table 7.1. Nevertheless it will be very important for there to be joint monitoring of the scale of new jobs created across this part of the region, and the relationship with increased labour supply, the latter being dependent on the frequency of data sources on economic activity levels. We assume that the Surrey Planning Officers grouping may be best placed to coordinate this working, in parallel with the South London Partnership.

20.28 We have already recommended the inclusion of job estimates for each part of the region in the supporting text to Policy RE2. We have also reflected the importance of smart growth through recommending the introduction of a policy at regional level (see Chapter 6). We recommend that the supporting text to Policy LF6 spells out the particular aspects of relevance to this area, namely additional productivity improvements and raising economic activity, together with changes in commuting patterns as a labour market adjustment.

20.29 Other aspects of smart growth in terms of innovative use of premises hence minimising the need for new employment land are discussed below.

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<sup>8</sup> Strategies and Solutions for Sustaining Success in Surrey and the Thames Valley, Deloitte for Thames Valley Economic Partnership, Surrey Economic Partnership and SEEDA, September 2005 [Er5]

<sup>9</sup> Future Growth in the Outer London Economy: a review of employment projections and their implications, Professor Ian Gordon for North London Strategic Alliance and partners, December 2006 [SLP1]



## Employment Land (Policies LF1 and LF6) t

- 20.30 In accordance with Policy LF1 employment-related development should be generally focused on land already in employment use or available for such use. Policy LF6 expands the guidance on economic development; it requires that proposals should be considered in the context of the vitality of the local economy and of that in adjoining areas as evidenced by regular monitoring. It also requires that LDDs should safeguard strategically important employment land for this purpose and that mixed use development should be encouraged in and around town centres and other areas with good public transport accessibility.
- 20.31 We agree that policies seeking to ensure that new employment development should generally be directed towards existing employment land and that town centres should be the focus for mixed use schemes are appropriate for this part of the region as well as for the South East generally. But as the representations on the London Fringe strategy make clear, there are inter-related concerns about:
- the way in which the vitality of the economy would be taken into account;
  - whether the key internationally competitive sectors would be provided for; and
  - the adequacy of the monitoring arrangements.
- 20.32 Barton Willmore generally described the economic strategy as self-fulfilling because Policies LF1 and LF6 would suppress economic growth to respond to local needs only. We agree that such an approach would be unacceptable for an area that has been described as part of the economic capital of the South East<sup>10</sup>, and have recommended measures above to ensure a more appropriate, balanced response to the labour demands that are likely to arise.
- 20.33 In terms of employment land, Surrey CC and the local planning authorities are generally satisfied that there is currently no absolute shortage of business space in the area<sup>11</sup> but the EiP debate highlighted some uncertainties about its quality and variety to satisfy the range of needs that will arise over the longer term. While some of the developer representations would wish to see specific recommendations for new strategic employment sites in the Plan we have not found sufficient evidence to justify such an approach, but see paras 20.35 and 20.78 below. Recent strong economic growth in parts of the sub-region has been driven by inward investment and the ICT sector but the growth potential of multi-national firms in the sub-region is expected to be limited as off-shoring of parts of their global supply chain to low-cost locations is expected to continue. Smaller units to accommodate high tech and high growth SMEs are likely to be most important in supporting future economic growth, as well as provision for the expected growth in personal services, retailing and other town centre activities<sup>12</sup>. We consider that the PMM approach advocated by Surrey CC would be capable of addressing these needs, but to be effective, the monitoring arrangements must adequately address the complex interrelationships between the local economies of Surrey and adjacent areas of the South East and London.
- 20.34 An adequate monitoring framework should reflect the reality of the large number of significant and highly-linked local property markets that operate in the western part of

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<sup>10</sup> Strategies and Solutions for Sustaining Success in Surrey and the Thames Valley – Final Report, Deloitte for Thames Valley Partnership, Surrey Economic Partnership and SEEDA, September 2005 [Er5]

<sup>11</sup> The Economy and Employment Situation in the London Fringe Sub-Region, Surrey CC, December 2005 (part of the December 2005 advice to the Assembly from the Principal Authorities) [SEP20].

<sup>12</sup> Strategies and Solutions report, see above.

the London Fringe and adjacent areas of WCBV and South/South West London<sup>13</sup>. It must also assist in the task of defining which strategically important employment sites need to be protected. Therefore we have already recommended that Policy RE2 specifies the need for joint working on employment land reviews, and that its supporting text should reflect the particular need between authorities in the inter-related economies of Surrey, South/South West London and parts of WCBV. The employment land reviews will need to examine both the demand and supply factors, especially in the case of the knowledge-based sector, high-growth SMEs and service uses where the potential contribution to the economy is likely to be most significant.

- 20.35 In addition to the above, if new employment land is required provision should be made within the new sustainable urban extensions and through redevelopment of a former research station that we recommend below. The scale and nature of such provision will be a matter for the local planning authorities, having regard to the findings of the joint employment land reviews, the accessibility of the locations by public transport and other relevant matters. Taking these issues into account, we recommend that Policy LF6 should be amended, reflecting our conclusion on Policy LF1 above, to acknowledge that wider economic needs will also be taken into account.

## **SETTLEMENT SHAPING**

### **Metropolitan Green Belt**

- 20.36 The MGB covers an extensive part of the defined sub-region and tightly surrounds the urban areas. The polycentric and closely spaced pattern of settlements means that the MGB is fragmented into relatively small areas in many locations close to the inner boundary of the MGB. Not all of it is undeveloped – there are significant areas of PDL within the MGB and these have contributed to economic and other needs and are likely to continue to play a role in meeting future development requirements. In some other cases land has been excluded from the MGB and protected as long-term safeguarded land or reserve sites, to meet future housing requirements. These lands have generally remained undeveloped and we consider their role, the relationship between the housing requirement and the boundaries of the MGB, and the future of the Major Development Site (MDS) at the former Defence, Evaluation and Research Agency (DERA) establishment near Chertsey in more detail in the sections that follow.

### **Influence of water supply, waste water treatment, flood risk and transport**

#### **Water supply**

- 20.37 There were supply restrictions in Sutton and East Surrey's supply area in 2006 and a small part of the sub-region is within Thames Water's zone that has a future water supply/demand deficit. However even though the eastern part of the sub-region relies on groundwater as a main source, water supply does not appear to have played a significant part in shaping the strategy, other than in relation to the phasing provisions of Policies LF2 and LF5.
- 20.38 While the EA confirmed that proposals for additional water resources are included in water company plans, we endorse the concern of most participants about the need to

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<sup>13</sup> South East Regional Property Market Study, CB Richard Ellis for SEERA, March 2007 [SEERA13a]

deliver efficiency savings via the twin track approach. In this context it is pleasing to hear that there is a target for achieving full metering by 2015 in this part of the region..

### **Waste water treatment**

20.39 As with water resources there is no evidence that waste water will limit the overall development of the sub-region, up to and beyond the draft Plan housing levels<sup>14</sup>. The EA studies show that further investment will be needed to accommodate the proposed growth with stricter discharge consents on five WWTs. Also, while there is some uncertainty about the right technical solutions at Hogsmill WWT we understand that there are no insuperable obstacles to proposed housing development in this part of the sub-region.

### **Flood risk**

20.40 Parts of the London Fringe lie within flood risk zones 2 and 3. The most extensive area is the Lower Thames valley covering parts of the boroughs of Elmbridge, Runnymede and Spelthorne. The incidence of flooding has clearly influenced the strategy and Surrey CC point out that the Lower Mole valley is the only area defended to any significant degree as a result of a flood alleviation scheme in the 1980s. Hence some housing potential has been assumed within zone 2 in the draft Plan.

20.41 We acknowledge that higher levels of new housing could require development to be considered within these areas. SFRA's are being prepared but as they have not been completed the precise risks and the costs of local flood protection are not known. The SFRA's will also assess problems of surface water and sewer flooding that can affect several urban centres in the London Fringe but, even allowing for the effects of climate change, these risks do not seem likely to have a major effect on the long term growth strategy.

20.42 The EA is looking at flood risk management options in the Lower Thames in the north-west of the sub-region. In this context we recognise that some land may be required as part of a flood management strategy and we agree that this requirement will be an important issue to be fully taken into account in LDDs.

### **Transport**

20.43 Surrey CC is right to say that wherever growth is proposed a prime concern is whether transport infrastructure can be delivered to match the phasing of development and whether there is adequate capacity on the network. However in the London Fringe all participants agree that existing congestion levels are already high throughout the sub-region. We agree with this analysis, which means that wherever growth is located it will add to congestion. In this sense the development strategy has not been led by any available capacity in transport infrastructure. In any event the additional travel demand related to the increment of new growth is by definition going to be marginal in relation to existing flows.

20.44 The hubs and spokes concept fits the spatial strategy generally and the selection of Guildford, Woking and Redhill/Reigate as regional hubs reflects the existing rail network. We accept that all three hubs require to be supported by additional infrastructure investment and particularly public transport improvements to enable them to fulfil their regional role. If the Airtrack scheme is implemented it will strengthen the role of the Guildford and Woking hubs and their interconnections with

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<sup>14</sup> Planning for Water Quality and Growth in the South East, EA, October 2006 [Ar2A]

the west London and WCBV economies. We agree with Surrey CC that the orbital rail routes to and from London are much less adequate than the radials in reinforcing the polycentric nature of the growth strategy for the sub-region. Transport priorities are discussed below under the Implementation Plan.

## HOUSING

### Overall Level

- 20.45 In accordance with Policies H1 and LF2, this part of the region is expected to provide 37,360 dwellings (1,868 dpa) over the Plan period. As E5 para 1.9 explains, the urban potential of the area is expected to accommodate this housing number without the need for any allocation of land from the MGB. It is to be tested under the PMM regime to ensure that the level of development is sustainable in the long term. The principal authorities consider that this overall housing level is consistent with the scale of housing need, economic needs and environmental constraints.
- 20.46 Since the draft Plan was submitted, Reigate and Banstead has been awarded NGP status. The Council made clear however that this entailed a faster rate of delivery up to 2016 than previously envisaged but no overall increase in housing levels above the draft Plan's requirement for the whole of the 20-year period.
- 20.47 In assessing the soundness of the overall level of 37,360, we have taken account of a wide range of factors. As referred to above, a wide and growing gap between labour demand and supply is likely to occur in the sub-region and it would be unwise to rely entirely on smart growth to address the mismatch. In demographic terms, the proposed housing level would not even allow for natural change in the population<sup>15</sup>. Therefore, contrary to the general argument by the Assembly that the region-wide provision figure includes an element to meet the housing need backlog and for in-migration, this is not the case in the London Fringe. We calculate that the natural change element represents 118% of the draft Plan's housing provision for sub-region. The proposed figure for the whole of the component districts is only about 50% of the Government's 2004-based household projections. The 2004-based projections are about 5% higher than the 2003-based projections. We accept that economic and demographic projections are not policy-free and must be taken into account with other considerations, but the differences between the overall provision figure and the projections are very striking.
- 20.48 As discussed in more detail below in relation to Policy LF3, there is a very high level of need for affordable housing in this sub-region. Purely in terms of the impact upon the economy, we note the Deloitte report's conclusions that affordable housing as well as the affordability of housing must be key priorities if Surrey and the Thames Valley are to maintain their competitiveness<sup>16</sup>. Moreover, the whole costs - social and environmental as well as economic - of inadequate provision of affordable housing should be taken into account.
- 20.49 Recent housing completion rates for whole districts demonstrate that much higher levels are being achieved than required by the draft Plan provision figure. Nine of the districts have outperformed the draft Plan annual requirement over the four year period 2001/2-2005/06. In the case of those districts entirely within the sub-region, the excess over and above the draft Plan annual average figure has ranged from 13%

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<sup>15</sup>Table showing the Nil Net Migration Projection – Sub Regions and Rest of County areas (Fourth Round), SEERA, April 2007 [SEERA11B].

<sup>16</sup>Strategies and Solutions report, see above.

- to 83%, with three in excess of 65%<sup>17</sup>. We heard arguments from the local authorities that these high rates are unlikely to continue and about potential adverse effects on urban quality of life and we consider these further in relation to the housing distribution, but overall, we conclude that the recent rates of completions indicate that the draft Plan provision figure is neither challenging nor an attempt to continue recent rates of delivery.
- 20.50 The results of the urban potential studies show that nine of the ten districts could meet their draft Plan housing requirement entirely from within their urban areas. As Surrey CC explained at the EiP, an update of the Surrey Housing Potential Study assessed the potential to accommodate the draft Plan provision figures on PDL. On this basis there would be a shortfall of 68 dpa or 1,360 over the lifetime of the Plan compared with the overall housing requirement; this implies that 91% of the housing requirement would be provided on PDL. Moreover, the local authorities considered that given the high rates of completions in the sub-region in recent years, it is likely that the shortfall identified above would be met through windfall development, without any need for new greenfield releases. This was not disputed at the EiP and we have found no reason to conclude otherwise. We accept that estimates of urban potential are uncertain, particularly for the longer term, but consider that there is strong evidence that the reliance placed on PDL sources for the London Fringe strategy has been associated with a failure to undertake genuine testing of the opportunities to accommodate a higher level of provision.
- 20.51 We appreciate fully the views of local planning authorities, conservation and amenity groups, parish councils and the general public that the MGB is a precious, multi-functional resource. We are also very much aware of the need to balance competing demands, in particular the need for housing. Government policy has been clear and consistent on this matter for many years and it does not preclude review of Green Belt boundaries in exceptional circumstances. In this case we could find no evidence that a technical assessment was made of the sustainability advantages and disadvantages of accommodating some new housing on Green Belt land. On balance, we have concluded that the need for additional housing in this part of the region is so great that, taken together with all the other factors influencing the location of new housing, some alteration to the MGB boundaries is likely to be required. We provide more advice on this matter in the section on Housing Distribution below but emphasise that we do not consider that the changes we propose would undermine the fundamentally important role of the MGB.
- 20.52 In the light of the discussion above of water supply, waste water treatment and flood risk management, we are satisfied that none of these factors would support capping the overall provision level at the draft Plan's figure. Similarly in terms of transport infrastructure, we consider that the primary need for demand management and behaviour change do not support such a cap.
- 20.53 We have considered the influence of the Thames Basin Heaths SPA in Chapters 7 and 10 above and the distributional aspects are discussed below. In our view the proposed housing provision in this part of the region does not need to be capped at 37,360 dwellings in order to avoid the likelihood of adverse effects on the integrity of the SPA and, subject to certain caveats, we are satisfied that our proposed increase in the overall figure would not give rise to such impacts.
- 20.54 As many participants emphasised, the AONBs and the many other natural and cultural assets with which the sub-region is endowed are a resource to be valued and

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<sup>17</sup> Table 1 provided by GOSE for the Matter 2A debate, December 2006 [GOSE2]

conserved. However, we could find no substantive evidence that increased housing provision of the scale we propose in this area would lead to any significant adverse effects on these assets.

- 20.55 Taking all of the above into account, we are strongly of the view that the housing level in the sub-region can and should be increased above the draft Plan figure. We consider that the findings of the SA are not incompatible with this view. In proposing a revised level, we have sought to balance the very strong economic, demographic and affordable housing need drivers with the environmental and policy constraints. The potential to accommodate increased provision within the urban areas without adversely affecting the quality of urban living is uncertain in the latter half of the Plan period but we are not convinced that the currently estimated capacity is particularly challenging. Therefore, we consider that higher levels of development than currently allowed for could take place within the urban areas. Coupled with this, the release of reserve sites and the limited review of MGB boundaries as set out below will provide the flexibility to accommodate much needed growth in the most sustainable way. The continued protection of the extensive areas that are designated as AONB, SPA, SAC or SSSI or which are within flood zones should ensure that this part of the region will not suffer any fundamental change to its character. Overall, a precautionary approach towards the Thames Basin Heaths SPA leads us to recommend an increase of 23% on the draft Plan figure such that the total housing provision would be 46,120 for the 2006-2026 period. Nevertheless we accept that phasing of new dwellings may be necessary in the vicinity of the TBH and we recommend the addition of the wording suggested by the Regional Assembly<sup>18</sup> as a final element to Policy LF2.

### **Role of Hubs and Review of Mt B (Policy LF4) t**

- 20.56 As referred to above, we consider that the hubs have more potential for sustainable growth than is permitted by the draft Plan. **Guildford** in particular is the home of the University of Surrey and is an important retail centre that serves a wide catchment in the sub-region and beyond. It is a significant employment location which is likely to grow in importance with the proposed expansion of the university and of the town centre's shopping offer. It also fulfils other higher order functions, with a law college and a regional sports centre, and its transport connectivity, especially its rail interchange, enhance its sustainability credentials. In our view therefore, there is particular merit in seeking to target some additional growth towards Guildford.
- 20.57 There are significant environmental constraints to the expansion of the town to the south, south-east or south-west. Expansion to the north is limited by SPA and other considerations but an area within the MGB to the north east of the town, as identified in Policy LO6 of the Surrey Structure Plan<sup>19</sup>, could provide for sustainable growth. This location was identified after extensive comparative studies<sup>20</sup> and we have found no evidence of a more suitable alternative direction for growth, if urban capacity in Guildford is insufficient to meet the housing requirement. Given this background and the need to facilitate housing delivery through the planning system, we do not agree with the Borough Council or the Assembly who would favour a criteria-based policy in regard to Green Belt review if required.

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<sup>18</sup> in response to the Assessor's report. SEERA Regional Planning Committee 21<sup>st</sup> March 2007 Report for Agenda item 6: Subject – Thames Basin Heaths: Assessors Report, March 2007 [SEERA18]

<sup>19</sup> Surrey Structure Plan 2004, Policy LO6, Housing Provision.

<sup>20</sup> Shaping Surrey's Future, Technical Paper 2: Evaluation of Locations as New Communities, Surrey County Council, November 2002.

- 20.58 Expansion to the north-east of Guildford would be subject to SPA considerations, given its location within the 5km zone, albeit towards its outer edge. However, the strategic scale of development would enable adequate mitigation to be provided and it is also accessible to the attractive countryside of the North Downs on its eastern side. It appears that development in this location could accommodate about 2,000 dwellings as well as a sustainable mix of other uses. For all the foregoing reasons, we consider that selective review of the MGB boundary in accordance with Policy CC10a should focus on the area to the north-east of Guildford.
- 20.59 **Woking** is only 7km to the north of Guildford but is a very strong commercial centre with a burgeoning office market and excellent rail connections with London. The proposed Airtrack scheme will further enhance its connectivity, especially to Heathrow. On-going investment in town centre redevelopment boosts its potential as an employment location and we consider that this should continue to bring forward high-quality, high-density development in the most accessible areas of the town. The scope for further sustainable growth at Woking should be maximised, and its growth could in our view be complementary to expansion of Guildford, given the scope to improve interconnectivity between the two centres whilst maintaining their separate identity.
- 20.60 We recognise that the combination of Thames Basin Heaths SPA, other protective designations and flood constraints limits the opportunities for physical expansion of the town beyond its existing boundaries. This is reflected in our recommendation for more limited growth here compared with Guildford. Further intensification of development within the urban area and the use of reserve sites will help to meet the housing requirement but new greenfield allocations may be necessary. In these circumstances we consider that the existing MGB boundary which wraps tightly around the urban area should not be regarded as fixed in perpetuity. It may be necessary to undertake a review of the boundary in order to ensure that the most sustainable options to accommodate increased growth are identified. The scale of the review will need to be tested through the LDD process but it may be justified to make more than minor boundary adjustments. The work undertaken for the Surrey Structure Plan referred to above indicated that south of Woking offered the most potential in this regard and the evidence at the EiP supports this. For these reasons we consider if selective review of the MGB is necessary around Woking it should focus on this location.
- 20.61 **Redhill** and the complementary historic centre of **Reigate** are important foci for higher order services in the eastern part of the sub-region. Redhill in particular is a significant employment location and SEEDA recognises it as a major driver of economic growth that will complement growth with Crawley and Gatwick as part of the Gatwick Diamond<sup>21</sup> (see also our comments in Chapter 24 on the Gatwick Area Sub-Region). The proposed Fastway extension will improve bus connectivity and complement existing rail services between these centres. Redhill is a key interchange between intraregional rail services and its potential to develop orbital movements as an alternative to the established radial links is a high priority. Barton Willmore describes it as “the hub of all hubs” and we agree that this is a fair description of its potential. Its location on the important A23 corridor between London and Brighton and close to the M23/M25 junction is also advantageous. The NGP status accorded to the borough will lever in additional funding for infrastructure improvements and will facilitate the front-loading of the proposed housing allocation to the first half of the Plan period.

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<sup>21</sup> Regional Economic Strategy 2006-2016, page 42, SEEDA, October 2006 [Er2E].

- 20.62 The Borough Council is particularly concerned to ensure that urban regeneration is not discouraged by unnecessary release of greenfield sites. We wholly support this approach but consider that the draft Plan's allocation, which is less than RPG9 and recent completion rates, seriously undervalues the potential offered particularly by Redhill for sustainable growth. Accordingly, we recommend that the apportionment to the borough should be increased in order to maximise these opportunities and to maintain housing rates in the longer term.
- 20.63 There are landscape constraints that would limit the potential for significant expansion of Redhill, since the Surrey Hills AONB abuts the northern edge. The area to the south is part of the MGB that separates Redhill/Reigate from Horley. We recognise the particular vulnerability of this gap which is already fragmented by the Salfords urban area and agree that the danger of coalescence would limit the potential for Green Belt review. However, it will be important to undertake smaller scale local reviews around Redhill/Reigate in order to ensure that all potential options to accommodate the required housing provision are properly evaluated. Given the proximity to the administrative boundary, this advice also applies to Tandridge District.
- 20.64 Taking the above into account, we consider that Policy LF4 provides inadequate guidance on the regional hubs. We recommend that it should be amended so that, while maintaining the focus on the urban areas, it identifies that urban extensions of Guildford and to a lesser extent, Woking and Redhill/Reigate may be required. On this basis a selective review of the MGB boundary to the north-east of Guildford should be carried out in accordance with Policy CC10a. The scale of review that may be necessary at Woking should be determined through the LDD process but it should focus on the area to the south of the town if more than minor boundary adjustments are required and be guided by Policy CC10a. Smaller scale local reviews should be undertaken as required around Redhill/Reigate, including in Tandridge District, in accordance with Policy CC10a.

## **Housing Distribution t**

- 20.65 As recommended above, the overall housing provision for the London Fringe should be increased by 23%. This would entail an additional 8,760 dwellings over the Plan period. We are aware that work is already underway through the LDFs to bring forward sites that would meet the draft Plan's requirement to 2016 and beyond. Detailed work that has been carried out on urban potential assessments suggests that the urban areas will provide the required sites for the draft Plan's level of provision. Our recommendations will pose a challenge to find even more potential within the urban areas but we are reasonably confident that this is achievable, given the relatively high rates of completions in recent years, the level of market demand and the impetus for high quality development at higher densities. And importantly also, the potential for selective releases from the MGB, without harming its fundamental purposes, will ensure that unacceptable pressure is not placed on the existing urban areas.
- 20.66 Our recommendations for testing through LDDs for the individual districts in the London Fringe sub-region, set out below, are framed in this context. As the footnote to Policy LF2 explains, the part of Surrey Heath within the sub-region is primarily rural and its housing component is included in the WCBV sub-region. Accordingly it is not considered below. Conversely, only limited housing supply is expected in the primarily rural parts of Mole Valley and Tandridge which lie outside the London Fringe sub-region, and this element is included in the Policy LF2 figures for these



districts. We assume the same is true for the rest of Guildford (see para 26.82). We have adopted the same convention.

### **Elmbridge**

20.67 We recognise that this district, which borders London, has about 57% of its area designated as MGB within relatively fragmented areas that separate the 14 closely spaced settlements within the Borough. The Council regards the draft Plan housing provision as challenging, and we accept that there are major sources of flood risk which may require some of the Plan's provision to be accommodated in flood zone 2. While the 5km zone around Thames Basin Heaths SPA covers about 25% of the Borough, most of its urban areas with the exception of Byfleet, St George's Hill, and part of Cobham are outside the zone. Taking these and all other factors into account, the Council says that it is unlikely that any increase in the apportionment could be accommodated without prejudice to the MGB.

20.68 However, the Borough offers many advantages for sustainable development – a strong local economy and easy access to services, good public transport links to London, all within easy reach of large areas of open countryside. It has achieved average completion rates in recent years that exceed the draft Plan annual figure by 65%. Notwithstanding the undoubted constraints, we consider on balance that the need for additional housing is so great that the potential offered by Elmbridge should be tested by a higher apportionment. This may require some use of land that is currently protected by Green Belt policy but this is a matter that should be tested through LDDs on the basis of our amendments to Policy CC10a. We recommend an additional 500 dwellings over the Plan period.

### **Epsom and Ewell**

20.69 This borough shares some key characteristics with Elmbridge in terms of London's proximity and the significant area occupied by the MGB. It has only two settlements of note, Epsom and Ewell, but in addition to these sources of urban potential much of the recent development in the borough has taken place on a MDS in the MGB at the former Epsom Hospitals cluster. The apportionment in the draft Plan represents a small reduction on RPG9, although recent annual completions rates entail a small surplus over RPG9 rates. We understand the constraints imposed by the well-established character of the borough and its tightly drawn MGB boundaries, but as in the case of Elmbridge, consider that the borough has potential for sustainable development that should be maximised. Accordingly, we propose that the draft Plan's apportionment should be increased by an additional 360 dwellings; this should be tested through LDDs and if necessary, by making some small scale local adjustments to the MGB boundary in accordance with Policy CC10a.

### **Guildford (part)**

20.70 We have considered the Guildford hub in more detail above. In our view its role should be strengthened by maximising potential for increased densities in the most accessible locations; this could yield greater urban capacity than currently assessed. While we accept that recent delivery rates in the Borough generally have only slightly exceeded the draft Plan provision, the setting of a more challenging target to encourage intensification and recycling of urban land would be appropriate in our view. As set out above, it also offers the potential for a sustainable urban extension to the north east, subject to the alteration of the MGB boundary. Taking all of these

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factors into account we recommend that the apportionment to the London Fringe part of the borough should be increased by 2,000 dwellings for the Plan period. The extent to which this would be accommodated within the urban area would be a matter for testing through LDDs.

### **Mole Valley (part)**

- 20.71 Development potential in that part of Mole Valley within the London Fringe is constrained by MGB designation which covers the whole of the area outside the defined settlements. Also, a large part of the area to the south of the M25 lies within the Surrey Hills AONB. The main urban areas of Leatherhead, Fetcham and Bookham in the northern part of the district are tightly bound by the MGB and in the case of the latter two, by the AONB to the south. The Borough Council expects to be able to meet the draft Plan's housing requirement without breaching any of these constraints.
- 20.72 Recent rates of completions are in excess of both the draft Plan's requirement and RPG9, indicating that there may be scope to set a more challenging target for maximising urban potential. We note the relative strength of Leatherhead in particular as an office location<sup>22</sup> and its accessibility by road and rail and consider that a relatively small increase in the level of provision would be likely to be sustainable, and would assist in meeting local need for affordable housing. Should it be necessary to look to greenfield sites to accommodate the increased requirement, we understand that there are a number of reserve or safeguarded sites that could be released from Green Belt policy protection. This would be enabled by Policy CC10a, as amended in accordance with our recommendations. Infrastructure constraints, in particular water supply, should be capable of resolution to meet an increased housing requirement. On balance, we consider that the apportionment to the borough should be increased by 340 dwellings for the Plan period.

### **Reigate and Banstead (part)**

- 20.73 We have considered the role of the designated regional hub at Redhill/Reigate above and in our view the draft Plan housing allocation to the borough is an inadequate response to its potential for sustainable development and its NGP status. Given the environmental and policy constraints there is only limited scope for physical expansion of either town, but some small scale review of Green Belt boundaries may be justified in order to meet the housing requirement in the most sustainable manner. Overall, we consider that it is reasonable to set a more challenging figure in order to drive the urban renaissance of Redhill and to reflect the potential that is evident from the recent rates of housing completions in the borough as a whole. We therefore recommend an additional 1,500 dwellings for the London Fringe part of the borough for the Plan period.

### **Runnymede**

- 20.74 Runnymede has a significant part of its area within the MGB. About 68% of the borough, mainly its western portion, lies within the 5km protection zone around Chobham Common, part of the Thames Basin Heaths SPA. About 28% of the area, mainly in the eastern part of the borough, lies within flood zone 3. As a result the potential for new development has been confined largely to the three small towns, Addlestone, Chertsey and Egham which are outside the 5km TBH zone and the

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<sup>22</sup> South East Regional Property Market Study, CBRE Ellis, for SEERA, March 2007 [SEERA13a]

suburban areas of Virginia Water and the Woking fringes. In its recent work on emerging LDDs, the borough has however identified the potential need to release some greenfield reserve sites in order to meet the anticipated housing requirement up to 2026.

- 20.75 The draft Plan's requirement of 146 dpa has been significantly exceeded in recent years in the borough, assisted by development at increased densities. Even though completion rates are likely to decrease, pending the bedding in of the avoidance and mitigation strategy for the Thames Basin Heaths SPA, it should be possible over the longer term for the borough to make a greater contribution to overall housing needs than is proposed in the draft Plan. Having regard to the constraints, an increase of 300 dwellings is recommended for testing through LDDs. As in the case of the other MGB districts, this may require some small scale review of the MGB boundary and/or the release of land from reserve/safeguarded status.
- 20.76 In addition, the former DERA site near Chertsey which lies mostly in Runnymede but straddles the boundary with Surrey Heath is a significant asset. It extends to about 129 ha and is identified as an MDS in the respective local plans. The lands are split by the M3 motorway, the northern section being used for Class B1 purposes and the southern section appears to have a mix of other uses. Longcross rail station lies on its northern boundary. It is also close to Chobham Common in the SPA.
- 20.77 The case for identifying this large brownfield site for mixed use development was considered at the Runnymede Local Plan Inquiry in 2001 and the Surrey Structure Plan EiP in 2003 but was turned away for prematurity and other reasons. It is estimated that it could accommodate up to 3,000 dwellings, 65,000 sq m of B1 uses and other supporting facilities<sup>23</sup>. We consider that a very large area of public open space, including avoidance and mitigation measures to protect the SPA, could be incorporated in such a scheme. But we acknowledge there are concerns from the local authorities particularly about the housing component.
- 20.78 Evidence was presented to this EiP about the case for comprehensive treatment of this site, through its designation as a strategic development area for mixed uses. In our view the issue is appropriately one for RSS, given the size of the site and its cross-boundary implications. The precise scale of development and the mix of uses that would be appropriate, the relationship with the adjacent SPA, and the impact on the purposes served by the MGB in this location are amongst the matters that would require detailed examination through joint working between the boroughs and other stakeholders. However, the need for additional housing in this part of the region is compelling. While acknowledging its MGB status, there appears to be potential for this site to make a significant and sustainable contribution to meeting housing needs. Its identification as a strategic mixed use site would be justified on this basis, and its housing capacity should be estimated at 2,500 dwellings. This is lower than the developer estimate so as to ensure that adequate SANGS can be provided on site. We acknowledge that it would serve wider needs beyond those of the two boroughs and would be brought forward in a phased programme. We have already indicated how we recommend this opportunity should be included in Policy H1 in Chapter 7. We also propose a specific policy on the matter in the sub-regional part of the Plan. The review of the MGB boundary should be undertaken in accordance with Policy CC10a.

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<sup>23</sup> Barton Willmore representation No 8023 on behalf of Crest Nicholson Developments Ltd and Morley Fund Management..

## **Spelthorne**

- 20.79 The borough of Spelthorne has significant constraints to development potential as a result of MGB designation and flood risk zones. Flood zones 2 and 3 combined cover 49% of the district. Notwithstanding these constraints the borough has achieved average annual completion rates in recent years that are 70% in excess of the draft Plan's provision level. The latter is also below the RPG9 rate.
- 20.80 The borough is very well placed to contribute to meeting overall housing needs in an economically buoyant location close to Heathrow and many sources of employment. The Council has also acknowledged the pressing need for more affordable housing in the area. Therefore, while accepting that satisfactory means of addressing flood risk and other environmental priorities must be found, we consider that the district has an important role to play in meeting the challenge of increased housing provision. In proposing an uplift in the housing apportionment, we acknowledge the borough's concern that recent high rates of delivery may not be sustainable in the longer term, but this will be a matter for testing through LDDs. Some small scale review of the MGB boundary may be required while maintaining its overall integrity. On balance, we recommend that the housing provision figure for the borough should be increased by 300 dwellings.

## **Tandridge (part)**

- 20.81 A large part of the district that is within the London Fringe is designated as MGB and the main urban areas for most part also closely abut the AONB. As a result we accept that development potential is relatively constrained and should be focused principally on the urban areas. The District Council expects that the draft Plan's housing requirement can be accommodated within the existing urban areas, and this is supported by the Surrey Housing Potential Study.
- 20.82 However, recent annual rates of housing completions for the borough as a whole are more than double the draft Plan's rate. Although the Council expects fewer large brownfield sites to come forward in the future, we consider that a more challenging target should be tested, given this performance and the need for increased provision generally. The district's main settlements are concentrated in the London Fringe area and offer a range of services and employment opportunities and are relatively well connected by rail and road to London and other parts of the region. If not all of the proposed apportionment can be found within the urban areas we consider that some small scale review of the MGB boundary and/or the use of reserve/safeguarded land may be appropriate in order to maximise the potential for sustainable development in this part of the region. Accordingly, we recommend an additional 260 dwellings for the district for the Plan period.

## **Woking**

- 20.83 We have considered the potential of the Woking regional hub in more detail above. As we have concluded, the opportunities for sustainable growth at Woking should be maximised and, if required, this should entail the review of the MGB boundary. We would expect that sites that have already been reserved or safeguarded to meet future needs would be taken into account (we understand that these total 600 dwellings). Nonetheless, the focus should remain on urban intensification in order to make best use of the most accessible locations within the borough. Balancing the environmental and other constraints, the economic potential and the housing need, we consider that

the district apportionment should be increased by 1,000 dwellings in the Plan period. The extent to which this could be accommodated within the existing urban area should be tested through LDDs.

### **Sevenoaks (part)**

- 20.84 We heard arguments at the EiP about the lack of justification for splitting Sevenoaks district between the London Fringe and the Rest of Kent areas but as set out above we favour the retention of the sub-regional boundary.
- 20.85 Kent CC and the District Council's assessment of the limited potential in Sevenoaks urban area is based on its historic character, limited size, and tightly surrounding MGB and Kent Downs AONB. On this basis it was argued that the apportionment between the London Fringe part of the district i.e. mainly the Sevenoaks urban area, and the rest of the district should be adjusted, to transfer 500 dwellings from the Sevenoaks urban area to the rest of the district.
- 20.86 We agree that there are significant constraints limiting growth at Sevenoaks, and also that the need to maintain a balance of uses within the urban area may require protection of sites that would otherwise be recycled for housing purposes. However, the district as a whole has achieved housing completion rates that are more than 50% above the draft Plan's average annual rate and we consider that the latter is unduly conservative. Given the need to achieve a step change in housing provision, the level of services available in Sevenoaks, and its relatively good accessibility by road and rail, it would be appropriate to seek a slightly more challenging housing target for the district as a whole. As we recommend in other cases, if not all of the proposed apportionment can be found within the urban area some small scale review of the MGB boundary would be appropriate in order to maximise the potential for sustainable development in this part of the region. As set out in Chapters 7 and 26, we consider that it would be reasonable to accommodate this increase by some re-apportionment between the London Fringe area and the rest of the district. Accordingly we recommend that the London Fringe element should be reduced by a total of 300 dwellings, but that the rest of the district should be increased by a total of 500 dwellings. On this basis the Policy LF2 figure for Sevenoaks should be amended to 1,700 dwellings over the Plan period or 85 dpa.

### **Affordable Housing (Policy LF3) t**

- 20.87 Policy LF3 seeks to ensure that 40% of all new housing in the sub-region is affordable. The SA however casts doubt on the ability to deliver this target, given the scale and location of the development sites that are likely to come forward in accordance with the proposed strategy. Nonetheless, EiP participants gave a large measure of support to the policy on the basis that the target is aspirational. While it exceeds the overall target set by Policy H4, this was generally accepted as an appropriate, measured response to the undisputed need in this part of the region.
- 20.88 We understand that the target is rooted in the background work undertaken by the districts and reflected in the Surrey Structure Plan target of 40%. It is supported by the findings of the Knight Frank study<sup>24</sup> which concluded that a 40% target would in general be economically viable in this part of the region. Although the Kent and Medway Structure Plan sets a target of at least 30%, Kent CC regards the Policy LF3 figure as an average that will encompass local variations, and Sevenoaks DC support

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<sup>24</sup> The Economics of Affordable Housing in Surrey, Knight Frank, October 2003 [SURCC1]

the target. On the balance of all the evidence, we agree that a target of 40% should be set for the districts that comprise the London Fringe in the draft Plan. As Surrey CC and others commented, there will also be a need to develop new models for the delivery of affordable housing, in particular to find ways of making best use of the limited resources available. We have already commented on the implications in Chapter 8 above.

- 20.89 In accordance with Policy LF3, non-residential development which would generate a need for additional housing would be expected to make a contribution towards its provision. Spelthorne BC gave an example of where this had already been achieved. While this requirement was not universally welcomed by participants, we agree with those who regard it as justified where, as in this area, market pressures are especially strong and the need for affordable housing is acute. In our view this could be made clearer in the supporting text for the policy.

## **IMPLEMENTATION**

### **Infrastructure (Policy LF5)**

- 20.90 Policy LF5 includes a stipulation that development will be contingent on the provision of timely infrastructure. There is a clear difference of view between participants who support this approach, including the local authorities and CPRE, and those who are concerned at the risk of Policy LF5 delaying development. The latter group include all developer interests and GOSE, together with participants who support the theory but who do not believe that it is workable in practice.
- 20.91 For the reasons given in Chapter 5 we consider that this idea is inappropriate and impractical. We also consider that other elements of Policy LF5 are not sub-regionally specific and could be deleted. The part of Policy LF5 that deals with the tariff approach is considered below.

### **Implementation Plan Proposals**

- 20.92 Although we do not agree that the Implementation Plan should form part of the RSS we welcome the contribution it makes to the long term planning of infrastructure in the London Fringe. We recognise that most post-2016 projects have not been fully worked up and that further prioritisation would be difficult at this stage. Subsequent additions will doubtless be made to the SRIF as more detailed work takes place, especially on the hubs and growth locations, as part of the LDD process.
- 20.93 We acknowledge that there has been a real attempt in the SRIF to balance transport against other types of infrastructure. Eleven of the 18 themes are included under the transport heading though we are not convinced that all the highway projects are of sub-regional importance. Aims for transport are included in draft Plan Policies LF1, LF4, LF5, LF6, LF7, LF8 and LF9. These reflect the importance of transport issues in the London Fringe as well as setting the context for the individual schemes listed in the Implementation Plan. While we are pleased to note that most of these policy statements relate to improving public transport and/or the role of the hubs and/or transport interchanges they are pitched at a fairly general level and a similar lack of sub-regional specificity is also true of some SRIF entries.
- 20.94 We accept that Policy LF1: Core Strategy, criterion vii) seeks to improve travel choice by investment in alternatives to the car and that Policy LF7: Town Centres refers to restraint-based town centre parking strategies. We would not expect to see a lot of detail on “soft” demand management measures in the SRIF. However we hope that

future revisions of the SRIF will include more on local programmes and projects that demonstrate a clearer commitment to the implementation of a modal shift strategy for transport.

- 20.95 While in our view transport infrastructure, and particularly public transport, should have first priority, other necessary infrastructure should be included in the Implementation Plan. Although there do not appear to be any major water supply or water schemes that need to be listed, we agree with the EA that the green infrastructure section of the SRIF should be updated with the results of the latest report on environmental infrastructure<sup>25</sup>. This will help to ensure that green infrastructure proposals are more clearly related to the spatial strategy. We agree that the inclusion of flood defences is justified, though we take the EA's point about adding the possibility of developer contributions as well as public sector funding for flood protection schemes.
- 20.96 Taking account of the above issues and the SRIF we recommend that (in addition to the regionally important upgrade of Thameslink 2000 and Airtrack rail link) the following projects should be added to the text relating to sub-regional infrastructure in E5, para 2.15:
- Improved public transport and interchanges at regional hubs - Guildford, Woking and Redhill/Reigate
  - Brighton Main Line capacity improvements
  - North Downs Rail Line upgrade
  - Strategic Bus and Coach Network
  - Other schemes to improve access to or relieve congestion in regional hubs
  - Green Arc Southwest
  - Fluvial flood protection schemes along Thames valley and tributaries.

### **nstitutional Arrangements and Tariffs t**

- 20.97 Several participants explained the difficulty in implementing and funding infrastructure improvements when so much development takes place as a result of redevelopment and reuse of small sites. We recognise that this is a distinctive feature of the London Fringe and we accept that it is more difficult to extract contributions from developers with multiple sites.
- 20.98 We also acknowledge that the problem is exacerbated by the number of planning authorities in the sub-region. We therefore strongly endorse the need for a joint approach as identified in E5, para 2.13. We also welcome the positive work that is being done in Surrey on a joint tariff to help fund infrastructure provision, as is envisaged in E5, para 2.14.
- 20.99 However we appreciate that putting a tariff approach into practice in the London Fringe is challenging. Although there are examples elsewhere of pooling of developer contributions it is unclear whether it would be effective for many small development sites. In the South East, those areas like Milton Keynes currently adopting a tariff-based approach are tending to use it for the larger potential development sites. Some participants including Guildford BC are also concerned that no clear structure or leadership has been identified and the necessary level of jointness among agencies has yet to be tested. The situation is also complicated by the Government's consideration of a possible Planning Gain Supplement, i.e. a national system for capturing land value (see Chapter 27).

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<sup>25</sup> SMEISE, Environment Agency, January 2007 [Ir10a-f]

- 20.100 Notwithstanding the lack of an existing model and the inevitable tensions in joint working we are encouraged by the progress that has been made by the Surrey authorities. We are impressed by the lead given by Surrey CC, which aims to do two things in advance of the main LDF process, namely, to standardise administrative procedures across all district councils and, secondly, to set out tariffs for those types of infrastructure contributions already collected on an ad hoc basis that are suited to the approach. We agree that it will be essential to achieve a transparent system of charging, a simple mechanism for collection and delivery of finance, and a system that is clear and predictable for developers, local authorities and infrastructure providers. On balance therefore, we consider that an amended Policy LF5 should be retained in order to support the development of the tariff approach.
- 20.101 In our view the tariff approach represents a response to a problem that arises in other urban areas in the South East and therefore we consider that the RSS should give a regional steer. We have therefore already recommended in Chapter 5 that the text preceding Policy CC5 should include specific reference to the importance of planning authorities adopting a coordinated approach in order to deliver developer contributions towards the cost of infrastructure arising from the cumulative effect of small developments.
- 20.102 The final part of E5 lists agencies and mechanisms relevant to the London Fringe. However we consider this would be better located in the Implementation Plan and is not sub-regionally specific. In finalising the sub-regional strategy consideration should be given to relocating the section on Infrastructure together with the revised Policy LF5 to the end of the section, and naming any partnership arrangements relevant to the delivery of the strategy.

## COMMENDATIONS

### **Recommendation 20.1**

Amend Policy LF1 to focus on sub-regionally distinctive issues and in particular:

- to make positive statements about the need to sustain the economy and to meet housing needs, while retaining the overall quality of life.
- to protect the broad extent of the MGB in the sub-region but require where necessary selective and also some smaller scale local reviews of its boundaries, including the release of safeguarded land and the redevelopment of a major developed site at Chertsey.

(para 20.19)

### **Recommendation 20.2**

Amend Policy LF2 to increase the housing provision for the Plan period 2006-2026 for:

- the total sub-region from 37,360 to 46,120 (para 20.55),
- Elmbridge by 500 (para 20.68)
- Epsom and Ewell by 360 (para 20.69)
- Guildford (part) by 2,000 (paras 20.56-20.58, 20.70)
- Mole Valley (part) by 340 (para 20.72)
- Reigate and Banstead (part) by 1,500 (para 20.61-20.63, 20.73)
- Runnymede by 2,800 (paras 20.75, 20.78)



- Spelthorne by 300 (para 20.80)
- Tandridge (part) by 260 (para 20.82)
- Woking by 1,000 (para 20.59-20.60, 20.83)

Reduce Sevenoaks (part) by 300 having transferred part of its draft Plan provision to that district outside the sub-region (-500) but offset by a small increase to contribute to the increased sub-regional total (+200) (para 20.86)

The figure for Runnymede should be annotated to make clear that 2,500 dwellings (125 dpa) are expected to come forward on the former DERA site at Chertsey which lies partly in Surrey Heath. This would provide for wider regional needs and would be brought forward on a phased basis. (paras 20.78).

**Recommendation 20.3 t**

Add as a final element to Policy LF2 the wording suggested by the Assembly to recognise that phasing of new dwellings may be necessary in the vicinity of the Thames Basin Heaths. Also insert a cross-reference to the new policy on the Thames Basin Heaths SPA (see Recommendation 10.10). (paras 20.14, 20.55)

**Recommendation 20.4 t**

Expand the supporting text for Policy LF3 to explain that non-residential development which would generate a need for additional housing would be expected to make a contribution towards its provision where market pressures are especially strong and the need for affordable housing is acute. (para 20.89)

**Recommendation 20.5 t**

Amend Policy LF4 to specify that, while the focus on the urban areas will be maintained, an urban extension of Guildford will be required, and on a smaller scale possibly at Woking, and to indicate the locations for selective review of the Green Belt. Also specify that a smaller scale local review of Green Belt may be necessary at Redhill/Reigate. (para 20.64)

**Recommendation 20.6 t**

Insert a new policy (LF4A) to provide guidance on the proposed strategic development at the former DERA site at Chertsey, to require amongst other matters, testing of its scale, mix of uses, avoidance and mitigation measures for the Thames Basin Heaths SPA, and for the review of the MGB boundary. (para 20.78)

**Recommendation 20.7 t**

Amend Policy LF5 by deleting the references to the contingent approach and the SRIF and changing its title to "Small Scale Site Tariff". (para 20.100)

**Recommendation 20.8 t**

Amend Policy LF6 to acknowledge that wider economic needs will also be included in the criteria to be applied in judging whether new employment land is required and to guide its location if found to be required. (para 20.35)

**Recommendation 20.9 t**

Include a job growth estimate for monitoring purposes of 39,500 between 2006-16. (para 20.21)

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**Recommendation 20.10 t**

Amend the supporting text to Policy LF6 to spell out the particular aspects of smart growth that are relevant to this area, namely additional productivity improvements and raising economic activity, together with changes in commuting patterns as a labour market adjustment. (para 20.28)

**Recommendation 20.11 t**

Add the critical infrastructure themes listed to the text on sub-regional infrastructure. (para 20.96)

## **21 c WESTERcc R Rc R Ac BLAcKWATER VALLEY c**

Matter 8Ji.1

*This chapter examines and endorses the rationale for this large sub-region. We recommend a core strategy to reflect its growth potential and spatial structure and the need to identify sustainable urban extensions. This sub-region has the fastest growing economy and, while taking account of the opportunities for smart growth, we consider that there is likely to be a mismatch between the projected scale of jobs and labour supply. Our examination of housing levels concludes that the draft Plan provision is too low and that a significant increase is needed, which can be accommodated without significant harm to the environment, notwithstanding the need to protect the Thames Basin Heaths. We recommend that the hubs should be the main focus for both development and investment in transport, and acknowledge that small scale review of the MGB may be necessary. In the light of our recommended SDA to the south of Reading, we suggest that a joint planning and delivery vehicle should be formed in the greater Reading area, and elsewhere that consideration should be given to the preparation of joint LDDs by adjoining authorities.*

### **VERVIEW Ac RATc ALE c**

- 21.1 The first part of the draft Plan Section E6 Western Corridor and Blackwater Valley (WCBV) describes the extent of the sub-region in terms of local authorities and summarises its character, some of the main pressures and external linkages. However it does not make explicit the rationale for the sub-region. This is doubtless a reflection of the long history of sub-regional policy in the area.
- 21.2 GOSE reminded us that the origins of strategic policy-making date back to “Area 8” which was designated for major development under the 1960s South East Plan. More recently the principle of the broad sub-regional area has been established through RPG9’s Western Policy Area, which includes the Thames Valley and the Blackwater Valley. Building on RPG9, sub-regional studies were undertaken in 2004 for both the Western Corridor and the Blackwater Valley by the relevant principal authorities with input from district and borough authorities. The Regional Assembly says that both studies identified issues that warranted a specific sub-regional approach with the result that the two study areas were combined into one sub-region.
- 21.3 Although some participants queried the boundary of the sub-region the only significant question is whether the Blackwater Valley has enough in common with the rest of the sub-region to justify the merger of the two areas. We accept that the Blackwater Valley has a distinctive heritage and special character. This is based on its industrial history, dominance of military and related activity, extensive areas of MoD land, small settlements and poor connectivity as well as the constraint of the Thames Basin Heaths SPA. However, in common with the Regional Assembly, SEEDA and others, we are satisfied that there is sufficient logic to justify combining the Blackwater Valley with the Western Corridor in terms of their economic geography, functional linkages, proximity to London, environmental designations and the strategic planning issues faced by the whole area.
- 21.4 Other alleged anomalies relating to the definition of the sub-region include the omission of areas at the southern end of the Blackwater Valley. While these comments have some validity we sympathise with those participants who say that a review of sub-regional boundaries would be likely to provoke further lengthy debate with no guarantee of boundaries emerging that are more practicable in terms of implementing the strategy. We do not therefore propose any changes to the boundaries of the sub-region.

- 21.5 We agree that the key challenges across the whole sub-region are broadly those issues set out in Section E6 para 2.1, namely:
- to manage demand on the area's transport networks so as to maintain accessibility
  - to maintain a balance between economic growth and population/household growth and the associated infrastructure
  - to protect the area's environmental assets.
- 21.6 We have some real concerns about the extent to which the proposed policy framework sets out a focused response to those issues. In particular we have doubts about whether the strategy gives adequate support to secure sustainable economic growth given the mis-alignment of housing and employment discussed below. However we recognise at the outset that in addressing these strategic policy issues the planning challenge is made more demanding as a result of the unusual complexity of the sub-region's administrative structure. WCBV includes all or part of the areas of six unitary authorities, seven district councils and three county councils. Hence we recognise that working relationships and reaching agreements at sub-regional level are inevitably difficult (though in this respect we pay tribute to the effectiveness of the role played by the Berkshire Joint Strategic Planning Unit (JPSU) in that part of the sub-region).
- 21.7 We agree with the Regional Assembly that the complex pattern of local government does not negate the validity of the sub-regional strategy. Indeed we would argue that the reverse is true. Given the high economic potential of the area, the tight labour and housing markets, the proximity to Heathrow and west London, the pressure on environmentally constrained land and demands on infrastructure, especially transport, we consider that there is a very strong case for a sub-regional approach to dealing with these difficult issues.
- 21.8 In our view the coherence of the strategic framework betrays some signs of the fragmented administrative arrangements for planning in the sub-region. We have been supplied with the background technical documentation that underlies this sub-regional strategy. However we do not find the audit trail to be as clear as in some other sub-regions particularly in relation to employment and housing. We suggest ways below of tightening the policies, of achieving a more appropriate balance between housing provision and economic growth and creating a new consolidated policy on the overall strategy.

### **RE STRATEGY (Pc Lc IES WCBV1 & WCBV2) c**

- 21.9 The introductory part of Section E6 refers to the pressures on the sub-region while Policy WCBV2 deals with Development and Environmental Protection in general and sustainable extensions in particular. The spatial dimension of the sub-regional strategy is covered in Policy WCBV1: Transport Hubs and Policy WCBV3: Scale and Distribution of Housing Development, though Policies WCBV7 and WCBV8 relate to the Blackwater Valley and Colne Valley Park respectively. The result is that there is no clear statement of core strategy for the sub-region.
- 21.10 Although some local authorities do not want any more specific detail in the sub-regional policies most other interests including the development industry are critical of the lack of spatial guidance. In our view the complexity and pressured nature of the sub-region means that there is a clear need for a strategic framework with a strong spatial component. Hence the starting point should be a core strategy that takes account of the following elements:

- balancing of economic growth with transport and environmental considerations
  - settlement structure including role of hubs
  - guidance on the accommodation of new development.
- 21.11 The 2004 technical work emphasised that the sub-region is one of the most economically successful and dynamic parts of the South East and that the key issue facing the sub-region is how the economic buoyancy and its quality of life can be maintained. It is therefore a little surprising that this theme does not find expression in any of the policies in section E6. We therefore recommend that the importance of sustaining the area's economic growth should be included in the proposed core strategy.
- 21.12 Although Policy WCBV2 refers to development generally rather than the needs of the economy it does deal with the balancing of provision for development with environmental protection. We agree with the Regional Assembly, SEEDA and other participants that the high quality environment in the sub-region is a key contributor to the quality of life and a major factor in making the WCBV an attractive location for investment and growth. What is required is an approach that provides enough housing to enable the economy to realise its potential while retaining the overall quality of the environment. While we do not believe that the overall provision for housing in the draft Plan achieves this, in locational terms we endorse the focus in Policy WCBV2 on existing built up areas and on sustainable urban extensions. We therefore recommend that the thrust of Policy WCBV2 should be included in the new core strategy (see also para 21.42 below).
- 21.13 Irrespective of whether it is possible to match jobs and housing at the sub-regional level, the focus of development should be around the hubs and on transport corridors in order to manage congestion and maintain accessibility. Hence we endorse the weight placed by the draft Plan on hubs as an element of the spatial strategy at both regional and sub-regional level. We therefore agree that Policy WCBV1: Transport Hubs should form part of the core strategy. However, while agreeing with E6 para 2.3 that hubs vary in their scope to accommodate growth we do not consider that their potential to support development has been fully reflected in the WCBV strategy. We recommend that Policy WCBV1 be incorporated in the core strategy subject to rewording the statement on regional and sub-regional hubs to identify them as the main focus for transport investment "and development" in the sub-region.
- 21.14 Although Policy WCBV1 is specific in naming the four regional and three sub-regional hubs Policy WCBV2 lacks any real sub-regional specificity in relation to development or environmental considerations. However the preceding text (E6, para 2.5) gives an indication of where the growth should be accommodated. This says that, beyond the urban areas, development should be focused on two kinds of location:
- on the periphery of those hubs where other constraints do not prevent this - namely Basingstoke, Reading, Bracknell and Newbury
  - in smaller allocations at other settlements, subject to their meeting the same sustainability considerations.
- 21.15 We support this approach and consider that it should be included in the core strategy policy. However whereas E6, para 2.5 suggests that the criteria for choosing sites is a matter that should be left to LDDs in our view it would be appropriate to provide a strategic steer in the RSS. We discuss these criteria for sustainable urban extensions below under Settlement Shaping.
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21.16 We recommend that the new sub-regional core strategy should be based on existing Policies WCBV1 and WCBV2 and E6, para 2.5, together with a statement of economic strategy and other elements, as indicated in paras 21.9-21.15 above.

## **Ec OMY c**

### **Job Forecasts c**

21.17 The draft Plan contains a job estimate for monitoring purposes for 2006-16 based on the Assembly's scenario 4 which incorporates the long-term migration trend (E6, para 2.12). On their dwellings based projection (scenario 7), the Regional Assembly now proposes a figure some 70% of this level (79,300). There was some agreement amongst participants that this provided a reasonable level, including from SEEDA given that the Experian published forecasts produce a level only slightly higher.

21.18 This sub-region has the fastest growing economy in terms of both GVA and employment within the region. There is acknowledgement that the spatial strategy for this part of the region should aim to enable the area to continue its leading role in the economic life of the region and the nation (E6, para 2.1). Whether this aim is carried through into the sub-regional policies is discussed below. The fastest growing elements have been business and financial services, together with significant foreign direct investment in IT and telecommunications, although expected to be at a lower rate in the future due to a slowdown in inward investment in the majority of these sectors.

### **Employment Land (Policy WcBV4) c**

21.19 Policy WCBV4 sets out a two-stage approach to guide LDFs, largely without any attempt to quantify future needs. The first element in the policy gives priority to the retention of existing employment land in employment use. The second element and the one that provoked the most comment at the examination, sets out the criteria to be used in judging whether there is a case for releasing new employment land.

21.20 We are generally content with the principles incorporated in the policy, given the circumstances within much of this sub-region, although have several concerns with its detail. We are satisfied from the background documentation that there appears to be an adequate supply of committed employment land for the short term; this was also confirmed by SEEDA at the examination. For example monitoring data in Berkshire reveal nearly one million m<sup>2</sup> gross at 2006, of which about 10% was non urban greenfield<sup>1</sup>. A recent survey by Hampshire Economic Partnership revealed that the majority of existing employment land in north Hampshire was well-suited to modern business requirements with few or no availability constraints, and in total represented between 3-5 years supply. Nevertheless it is accepted in the background documentation that aggregate figures can mask some need for additional land locally.

21.21 As argued elsewhere (Chapter 6), we find this sub-region's unquantified approach regrettable and are not altogether sympathetic to the fears of local authorities that giving a floorspace or land estimate for anticipated new activity would necessarily reduced their ability to redevelop or intensify uses on existing employment land.

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<sup>1</sup> Berkshire: Outstanding Business Floorspace 2002-06, Berkshire Joint Strategic Planning Unit [BJSPU1]

- 21.22 A single guideline is given of between 40-60 ha of additional employment land in north Hampshire (E6, para 2.11). Although this looks anomalous as the only numerical guideline, we would be loathe to see it deleted, as several local authorities requested, since:
- it reflects the type of strategic long-term approach that we think should be replicated for other parts of this sub-region and indeed the whole region;
  - Hampshire Economic Partnership warned from their recent survey results that Basingstoke's offer in future could be weakened by lack of strategic sites (over 5 ha);
  - the estimate can be refined before RSS is finalised if the results of ongoing work between Hampshire CC and the relevant local authorities indicate that it is pitched too high.
- 21.23 In order to strengthen the approach to employment land in this sub-region, we suggest that the supporting text is more explicit about the type of employment assessment that should be undertaken as an input to LDFs. This is designed to allay fears that local authorities might pay more attention to local needs and land supply issues, rather than strategic demands. The text could usefully amplify the need for regular monitoring of demand indicators, including take-up and lettings information, business enquiries, and direct discussion with businesses and agents. Some local authorities e.g. Bracknell Forest BC, confirmed that they regularly undertake this type of work in their economic potential studies. Due to the high degree of interlinkage between local labour markets, we recommend that Policy WCBV4 encourages employment land reviews to be undertaken jointly with neighbouring authorities where appropriate. This is a clear message applying particularly to this part of the region from the Regional Property Market study. We were therefore encouraged that joint work has already been undertaken by the Reading, Wokingham and West Berkshire authorities.
- 21.24 However, at this stage, we are not convinced that it is possible to identify specific sources of strategic employment demand that need to be met through this RSS, despite the case put by some developer representatives. There has been previous recognition of the economic opportunities that might be created from a science park linked to the University of Reading. We note the support for joint work between Reading and Wokingham authorities to facilitate the expansion and diversion of the University as an HEI and as a promoter of R&D in collaboration with the commercial sector in the Berkshire Structure Plan, para 7.20 and that Wokingham continues to accept some scope for a greenfield release if a research-based science park can be justified<sup>2</sup>. We consider that RSS should refer to this opportunity in the supporting text.
- 21.25 Turning to the detail of Policy WCBV4, the priority given to retaining existing employment land is stronger than in the regional policy RE2. We are content that there is a sub-regional justification for this because
- Making more efficient use of existing employment land is the essence of the strategy, and hence we recommend this is said in the policy opening.
  - Flexibility is provided in sub-sections iii) and iv) for assessing its suitability. Although such flexibility is in accordance with national guidance (PPS3, para 44) we consider that the supporting text should indicate a presumption that land lost in this way is balanced by new more suitable land being released.

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<sup>2</sup> Wokingham Borough Matter 8Ji.2 non-participant statement

- There appears to be a tight market for industrial land, as found in the Regional Property Market study<sup>3</sup>, and as already reflected in the Berkshire Structure Plan, para 7.15: industrial land can often be an easy target at for developers and landowners seeking an uplift in land value in seeking a change in use.
- 21.26 As drafted, we are concerned that criteria i) and ii) are too restrictive, and understand the fears of business interests that they could overly restrict the release of new employment land. To our mind these two criteria overemphasise local considerations to the exclusion of strategic. To resolve this, we consider that the first criterion should encourage evidence of strategic demand for employment floorspace to be taken into account as well as local demand. We fully understand that there is a fine distinction between the two, and that it is difficult to find objective data sources to relate to strategic demand. Some participants sought recognition of the needs of potential inward investors in the policy, as in the equivalent policy for the Gatwick sub-region. We do not consider that this is necessary given the slowdown expected in inward investment and the maturity of the existing IT and telecommunications industries would suggest that future growth in large part may be expected to come from the expansion of existing industries.
- 21.27 In terms of the second criterion, we are concerned that this might imply a reluctance to release new employment land in those areas with an excess of jobs over labour supply. Given that the most buoyant parts of the sub-region already have a significant excess of jobs over labour supply, e.g. totalling some 40,000 in Reading, this could provide a significant constraint. The issue here is that with interlinked labour markets, the position in any one local authority should not be overriding. Hence we consider that this criterion should be generalised to refer to the broad balance over that part of the sub-region. This would recognise local variations, e.g. the fact that within north Hampshire there is generally a reasonable balance between the two. In order to make this policy provision workable it will be important for there to be joint monitoring of the scale of new jobs created across the different parts of this sub-region, and the relationship with increases in labour supply, as commented on in the next section.
- 21.28 Policy WCBV4 gives no specific locational guidance about where any new employment land might best be located, other than to cross refer to Policy WCBV2. This merely refers to the possibility of sustainable urban extensions to selected settlements, and it is necessary to read para 2.5 to be given the four named settlements (Basingstoke, Reading, Bracknell and Newbury). Our recommended changes would make this explicit in the opening sub-regional policy as part of the core strategy. Generic guidance on site identification is given in Policy RE2, and does not need to be repeated in any particular sub-region.

## **Balance between Jobs and Labour Supply c**

- 21.29 As a reflection of its past economic success, this sub-region already has a much higher number of jobs than resident workers. At 2001 the imbalance between employee jobs and resident employees was nearly 116,000 before taking account of double jobbing<sup>4</sup>. This imbalance is concentrated in the Thames Valley, but also apparent in the Blackwater Valley districts adjoining the London Fringe. By contrast, the districts in north Hampshire are broadly in balance. On SEERA's most recent projections, this

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<sup>3</sup> Reading, Slough and High Wycombe had the smallest balances in the region, calculated as the ratio between available and consented land against annual average take up 1995-2005, although region-wide data is incomplete.

<sup>4</sup> Economy and Employment Technical Report, formal submission to SEERA, Table 2, December 2005 [SEP19]



mismatch is somewhat lower at 2006 (about 66,000), although there could be some differences in definition.

- 21.30 On all available projections, this gap is expected to widen with a higher rate of job growth than labour supply. On the Assembly's dwellings-based projections, the excess of jobs over labour supply is expected to increase by an additional 45,000 or so between 2006-16, and by a further 46,000 2016-26<sup>5</sup>.
- 21.31 We cannot fail but be concerned about the scale of this projected mismatch, which is the highest in the plan area, while accepting entirely the limitations of the measure. This was the only sub-region in which several participants raised the real possibility of firms relocating to other parts of the world amongst other things as a result of labour and housing shortages. Recent work for the Thames Valley Economic Partnership highlights the likelihood that the Thames Valley's relative competitive position is waning<sup>6</sup>. This follows from a previous warning that the Thames Valley may be approaching its 'tipping point'<sup>7</sup>.
- 21.32 The Berkshire JPSU accepts that on the balance of probability the mismatch will worsen, but seeks to put the proposed strategy in a long-term context whereby the Thames Valley has historically adapted to a tight labour market. It also refers to the conclusion of the Panel examining the draft Berkshire Structure Plan that housing growth at the highest level remaining in conformity with RPG9 would only scratch the surface of the problem (para 6.12). All local authorities anticipate significant mitigation through the concept of smart growth, and this is the main place within the draft Plan where there is specific policy guidance on smart growth (WCBV5).

### **Smart Growth (Policy WcBV5)**

- 21.33 We discuss smart growth fully in Chapter 6. While we agree that it represents one of the key ways of addressing the deficit of labour supply relative to jobs likely to be experienced in WCBV, we consider for the reasons given in Chapter 6 that the concept is so important that it should be treated as a regional and not just a sub-regional issue. Since Policy WCBV5 is the only dedicated policy on smart growth in the draft Plan, we have already recommended that it be deleted from Section E6 and that the policy and preceding text be incorporated into the regional Economy chapter.
- 21.34 However we acknowledge that there are some distinctive issues raised by the smart growth debate in WCBV. In particular the prospect of outsourcing of jobs that do not need to be based here is a very real prospect in this sub-region. Given labour shortages the need to increase the skills base of the workforce is also critical. Indeed we agree with SEEDA, GOSE and others that the prime objective of smart growth in WCBV should be to increase productivity within the resident population rather than to minimise the demand for additional labour and employment land. In this respect we endorse the comments made by Slough BC, where skill shortages in the local population and low economic activity rates in some sectors mean that companies have to rely on in-commuting. Hence it is a major thrust of economic development policy to drive up skill levels. Since much commuting to places like Slough is by private car,

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<sup>5</sup> Equivalent figures on SECL assumptions are for a widening of the gap by an additional 13,000 or so between 2006-16 and 28,000 between 2016-26

<sup>6</sup> Economic Challenges facing the Thames Valley, Executive Summary, para 1.3, Deloitte for Thames Valley Economic Partnership, September 2006 [TVEP1A]

<sup>7</sup> Strategies and Solutions for Sustaining Success in Surrey and the Thames Valley, para 3.1.4, Deloitte for SEEDA, TVEP and SEP, September 2005 [Es1]

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smart growth as an adjunct to a mobility management approach may also help to reduce the transport impacts of growth in this congested sub-region.

21.35 Nevertheless we consider that there are limits to the extent of adjustments that might be expected through smart growth mechanisms, additional to the effects already incorporated into the Assembly's and other projections (as discussed in Chapter 6). We are unconvinced by the extent to which this strategy appears implicitly to rely on commuting adjustments.

21.36 We have taken account of the following issues in coming to our assessment:

- SEEDA advised that additional **productivity improvements** should be possible consistent with the RES target. Nevertheless we consider it would be unwise to assume significantly higher levels given that this sub-region has already seen the greatest improvements in productivity. Indeed the business services sector and the IT companies themselves can be expected to be already making extensive use of electronic working, and because of transport congestion are likely to have promoted home working, and tele/video-conferencing. We would anticipate scope for making more productive use of the available labour supply through training and skills upgrading initiatives, including of the kind mentioned by Reading BC being supported through S106 contributions.
- Despite already high **economic activity** rates throughout much of the sub-region, there are pockets of deprivation, and we acknowledge the scope for enhancing economic activity among certain groups such as ethnic minorities. For example, this is an objective of Slough BC's economic development strategy, and would presumably include basic/vocational skills training and job readiness initiatives. We also accept the scope for additional labour force from people working longer or retirees returning to work, as argued by CPRE. However we consider that there are realistic upper limits to the scale of additional labour force from increasing economic activity and longer working lives, given that people are able to make lifestyle choices in a relatively prosperous area irrespective of the scale of job opportunities on offer.
- In relation to **commuting** adjustments, we accept that some residents who might otherwise have commuted to London may be attracted to work more locally as high value added jobs increase in parts of the sub-region immediately beyond the M4 corridor (commuter clawback). Despite an increase in reverse commuting from west London between 1991-2001, we consider it unwise to rely to any great extent on this source of additional labour supply given the scale of job growth expected here, not least from Heathrow Terminal 5. Some additional in-commuting could come from the Aylesbury area, but this would be contrary to the objective of stimulating its own economy and as Buckinghamshire CC reminded us on several occasions transport links are poor into the Thames Valley. Beyond this, it is difficult to see where additional in-commuting might come from, given that surrounding sub-regions both in the South East (Central Oxfordshire and London Fringe) and in neighbouring regions (Swindon) are also expecting significant job growth. Indeed Swindon BC voiced concerns that the WCBV strategy could undermine its own attempts to seek a better match between labour demand and supply by planning a higher rate of housing than expected job growth. In these circumstances the proposed strategy appears tantamount to condoning a significant increase in long distance commuting, much of which is likely to be by car.

21.37 SEEDA estimated that the combined effect of the additional productivity improvements and increased economic activity rates might reduce the projected mismatch between job growth and increased labour supply by about 19,000 between 2006-16. This is equivalent to over 40% of the projected mismatch on the Assembly's projections. Despite some extra albeit limited potential for commuting adjustments, as recognised above, we consider that it would be a highly risky strategy to rely solely on these 3 sets of adjustments to reconcile such a wide and growing gap between labour demand and supply. We have therefore recommended an increase in housing levels by about 20%, see Table 7.1. Nevertheless it will be very important for there to be joint monitoring of the scale of new jobs created across this part of the region, and the relationship with increased labour supply, jointly with authorities in west London.

## **SETTLEMENT SHAPc G c**

### **Metropolitan Green Belt, Gaps and Sustainable Urban Extensions c (Policy WcBV2) c**

- 21.38 Large parts of Wycombe, South Buckinghamshire and Windsor and Maidenhead, together with some tracts of Bracknell Forest, Guildford, Slough and Surrey Heath administrative areas lie within the MGB. In some areas in the sub-region land has been excluded from the MGB and held in reserve against future housing requirements but in general the urban areas are tightly enclosed by the MGB boundary. It is clear that this has been a significant influence on the proposed housing distribution particularly as Policy WCBV2 requires that future urban extensions should not involve incursions into the MGB.
- 21.39 As discussed in Chapter 5 above in regard to Policy CC10a, we recommend that Green Belt policy should remain central to the Plan. However for the reasons set out there, the current boundaries of the MGB should not be regarded as inviolate if the required new housing is to be provided in the most sustainable locations. We have therefore recommended amendments to Policy CC10a.
- 21.40 Within the sub-region there are areas where some alterations to the Green Belt boundary might be the most sustainable option for locating new housing and employment as part of mixed use schemes. For these reasons we do not support the blanket reference to the Green Belt in the final sentence of Policy WCBV2 since it could be used to prevent a complete and thorough assessment of options for sustainable urban extensions. National policy and our recommended regional policies, especially amended Policy CC10a, should provide sufficient policy protection for the MGB and other nationally designated areas in the sub-region. In seeking to combine Policy WCBV1 and WCBV2 to form a core strategy as argued above, we recommend softening of this approach to Green Belt.
- 21.41 We also heard calls for WCBV2 to list a range of other environmental and policy matters that may impact at the sub-regional level, such as strategic and local gaps, the Green Arc initiative and the River Thames corridor concept. However we are content that the core regional policies of the Plan (as amended) would provide the guidance that is necessary on these matters.
- 21.42 The debate on Policy WCBV2 raised the question about whether there is a need for a sub-regional policy to guide proposals for urban extensions. Some of the criteria that were suggested by participants were unduly detailed and prescriptive. In other respects they would add little to higher level policy guidance. PPS3 para 38 lists the factors that should guide the location of new housing and we consider that these

include the key considerations for the location of urban extensions in this and other sub-regions. This guidance is supplemented by Policy H3 of the draft Plan. Taking PPS3 and Policy H3 into account we are not convinced that there is an overall policy deficit for the sub-region. However we recommend that the text supporting the new core strategy policy should indicate that the expansion sites in the greater Reading area should be located having particular regard to ease of connectivity with Reading's bus-based transport system and access to the town's facilities, as suggested by Reading BC. We comment further below on the relevant factors that have guided our recommendations on the broad locations for growth within the sub-region.

## **fluence of Water Supply, WWT, Flood Risk and Transport c**

### **Water Supply**

- 21.43 The 2005 technical work on the sub-region showed that for the level and district distribution of housing being proposed and subject to the development of identified resources there were no insurmountable water resource problems. This conclusion was confirmed at the examination by representatives of the water companies including Thames Water and South East Water, provided that planning policy support for the necessary infrastructure is forthcoming.
- 21.44 However the EA's Catchment Abstraction Management Strategies (CAMS) show that in 60% of the water resource management units within the sub-region the total resource is already committed to meeting licensed abstractions or in-river needs. So we accept that there is no room for complacency and we agree with those participants who stress that it will be critical to promote water efficiency along with resource development and integration of supply infrastructure. This should enable the supply/demand balance to be maintained within the sub-region, though we acknowledge that higher levels of development would be likely to place even greater pressure on achieving efficiency targets.

### **Waste Water Treatment**

- 21.45 Although costings were not available we recognise that the original local authority reports went into considerable detail on the sewage and sewerage implications of growth<sup>8</sup>. The EA has subsequently identified locations where there is a risk that WWTs will be unable to treat the sewage from the proposed new housing to the standards required to protect water quality and stress the need to provide treatment facilities in step with new development.
- 21.46 Basingstoke is one of the locations where the early studies identified that adequate infrastructure provision was critical and phase 1 of an integrated water cycle study (WCS) was completed towards the end of the examination<sup>9</sup>. Notwithstanding the concern expressed by Countrywatch and some environmental bodies, the WCS study concludes that development at Basingstoke can be accommodated without causing a failure of statutory environmental water quality objectives, subject to infrastructure being funded and delivered in the right place and at the right time. However the River Loddon would fail the Water Framework Directive standards for phosphorus if they become transposed into regulatory criteria. Hence we acknowledge that the precise extent to which water quality and ecology should be seen as a future barrier to development in Basingstoke is not known. Nevertheless we later recommend an

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<sup>8</sup> Western Corridor and Blackwater Valley, 9 December 2005 submissions [SEP19]

<sup>9</sup> Basingstoke Water Cycle Study Phase 1, Halcrow, March 2007 [B&DC1]

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increase in housing levels at Basingstoke and to reflect this uncertainty we accept the continuing need for a footnote to the housing figures in Policy WCBV3 making them subject to the phase 2 of the WCS.

- 21.47 The Blackwater Valley is the other area where the EA has carried out investigations because of the presence of ammonia in the watercourse. However EA indicated at the examination that the source may be associated with contaminated land. While studies are continuing on this basis we are reassured that further growth can almost certainly be accommodated.

### **Flood risk management**

- 21.48 We are satisfied that flood risk has been a factor influencing the shaping of the plan in WCBV. However we agree with the EA that the precise extent to which it has been taken into account may not be entirely clear and that SFRAs had not been completed in time to inform the strategy. These assessments are being carried out by individual authorities or groups of authorities and, while some SFRAs are completed, others have yet to start.
- 21.49 We acknowledge that the EA flood zone maps show large areas of the sub-region as being at risk of flooding, especially parts of West Berkshire, Reading, Wokingham, Windsor and Maidenhead, Slough and the Blackwater Valley. We also accept that these areas of flood risk include areas of functional flood plain. Hence some land may be required as part of a flood management strategy and we agree that this requirement will be an important issue to be taken fully into account in LDDs. In terms of the planning process we agree with the Berkshire JPSU that flood risk can only really be assessed when site-specific proposals are being tested, but we are reassured that the Berkshire authorities consider that the proposed levels of development can be accommodated without breaching national guidelines on flood risk.
- 21.50 While flooding must be a key factor in locating new housing development and urban regeneration they also provide an opportunity to manage flood risk. In this respect we share the EA's view about the importance of incorporating flood risk measures into the detailed planning and design phases to avoid the need for future intervention.

### **Transport**

- 21.51 We acknowledge that there is near unanimity about transport in WCBV, namely that travel conditions are already unsatisfactory and, in the absence of substantial intervention, they will become significantly worse as a result of the growth proposed in the Plan. As the Berkshire JPSU comments, with commendable realism, this is part of the price of trying to find a compromise between environmental and quality of life considerations and the economic imperative for continued growth. We also recognise the paradox that while one of the key advantages of the Thames Valley is its accessibility to international and regional transport hubs, the business community is concerned that congestion is now impacting on the potential for continued economic growth.
- 21.52 We agree with most participants that while transport infrastructure has been taken into account in shaping the strategy this does not mean that there is much evidence of any spare capacity on transport networks. Wherever additional demand is introduced as a result of new housing, development will add to this pressure. Even more significantly trip ends are forecast to increase faster than trip starts, highlighting the importance of

this sub-region for employment and related land use activities<sup>10</sup>. The situation is reflected in the HA stress maps showing delays and capacity problems on several stretches of the motorway and trunk road network by 2025, and in the Agency's view that access control measures are likely to be required at many junctions on the M3 and M4.

- 21.53 We accept that the heavy congestion on road (and some rail) networks will place greater emphasis on the need for effective local traffic management and demand management measures. We share the view of the HA that real efforts are required to implement initiatives to influence travel behaviour in the sub-region. This should be most feasible in the hubs, given the extensive public transport networks that are already in place within the major urban areas of the WCBV. We therefore conclude that both transport investment and future development should be strongly related to the polycentric pattern of the designated hubs. Specific transport priorities are discussed below under the Implementation Plan.

## HOUSING c

### Overall Level (Policy WcBV 3)

- 21.54 Policy WCBV3 sets a housing level of 89,520 (4,476 dpa) between 2006-26. This proposed rate of housing development is similar to the Berkshire Structure Plan 2001-2016 which in turn reflected RPG9<sup>11</sup>. We therefore agree with those participants who asserted that the draft Plan does not provide for a step change in housing provision in the WCBV. In considering higher rates of development we note that the Berkshire structure plan EiP Panel stressed that "the adequacy of the RPG9 target can and should only be reviewed through the RSS process"<sup>12</sup>. We agree and we have reviewed the overall housing level for the sub-region. Our finding is that for the reasons summarised in Chapter 7 we consider the draft Plan's provision to be too low.
- 21.55 We consider that a housing level of 107,600 (5,380 dpa) would better reflect regional imperatives and the needs of the sub-region. In reaching this conclusion we have given particular weight to demographic factors and to the imbalance between economic forecasts and housing requirements. We also have some concerns about weaknesses in the evidence base available to us.
- 21.56 In terms of demography the draft Plan does not meet locally generated needs and in our view it does not seem right to plan for out-migration in a region with unmet housing needs, overloaded transport networks and a buoyant economy. The possible future imbalance in the labour market appears to be accepted by the Regional Assembly and most local authorities. While acknowledging the Regional Assembly's response that there is not a linear relationship between economic growth and housing and the Berkshire JPSU's comment that increased housing would only scratch the surface of the problem, we endorse the concerns expressed by SEEDA, the Thames Valley Economic Partnership and other business interests as well as developers. In this sub-region the penalties of under provision of housing seem to pose greater risks to the local and regional economy than the impact of additional housing on infrastructure and the environment.

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<sup>10</sup> Technical Note 3: Transport, SEERA, March 2006, para 5.45 [Tr1]

<sup>11</sup> the Berkshire unitaries (with the exception of rural areas in West Berkshire) being the main element in the WCBV area. Proposed rates in the Surrey and Buckinghamshire parts of WCBV are also similar to RPG9 but are below RPG9 in the Hampshire part.

<sup>12</sup> Report of Berkshire Structure Plan EiP Panel, para 6.14

21.57 While we recognise the strength of feeling about the effect of continued housing development on the sub-region and the solidarity among the local authorities in resisting higher provision we do not find the strategic justification for the draft Plan figures altogether convincing. Both the rate and distribution of housing seem to rely more on historic trends rather than a rigorous sub-regional appraisal of alternative housing levels. There is only limited reflection of the data on urban potential, and we agree with developer interests who say that self-imposed policy constraints tend to be treated as absolutes. In terms of strategy the absence of a step change in housing delivery is a little surprising given the support for the RES Diamond and NGP status for Reading and Basingstoke and the inclusion of four regional and three sub-regional hubs. We also noted that in their original advice the Regional Assembly's officers were suggesting a housing requirement of 5,100 for the WCBV prior to subsequent approval of 4,476 dpa<sup>13</sup>. Developer interests are suggesting various higher figures for the sub-region up to over 6,000 dpa. Having regard to the above we confirm our recommendation that the table in Policy WCBV3 should be amended to provide for an annual average of 5,380 and a total of 107,600 dwellings 2006-26, based on the distribution described below.

### **Housing Distribution c**

21.58 Strategic thinking about housing distribution within this complex sub-region has proved especially challenging. We note that somewhat different approaches to housing distribution were adopted by local authorities in different parts of the sub-region. These included:

- Berkshire: three options consulted on but only a continuation of the present structure plan distribution had numbers attached; five of the Berkshire authorities opted to continue roughly the same share of growth as in the structure plan;
- Hampshire: three quantified options consulted on in north Hampshire including varying requirements for greenfield land; a hybrid option recognising Basingstoke as a hub was included in the submission draft Plan;
- Surrey: three options consulted on and the preferred option assumed current policies continued including higher densities in hubs and town centres;
- Buckinghamshire: a single distribution in the form of a split between Wycombe and South Bucks was based on known site potential, avoiding Green Belt and AONB.

21.59 The Regional Assembly's brief also asked the principal authorities to consider the feasibility of an SDA of over 20,000 houses somewhere in the region. This was exemplified by the officers as growth at Reading, Basingstoke and Bracknell, linked by enhancements to the transport corridors between them<sup>14</sup>. We note that a variant of one of the four sub-regional options also indicated an area between Reading and Basingstoke as a Safeguarded Strategic Development Zone (Transport-led Option C1 "Readingstoke"). The authorities decided to reject an SDA in favour of more dispersed development. The failure to find an appropriate location for a development of 20,000 houses does not seem to have led to any real consideration of smaller SDAs. Since we have not seen any detailed technical evaluation of such possibilities we are bound to conclude that not all the options for accommodating development within the WCBV have been fully explored.

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<sup>13</sup> Report to Regional Planning Committee, SEERA, 23 June 2005

<sup>14</sup> Briefing Note for the EiP Panel by Berkshire Joint Strategic Planning Unit [WCBV9]

21.60 On the basis of the limited evidence provided, we see no reason to question the basis of the existing distribution proposed in the draft Plan. The following comments therefore relate to our additional proposed increment for the sub-region of 18,080 houses (904 dpa). In making these comments we have been guided by the sub-regional background work and the representations of other parties.

## Reading

21.61 Given its status as a well connected regional hub, as the focus of a RES Diamond and at the core of a contiguous greater Reading urban area we endorse Reading's designation as a NGP. However the scale of the additional houses resulting from the NGP is unclear. Whereas the draft Plan provision is for 521 dpa and Reading BC says it is committed to delivering 572 dpa until 2016 the Council feels that achieving the 7,000 houses implied in the NGP announcement would require a very high rate of development. GOSE assumes that the 7,000 figure means an additional 1,790 dwellings above the draft Plan by 2016 (ie 7,000-5210)<sup>15</sup>. This implies 179 dpa above the draft Plan, equivalent to an average rate of 700 dpa over 10 years.

21.62 The Council points out that while over the years 2001-06 Reading actually delivered 796 dpa that was exceptional and that during 2003-06 92% of the residential development was in the form of flats. The Council considers that since it will be heavily dependent on windfall sites after 2016 and does not have the luxury of safety valve in terms of greenfield sites, an uplift in its housing provision to 572 dpa represents a reasonable response to the recent increase in local house-building rates. We recognise that the Council does not believe that recent high rates are sustainable and that some slowing of completions is inevitable given the town's limited urban capacity. However we are impressed by the Council's track record in delivery and we consider that if the NGP approach is to mark a real step change the housing targets should be stretching.

21.63 Having regard to the 1,790 additional dwellings identified in the context of the NGP we feel that this increased momentum should not be lost. We therefore recommend that 1,800 should be added to the 2026 draft Plan total of 10,420, giving an amended total housing provision for Reading of 12,220. This is equivalent to an average rate of 611 dpa 2006-2026.

21.64 As the "capital" of the Thames Valley area and a regionally important centre for employment, retail and leisure activity we share the disappointment of some participants that while the sub-regional strategy designates Reading as a hub, it fails to identify the wider Reading area as a major focus for growth during the plan period. In our view there is an overriding case for planning the greater Reading area as a whole. Otherwise there is a danger that the potential benefits offered by Reading in terms of accessibility and sustainability may not be fully realised. However we recognise the difficulties created by arbitrary local authority boundaries. We are also conscious that several development interests requested that we relate our advice on housing provision figures to planning authority areas because they fear that one figure for the greater Reading area would not provide sufficiently firm guidance to expedite the LDD process. We therefore deal with the adjoining areas of West Berkshire and Wokingham separately but comment further on the issue of joint planning under Implementation.

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<sup>15</sup> Summary of NGP Dwelling Numbers versus draft SE Plan 2006-2016 only, updated 22 February 2007 [GOSE3]

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## West Berkshire (part)

- 21.65 The draft Plan's provision of 525 dpa for the whole West Berkshire district is a continuation of the rate already approved to 2016. This is below the RPG9 rate of 605 dpa and well below the annual delivery rate of 690 during 2001-06, though we are aware of the effect of the delay in adopting the last local plan.
- 21.66 We appreciate that the strategy for West Berkshire has evolved in parallel with the draft Plan and that options for a new settlement and an urban extension west of Reading were considered in that process. We agree that there is potential to promote substantial development around Newbury/Thatcham and that there may be scope for more development in Hungerford and other smaller settlements. However we are surprised that the preferred approach is to limit new residential development in the Reading area largely to redevelopment of PDL. We are concerned that, since the physical expansion of Reading as a hub must take place in the eastern part of West Berkshire and/or Wokingham the failure to make appropriate provision close to Reading is not consistent with the logic of the draft Plan strategy.
- 21.67 In the area west of Reading and north of the M4 we acknowledge the transport problems around the motorway junctions and the existence of some local landscape designations and the need for proper flood protection measures. However on the basis of the evidence presented at the examination we believe that it should be possible to accommodate a major development of some 7,500 houses without damage to the environmental assets of the sub-region and having regard to infrastructure constraints<sup>16</sup>.
- 21.68 In our view the comprehensive planning of a Strategic Development Area (SDA) in this broad location will afford the opportunity to address infrastructure constraints that would be difficult to fund through a reliance on small scale development opportunities. Although it is beyond our remit to comment on the site specific detail we note that the proposals for the Kennet Valley Park development, using this as illustrative of the type of development contributions possible, include provision for an improved and expanded railway station and would facilitate the provision of a bus based mass transit system linking the housing areas to Reading town centre as well as providing an orbital link between south and west Reading. We also heard that a flood management scheme associated with major development in this area would reduce the risk of flooding to properties downstream of the development.
- 21.69 We therefore recommend that:
- Policy WCBV 1 should recognise the strategic role of the greater Reading area as a focus for development and transport investment and the need for a comprehensive approach to planning of the wider urban area;
  - Policy WCBV3 and its associated footnote should provide for an SDA to the south of Reading;
  - 7,500 should be added to the housing provision for West Berkshire district (part) to total 17,000, equivalent to an average of 850 dpa (2006-26);
  - Supplementary text should indicate the potential capacity of land north of the M4 for up to 7,500 houses.

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<sup>16</sup> Most evidence was submitted under Matter 8Jii and in original submission 8072 by Roger Miles Planning for Prudential Property Investment Managers

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## Wokingham

- 21.70 The draft Plan provision for Wokingham, of 523 dpa, is below the rate in RPG9 but in excess of the rate achieved since 2001/02. We accept Wokingham BC's point that housing beyond commitments and urban capacity, apart from housing at Arborfield Garrison, would have to be almost entirely located on greenfield land.
- 21.71 We also agree with Wokingham BC that labour supply projections show that Wokingham is likely to have an excess of residents in employment over jobs in the period up to 2016. But the flaw in this argument is that it is based on looking at Wokingham's area in isolation whereas it is included in the Reading Diamond for economic growth in the RES and much of the area is an integral part of the greater Reading urban area. In our view the wider area should be planned accordingly and not influenced by administrative boundaries.
- 21.72 While endorsing the opportunity to provide a mixed use settlement on 170 ha of brownfield land at Arborfield Garrison using surplus public sector property we cannot accept that it can sensibly be regarded as a windfall site. It is right that provision for this development is included in the figures for Wokingham in Policy WCBV3. However we accept that the agreement reached between Defence Estates and the Council about the release of land and the later phasing of housing development at Arborfield means that there will be 1,500 less capacity than was assumed by 2026<sup>17</sup>. We recognise that this will need to be reflected in the figures for Wokingham in the draft Plan. Given its significance, the scale of development assumed at Arborfield Garrison should continue to be identified in a footnote to Policy WCBV3.
- 21.73 We acknowledge Wokingham's desire to adopt a bottom up approach to housing provision with particular weight being given to environmental factors. We also understand the case for local gaps to maintain the separate identity of settlements. However having regard to the area's proximity to and its transport links with both Reading and Bracknell we believe that there is a strong strategic case for additional housing in Wokingham district as part of a strategy for greater Reading and the Reading-Bracknell corridor.
- 21.74 In terms of potential development areas we are aware that the Council's draft LDF strategy (subsequently withdrawn) identified strategic development locations with the total capacity to accommodate 14,000 dwelling over the period up to 2026. This capacity, when combined with the existing Local Plan commitments, demonstrates that the district could accommodate an increase over and above the draft Plan levels. These strategic locations include opportunities to the north and south of Wokingham and land south of the M4 at Reading. The latter includes the Shinfield area and land owned by the University where we heard that development could accommodate the University's requirement for a science park as well as help meet housing needs in the wider area. We agree with those development interests who argue that there should be an uplift in the housing provision for Wokingham in order to provide a steer to the LDD process through which the growth options can be identified, tested and delivered.

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<sup>17</sup> Note on Draft S E Plan and Arborfield, GVA Grimley for Defence Estates 26 March 2007 [DE2]  
This suggests that 2,500 dwellings could be accommodated up to 2026 with potential for up to a further 2,500 post 2026. Previous estimates in Policy WCBV3 had been for 4,000 dwellings to 2026.

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21.75 We recognise the argument for using the M4 as a limit to the southward extension of urban Reading. However not only is there considerable existing development south of the M4 in the Shinfield/Spencers Wood/Three Mile Cross area but from a strategic perspective Reading and Wokingham already lie on either side of the M4. We do not consider that the M4 need be regarded as a barrier and there is certainly scope for frequent bus services linking with the major employment areas to the south of Reading as well as park and ride to the centre. On the basis of the submitted evidence<sup>18</sup> we conclude that land south of the M4 has the potential to accommodate around 2,500 houses and that other broad locations including land north and south of Wokingham could accept an additional 1,000 ie 3,500 overall. All these options are outside the 5 km zone of TBH with the exception of the land south of Wokingham. We do not consider that any account should be taken of a 5 km zone around Gorrick Plantation as, despite the presence of protected birds, Natural England said that it had no intention of reviewing the SPA boundaries to include this woodland<sup>19</sup>. Accepting that the Wokingham figures should be reduced by 1,500 to allow for the agreed position at Arborfield Garrison, we therefore recommend that an additional 2,000 be added to the housing provision for Wokingham (2006-26) totalling 12,460 houses, equivalent to 623 dpa.

### **Basingstoke (part)**

21.76 Apart from Reading, Basingstoke is the only other hub that is also a RES Diamond as well as a NGP. In this respect planned growth is a characteristic of the town's development since it became a London overspill town in the 1960's. However the draft Plan provision for the whole district is below the annualised RPG9 rate of 937 dpa provided by GOSE, though it is just above recent rates of delivery.

21.77 In terms of potential we note that land to the east and west of Basingstoke has already been considered by the Borough Council for a major development area. Although both areas were regarded as environmentally unconstrained and each had the capacity to accommodate 6-8,000 dwellings, the Local Plan inspector felt that neither area was needed until post 2016.

21.78 While in our view there is a strategic case for substantial development at Basingstoke we acknowledge that there are significant uncertainties relating to waste water as discussed above. However most other factors tend to support the case for growth at Basingstoke, particularly its potential for urban extensions, its good rail connections and proximity to the M3. While we agree with those participants who stress the importance of protecting the only north-flowing chalk stream system in Hampshire the issue is about how best to ensure that work on water quality is taken forward as a matter of urgency. In this context we agree with GOSE and Broadway Malyan that one purpose of the current WCS (part-funded by the NGP programme) is to identify areas where a partnership approach is required from stakeholders to overcome constraints to support sustainable growth.

21.79 On the basis that, subject to resolution of the water quality issue, there is long term capacity at Basingstoke we are persuaded that there is a case for higher figures than those in the draft Plan. GOSE assumes that the NGP initiative provides for 1,400

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<sup>18</sup> This includes submissions and statements for Matter 8Jii from Barton Willmore (8015), Broadway Malyan (7462) and Woolf Bond (8114), together with those from Wokingham Borough Council

<sup>19</sup> Natural England in Matter 6A debate

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additional dwellings above the draft Plan by 2016<sup>20</sup>. In order to maintain the step change in delivery we therefore recommend that this additional increment of 1,400 should be added to the 2026 housing provision for Basingstoke (part), totalling 17,300, equivalent to 865 dpa. As stated in para 21.46, we recommend that the water quality issue continues to be the subject of a footnote to Policy WCBV3, suitably updated.

### **Wycombe (part)**

- 21.80 The draft Plan provision for Wycombe district is below the annualised RPG9 rate and below the rate of completions during 2001-06. We recognise that the regional hub of High Wycombe is constrained by both environmental designations and local topography. However we note that six areas of safeguarded land were identified in the Local Plan to 2011, though these were reduced to three of the smaller sites in the recent Wycombe LDF Core Strategy. Development of the safeguarded areas would not involve the release of Green Belt land though we were informed that two of the discarded areas are in the AONB and that the Core Strategy suggests amending the inner boundary of the Green Belt to re-incorporate some of the original safeguarded areas.
- 21.81 We understand that the safeguarded areas are intended to provide flexibility should the brownfield strategy fail to deliver the level of development anticipated beyond 2016. We also note the Council's view that they are to be regarded strictly as a last resort and a resource up to and beyond 2026. While we endorse the priority for development on PDL we have some doubts about the clarity of the concept of safeguarded land. Moreover given the projected imbalance in jobs and workforce and the role of High Wycombe as a regional hub, we are not convinced that Wycombe within the WCBV sub-region should not plan to accommodate more growth than the 300 dpa in the draft Plan.
- 21.82 We are inclined to agree with RPS<sup>21</sup> that the recent 77% reduction in the area of safeguarded land highlights the Council's confidence that much of the draft Plan requirement to 2026 can be accommodated via urban land and its existing allocations in and around High Wycombe. This is certainly the case to 2016 since no additional greenfield sites are said to be required. It is not our function to scrutinise the suitability for development of the 240 ha of land safeguarded in the Local Plan nor have we seen a detailed technical appraisal of alternative development strategies for the town. However we are persuaded that there is sufficient evidence of potential land availability for High Wycombe to make a larger contribution to meeting the housing requirements of the sub-region, consistent with its hub status.
- 21.83 While we cannot go along with developers' proposals for rates of over 400 dpa we consider that a modest increase is justified. We recommend that 1,000 dwellings (50 dpa) should be added to the draft Plan provision for Wycombe (part) totalling 7,000, equivalent to an average rate of 350 dpa in WCBV (2006-26).

### **Slough**

- 21.84 The draft Plan provision for Slough, of 235 dpa, is below both the RPG9 rate of 335 dpa and even further below the rate of completions 2001-06 (445 dpa). We accept

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<sup>20</sup> NGP Dwelling Numbers versus draft SE Plan (2006-2016), updated 22 February 2007 [GOSE3]

<sup>21</sup> RPS on behalf of AXA: non-participant submission for Matter 8Jii

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that the recent high rates of completions are associated with high density flatted schemes in and around the town centre and we understand the Council's wish to adopt a cautious approach to future levels.

21.85 We acknowledge that there is a limited range of options open to Slough given its tightly drawn boundary and the surrounding Green Belt designation which we heard the Council does not wish to review. However as a regional hub with high connectivity to a range of employment centres we consider that the LDD should plan for a rather higher rate than 235 dpa.

21.86 We therefore recommend an additional 1,000 dwellings (50 dpa) should be added to the draft Plan provision for Slough, totalling 5,700, equivalent to an average rate of 285 dpa (2006-26), together with a footnote to Policy WCBV3 encouraging joint working with South Bucks DC (see para 21.95).

### **Windsor and Maidenhead**

21.87 The draft Plan provision for Windsor and Maidenhead, of 281 dpa, is slightly above the rate in RPG9 and in the current structure plan. However it is below the 335 dpa completed during 2001-6, which reflects the scale of outstanding planning commitments.

21.88 The opportunities for development in the Borough are clearly restricted by the extent of the Green Belt and the various sites designated as of national and international importance for conservation as well as some areas of flood risk. Although the southern part of the Borough falls within the 5 km zone of the Thames Basin Heaths SPA and therefore may also be affected by mitigation issues, the borough's main settlements are all outside this zone.

21.89 We accept that additional sites to provide for future housing requirements are inevitably going to involve some greenfield land alongside new housing on PDL. However need and demand for housing are strong in the Borough and on the basis of the Council's more recent housing potential study the draft Plan level significantly underutilises identified capacity. We consider that several of the settlements, including Maidenhead as a sub-regional hub with good transport links and as a possible initial terminus for Crossrail, may have the potential to accommodate more peripheral growth, albeit that this would involve Green Belt boundary adjustments.

21.90 While we cannot agree with developers' proposals for over 400 dpa we consider that a significant increase is justified to enable the Borough to make a larger contribution to the sub-region's housing requirements. We recommend that 1,300 (60 dpa) should be added to the draft Plan provision for Windsor and Maidenhead, totalling 6,920, equivalent to an average of 346 dpa (2006-26).

### **Bracknell Forest**

21.91 The draft Plan provision for Bracknell Forest of 539 dpa is above both the RPG9 figure and the rate of completions since 2000. We note that current levels of housing completions are being largely achieved from small and medium sites and that the District Council expects this pattern to continue.

21.92 We acknowledge that there are environmental constraints including the fact that the southern half of the district, including Bracknell new town lie within the 5 km zone of

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the Thames Basin Heaths as well as pressures on infrastructure in the district. In this respect we understand the difficulties of funding infrastructure improvements via relatively small developments and we commend the work being done on a tariff approach. We agree with the Council that a significantly higher housing allocation would require the release of large sites.

- 21.93 Any urban extensions in Bracknell Forest would impact on mainly greenfield land. In this context we heard evidence from development interests relating to the potential of two broad locations in the district. The first area is to the west of Bracknell (where the proponents<sup>22</sup> claim that a mixed-use scheme can provide the funds to deliver the Airtrack rail scheme and could include a new station and park and ride facility as discussed below under Implementation). We have not seen any detailed assessment of the options considered in Bracknell. However we are aware of concerns that while the southern portion of the land to the west of Bracknell is degraded, development in at least part of this area could significantly reduce the physical and visual gap between Bracknell and Wokingham<sup>23</sup>. The other broad location possibly offering some potential for an urban extension would appear to be to the north of Bracknell though given the limited information available it would not be appropriate for us to comment. Most of the former possibility and all land on the northern side of Bracknell is outside the 5 km zone of the TBH.
- 21.94 There is an evident need for additional housing at and well related to Bracknell in order to balance employment in the locality. Given its status as a sub-regional hub with reasonable rail connections we believe that higher housing levels would be justified though challenging. We recommend that 2,000 (100 dpa) should be added to the draft Plan provision for Bracknell Forest, totalling 12,780, equivalent to 639 dpa (2006-26).

### **South Buckinghamshire**

- 21.95 We recommend a minor addition of 80 (4 dpa) on the basis that identified urban potential is greater than the draft Plan level. Hence we assume this could be accommodated within the urban fabric without any implications for Green Belt. Nevertheless we consider that South Buckinghamshire DC should liaise with Slough BC in any work to allocate our recommended addition there, given that the northern boundary of the built up area of Slough extends to the South Buckinghamshire boundary (see para 21.86).

### **Blackwater Valley**

- 21.96 We do not propose any changes to the draft Plan housing provision for the other districts of Rushmoor, Surrey Heath and those parts of Hart and Guildford in the sub-region. We accept that there are significant environmental constraints in these areas including the Thames Basin Heaths SPA in the southern districts. Moreover, adding substantial development around the smaller towns and larger villages in these districts would not meet the sustainability objectives and urban focus of the preferred strategy. Nevertheless we note that a small part of the DERA site, which we identify with development potential in the London Fringe chapter, is within Surrey Heath (see para 20.78)

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<sup>22</sup> Airtrack Railways Limited (8116) non-participant statement for Matter 8Jii

<sup>23</sup> Note for Panel from CPRE re Amen Corner, April 2007 [CPRE21]

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## Policy WCBV3

- 21.97 Table WCBV1 is shown in the draft Plan as separate from the policy framework. We recommend that, for consistency with other sub-regions, it is included as part of Policy WCBV3 (to be renumbered as WCBV2) and the first paragraph is amended accordingly.
- 21.98 In addition to the amendments to housing numbers in Table WCBV1 (recommended in paras 21.61-21.96 above) we propose the following changes to the wording of Policy WCBV3:
- add to the first para “including an SDA south of Reading”
  - delete second para as unnecessary
  - add to third para “A joint approach will be adopted to the preparation of a core strategy for the greater Reading area”
  - reword fourth para on TBH as suggested by SEERA<sup>24</sup> “Local authorities should consider the phasing of housing delivery within the vicinity of the SPA in order to ensure that appropriate avoidance and mitigation measures are secured in advance of development being occupied and should work with the Regional Assembly and Natural England to monitor housing delivery in their area against the provision of avoidance and mitigation measure”. We have already recommended in Chapter 10 that Policy WCBV9 should be deleted having covered protection and management of TBH in a new sustainable natural resource management (NRM) Policy, to which a cross reference should be made in the text of this WCBV housing policy.
  - Add a footnote to Policy WCBV3 to indicate that the 22,220 houses associated with the expansion of Reading (including Reading BC, 12,220; West Berkshire (part), 7,500, Wokingham, 2,500) should be planned jointly by the three authorities.

## IMPLEMENTATION

### Infrastructure/Implementation Plan proposals

- 21.99 We welcome the contribution of the Implementation Plan to the planning of infrastructure in the WCBV. We recognise that the SRIF will require continual updating and that, given the multiplicity of agencies in the sub-region, prioritisation of schemes by the principal authorities would be difficult. We also note that all local authorities consider that the projects listed in the SRIF are all essential if growth on the scale proposed in the draft Plan is to be accommodated. We accept that since we are recommending additional housing provision this argument is even more powerful.
- 21.100 Policy WCBV6 includes a stipulation that development will be contingent on the provision of timely infrastructure. While we sympathise with the objective for the reasons given in Chapter 5 we consider that this idea is inappropriate and impractical. Hence we recommend that Policy WCBV6 should be deleted. The need to relate development to the provision of infrastructure can be covered in the text of a new final section on Infrastructure and Implementation. We recommend accordingly.
- 21.101 The Implementation Plan Annex for WCBV covers only transport themes. This bias doubtless mirrors the importance placed by the Assembly and local authorities on

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<sup>24</sup> SEERA Regional Planning Committee 21<sup>st</sup> March 2007 Report for Agenda item 6: Subject – Thames Basin Heaths: Assessors Report, March 2007 [SEERA18]

securing increased investment in transport infrastructure for this pressured sub-region. We agree that the main priorities for transport investment as set out in Policy WCBV1 are generally reflected in the balance of the 36 schemes included in the SRIF. However we are not convinced that all of the schemes are of sub-regional significance.

- 21.102 While in our view transport infrastructure and particularly public transport should have first priority other necessary infrastructure should be included in the Implementation Plan as and when requirements are clarified. This applies particularly to green infrastructure and to water supply and water quality thresholds (see Chapter 27). Although at this stage the most difficult issue relates to WWT at Basingstoke we agree with the EA that an environment and green infrastructure section of the SRIF should be updated with the results of the latest report on environmental infrastructure<sup>25</sup>.
- 21.103 Soft demand management measures, while crucial for this sub-region, cannot readily be described in detail in the Implementation Plan since they are often specified at the local level. Even so we consider that the SRIF should ensure that investment in demand management packages features prominently in the schedules.
- 21.104 Given that we do not consider that the Implementation Plan should be formally part of the RSS we agree with those participants who emphasise that the most critical infrastructure must be identified in the Plan. This is not an easy task and we accept that many schemes are needed to remedy existing deficits as well as to facilitate new development. In this sub-region several of the schemes seen as particularly important by participants are of regional or national importance.
- 21.105 Among the schemes in WCBV of wider than sub-regional significance Annex 2 includes four rail projects – Crossrail, Reading Area Bottleneck, Airtrack, and Great Western Main Line (GWML) improvements - together with journey time reliability measures on the M3 and M4. We share the view of the Thames Valley Economic Partnership that all of these are critical to the future growth of the sub-region as well as having regional and national benefits.
- 21.106 Crossrail would increase all local main line train capacities as far west as Maidenhead though the Bill provides “passive” provision for extension of Crossrail to Reading. In our view planning should start now for that extension as part of the infrastructure needed to support sustainable growth in the WCBV. Reading Station is recognised nationally as a significant constraint on the GWML route and we see early implementation of this project as an essential element in the planned growth of the greater Reading area. The Airtrack scheme will be very important in providing enhanced access to Heathrow from Reading, Wokingham and Bracknell, all of which are proposed for significant growth. If the Airtrack scheme does not progress, further investigation should be undertaken of the ‘western connection’ link from the GWML onto the Heathrow rail spur.
- 21.107 Other public transport improvements should focus on access to the regional and sub-regional hubs and interchange facilities within the hub towns. This includes upgrading of the rail station at High Wycombe and its spoke to Aylesbury, Farnborough station, and possible new stations to serve growth areas at Basingstoke

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<sup>25</sup> Strategy for Managing Environmental Infrastructure in the South East Phase 1 – Estimated costs , EA, January 2007 [Ir10a]



(Chineham) and West Bracknell. As well as increasing the platform and rolling stock capacity on the spokes there is a real need to develop a north-south and east-west inter-urban coach network.

- 21.108 Although widening of the M4 is advocated by Thames Valley Economic Partnership we recognise that future investment decisions will be governed by national motorway policy. However the HA forecasts that the Thames Valley section of the M4 is likely to become one of the most highly stressed parts of the trunk road network in the South East. While acknowledging that in the light of the Thames Valley MMS no M4 widening is likely to be contemplated until after 2016 we consider that since the M4 is at the heart of the east-west spine of this growing sub-region as well as being a key national route its role is crucial to the planning of the WCBV. In our view there is a case for the HA to re-examine the options for increasing and managing the capacity of the M4 in the Thames Valley, taking account of the need to facilitate the planned growth of the greater Reading Area. We recommend accordingly.
- 21.109 Given the need to enhance links between the WCBV and Milton Keynes/Aylesbury as well as High Wycombe's status as a regional hub we agree with Buckinghamshire CC and Wycombe DC that this key corridor should be recognised in the Plan. We accept that public transport connections between the Thames Valley and the High Wycombe/Aylesbury/Milton Keynes corridor are poor. We therefore endorse the Thames Valley MMS recommendation for the development of an express bus and coachway to meet north-south travel demand and agree that the absence of a spoke fails to reflect this proposal. We agree with Buckinghamshire CC that there is a case for a study of travel demands between the WCBV and the MKAV sub-regions. We recommend that Map T2 be amended to include a spoke linking High Wycombe to the Thames Valley at Maidenhead.
- 21.110 Taking account of the above issues and the SRIF, we recommend that (in addition to regional priorities – Crossrail, Reading Station, Airtrack and GWML) the following sub-regional priority projects should be named in the WCBV text relating to infrastructure:
- Improvements in access to and interchanges within hubs as part of demand management packages for all hub towns
  - Sub-regional mobility management measures including park and ride, local bus, travel planning and other modal shift initiatives
  - Station upgrades at High Wycombe and Farnborough, station bypass at Basingstoke, new stations to serve growth areas and route upgrades on High Wycombe-Aylesbury and Reading –Basingstoke lines
  - Capacity increases in platforms and rolling stock across sub-region
  - Enhanced inter-urban coach and bus services including Thames valley rapid transit and north-south routes between the M3 and M40 corridors
  - M4 study of capacity and management options in Thames valley
  - Basingstoke WWT
  - Thames Basin Heath requirements.
- 21.111 The text should say that fuller details of these and other infrastructure projects are included in the latest Implementation Plan.
- 21.112 We consider that the existing text under the heading Implementation and Delivery (E6, part 3) should be replaced with details of the infrastructure listed above and institutional arrangements (see below). Existing text on PMM in the housing context
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will be covered generically by our suggestions for a new final section of the Plan on Implementation, Monitoring and Review (see Chapter 28). We also recommend in format terms in Chapter 29 that the table on implementation and delivery agencies in Section E6 part 3 is not appropriate for the RSS. Hence we recommend that the whole of part 3 should be deleted and the sub-regionally specific material be incorporated in the Implementation Plan.

## **Institutional Arrangements c**

- 21.113 The sub-region comprises all or part of six unitary authorities, three county councils and seven district councils. While this fragmentation of responsibility will continue to pose a huge challenge there are three particular aspects where we believe there is a need and scope for more effective co-ordination. These relate to the greater Reading area, to transport planning, and to the Blackwater Valley.
- 21.114 We discuss above under Housing the importance of a joint approach to the overall planning of the wider Reading area. Given the strategic role of greater Reading and the scale of the investment involved in implementing the growth strategy we are convinced that some kind of delivery structure is required. This could be based on the PUSH organisational structure in Hampshire, though other examples of joint working are emerging elsewhere in the country.
- 21.115 Without being too prescriptive in our view a Greater Reading Development Partnership should be formed covering Reading and its environs. The partnership would have two streams of work. They are:
- A Growth Delivery Programme – which will identify and manage the programme of work necessary for the growth agenda targets to be met;
  - The production of a Joint Core Strategy or LDD to set out clear objectives and key policies on important spatial planning issues for greater Reading as a whole.
- 21.116 We appreciate that this may represent a radical change in current institutional arrangements. However it reflects the size of the planning challenge in this part of the sub-region – hence our recommendation that the new Policy WCBV1 should include a proposal for the establishment of a joint delivery vehicle with executive powers to provide strong and co-ordinated leadership for the greater Reading area. We recommend that the issue of joint working be covered in the new Infrastructure and Implementation section.
- 21.117 In the transport sphere we are pleased to note that the need for a joint approach is already recognised in the shape of the strategic transport group for Berkshire<sup>26</sup>. Since there are nine transport authorities in the WCBV this move is long overdue. We would urge the Berkshire authorities to consider including the three counties to form a WCBV transport group, involving the Thames Valley Economic Partnership and transport operators. This would assist the refinement of sub-regional transport strategies as well as providing a focus for lobbying activity.
- 21.118 We endorse the need for the Blackwater Valley to be planned in an integrated way and we are aware that this has not always happened. We therefore strongly support the sentiments about joint working in Policy WCBV7 and the preceding text. We were pleased to note the positive comments at the examination about joint working on

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<sup>26</sup> See Thames Valley Economic Partnership statement for Matter 8Jiii including DfT letter of 18 December 2006

behalf of the Blackwater Valley authorities. Following the 2003/04 Blackwater Valley Study we would urge the authorities to work together on their respective core strategies and on the implementation of elements of the sub-regional strategy.

## **REc MMEc ATc NS c**

### **Recommendation 21.1 c**

Create a core strategy policy covering the role of hubs, an economic objective, local guidance on sustainable urban extensions, and a new planning and delivery vehicle for the greater Reading area. (paras 21.69, 21.116) Delete Policies WCBV1 and WCBV2 and renumber the other policies. (paras 21.9-21.16, 21.40)

### **Recommendation 21.2 c**

Include in text supporting the new core strategy policy reference to particular criteria for the selection of expansion areas close to Reading, particularly connectivity to bus-based transport systems and access to facilities (para 21.42)

### **Recommendation 21.3 c**

Amend Policy WCBV3 to increase the housing provision for the Plan period 2006-2026 for:

- the total sub-region from 89,520 to 107,600 (para 21.57)
- Slough by 1,000 (para 21.86)
- Windsor & Maidenhead by 1,300 (para 21.90)
- Bracknell Forest by 2,000 (para 21.94)
- Wokingham by 2,000 (para 21.75)
- Reading by 1,800 (para 21.63)
- West Berkshire by 7,500 (para 21.69)
- Wycombe by 1,000 (para 21.83)
- Basingstoke by 1,400 (para 21.79)
- South Buckinghamshire by 80 (para 21.95)

Footnotes to refer to Arborfield Garrison and Basingstoke should remain but be updated, and new footnotes added about capacity in the greater Reading area and joint working on Slough (paras 21.72, 21.79, 21.86, 21.98)

### **Recommendation 21.4 c**

Replace the existing element of Policy WCBV3 on phasing in the vicinity of the Thames Basin Heaths with the wording suggested by the Assembly. Also insert a cross-reference to the new policy on the Thames Basin Heaths SPA (see Recommendation 10.10) (para 21.98)

### **Recommendation 21.5 c**

Amend Policy WCBV4 to require joint working where appropriate between authorities, to emphasise making more efficient use of existing employment land, to give consideration to strategic needs, and to generalise the need for a balance with labour supply (paras 21.23, 21.25-21.27)

**c**

**Recommendation 21.6 c**

Amend the supporting text to Policy WCBV4 to make more explicit the type of employment assessment that should be undertaken as an input to LDFs, that there may be some scope for a greenfield release if a research-based science park linked to the University of Reading can be justified, and to indicate that land lost to employment use should be replaced elsewhere (paras 21.23-21.25)

**Recommendation 21.7 c**

Delete Policy WCBV6 (para 21.100) and incorporate the infrastructure text in a new final section on Infrastructure and Implementation to replace the existing text on Implementation and Delivery. Expand this infrastructure text by explaining the uncertainty about WWT at Basingstoke (para 21.46), by listing the key sub-regional infrastructure priorities as set out in para 21.110 above, and explaining the importance of arrangements for joint working on plans for the greater Reading area. (para 21.116)

**Recommendation 21.8 c**

Add a High Wycombe-Aylesbury spoke to Map T2. (para 21.109)

**Recommendation 21.9 c**

In process terms:

We suggest that the HA should investigate M4 capacity and management options in the Thames Valley having regard to the planned growth of the greater Reading area. (para 21.108)

## **22 a CENTRAa a Ra SHIRE a**

Matter 8E

*This chapter examines the role of and rationale for this sub-region and concludes that insufficient support has been given for economic growth in the strategy. It also raises concerns about the limited range of options tested in the strategy preparation process. It analyses the justification for the level and distribution of housing, and recommends a higher housing level particularly at Oxford to reflect economic, housing affordability and other needs. It finds the draft Plan's approach to Didcot generally sound. It recommends an SDA in south Oxford which will require a highly focused selective review of the Green Belt and joint working between adjoining local authorities. It suggests ways of strengthening the final section of the strategy particularly on transport and partnership working.*

### **VERVIEW ANa RATIa NAaE a**

- 22.1 The Central Oxfordshire sub-region covers the city of Oxford and the adjoining parts of the surrounding four district authority areas. It includes almost all of the Oxford Green Belt and the towns beyond in north, west and southerly directions.
- 22.2 The sub-region is a new construct within this draft Plan<sup>1</sup>, and its rationale was the subject of debate at the EiP. Most participants saw a logic for this sub-region and we accept that it is needed for the following reasons:
- Oxford city provides higher order services (retail, health, education etc) for its surrounding area, and therefore corresponds to a city region<sup>2</sup>.
  - It has an economic coherence, representing a relatively self-contained labour market area with a high proportion of knowledge and science-based activities both within the city and at various locations around.
  - It is all within one Housing Market Area (Map H6).
  - There is a complementary relationship between the city and surrounding areas which requires joint planning across local authority boundaries.
  - There is a need to elaborate on how the regional policies should be applied to this area.
- 22.3 It could be argued that because these local authorities are used to working together in a county grouping, that there is no need for a sub-region. But if there were no sub-region, the assumption would be that new growth would be accommodated according to a roll forward of previous structure plan policy. In our view however there were sufficient challenges raised in the recent structure plan EiP Panel Report to suggest that a new planning approach to the accommodation of growth in this area should at least be tested. We are not convinced that this testing was done adequately, as discussed in the housing section below.
- 22.4 The delineation of this sub-region is highly diagrammatic. Although it appears to some to be truncated to the east, we consider that it is logical for the sub-region to denote the area intended to act as the focus of new development. For the reasons that we give later in this chapter, we are comfortable that the existing boundary largely

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<sup>1</sup> although the term has been used differently in past structure plans

<sup>2</sup> one of the Functional Urban Regions identified in the Polynet study

does this. GOSE queried why the Upper Heyford airfield appears to have been omitted but we do not see a pressing need for any adjustment<sup>3</sup>.

- 22.5 As elsewhere, we recommend that the challenges facing this sub-region are clearly spelt out at the beginning of the strategy. This would only involve a minor editing of the existing sub-regional characteristics to emphasise the aspects which planning needs to address (E7, para 1.2).

## **Ca RE STRATEGY (Pa ICY Ca 1) a**

- 22.6 The strategy pays only scant regard to the integration between this sub-region and those adjoining. Its southern boundary is close to WCBV and in the north east very close to MKAV, in fact the boundaries coincide to the south of Bicester. To the south west, it is also close to Swindon, a principal urban area identified for growth in the draft South West Plan (proposed eastern expansion area). The interrelationships across regional boundaries include transport and water, as well as a need to coordinate growth strategies. We suggest that these interrelationships are acknowledged in the core strategy text which would allow earlier recognition of the Oxford to Cambridge Arc initiative and the regional priority given to the reinstatement of an East-West Rail link<sup>4</sup>.
- 22.7 Policy CO1 is clear in terms of the main criteria relevant to the distribution of housing and economic growth, and the main locations for development, namely the three towns of Didcot, Wantage/Grove and Bicester, and within the built up area of Oxford. It was the content of this core strategy rather than its clarity of expression that was a major subject of the debate at the EiP.
- 22.8 There is general agreement about the need to foster the potential for high-tech innovation in this sub-region (E7, para 1.2, and in the strategy statement in Part C, para 4.6.3). There is also agreement that a high-quality environment is an essential component to quality of life, which in turn gives this sub-region a competitive advantage. It is also crucial to the tourism trade, an important part of the local economy. The source of disagreement is about the scale and distribution of new growth, and the extent of what some of the local authorities term "managed growth".
- 22.9 The character and setting of Oxford city is recognised to be the main environmental asset of this sub-region. Nationally recognised landscape in the form of the Cotswolds AONB clips the north west boundary, and the Wessex Downs AONB clips the southern boundary, but is less an influence on settlement distribution here than in some sub-regions. Of European significance is the Oxford Meadows SAC to the north west of Oxford city, which are subject to potential air quality impacts from increased use of the A34.
- 22.10 The main divergences of views in terms of the spatial strategy is whether economic potential can be fostered to a greater extent by an Oxford-centred strategy or one that distributes growth to the surrounding towns (these were termed "country" towns at the EiP). Those that support growth of the country towns, which accords with previous structure plan policy, pointed to the success of business parks, particularly between Didcot and Wantage. On the other hand Oxford City Council fears damage to its internationally important economy from the level of restraint imposed by the strategy and the University of Oxford says that its competitiveness will be prejudiced.

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<sup>3</sup> Oxfordshire Structure Plan, Policy H2 which makes provision for a new settlement of about 1,000 homes. It was not considered suitable for further growth in the background feasibility study because of its relative remoteness

<sup>4</sup> O2C Arc is currently reflected in Part C, para 4.6.3 and E7, para 2.9, and East-West Rail in E7, para 2.15

- 22.11 At the root of this difference of view is the weight given to the protection of Oxford's setting and the Green Belt that is intended to protect that setting (Policy CO1 iii)). Our testing at the regional scale suggests grounds for this sub-region to accommodate a higher level of growth (see Chapter 7). For the reasons given later in this chapter, we consider that a strategic urban extension could be accommodated on the periphery of Oxford without damaging its setting but with significant benefits to the economy and housing affordability. This would be in addition to the proposed level of growth in the country towns.
- 22.12 In revising Policy CO1 to incorporate this parallel growth of Oxford, we also recommend that its tone is made more upbeat reflecting an aspiration to maintain its world-class status. This would reflect a similar sentiment in the equivalent policy for the Cambridge sub-region in the East of England proposed changes. We recognise considerable parallels between the planning issues facing the two cities, despite differences in scale and geography.
- 22.13 We also consider that Policy CO1 could be more explicit about the spatial strategy's aim to improve the self-containment of the country towns, including enhancing their social infrastructure. In spatial terms its supporting text could be clearer on the aim to foster a development axis between Didcot and Wantage/Grove based on its economic strengths and to improve public transport between homes and jobs in the southern part of the sub-region. Overall we contend that our recommendations would strengthen the polycentricity objectives of the strategy, while seeking to accommodate the needs of Oxford city.
- 22.14 As elsewhere we recommend the inclusion of an illustrative strategy diagram. This would need to include the Oxford Green Belt, AONBs, SACs, the named country towns, a proposed SDA (see para 22.72 below), the proposed reinstatement of the Oxford East-West Rail link, as well as railway stations and lines and the strategic highway network.

## **EC&NaOMY a**

### **Job forecasts a**

- 22.15 The draft Plan contains a job estimate for monitoring purposes for 2006-16 based on the Assembly's scenario 4 which incorporates the long-term migration trend (E7, para 2.13). On their dwellings based projection (scenario 7), the Regional Assembly now proposes a figure some 90% of this level (16,600). This compares with the Experian trend-based forecast of about 18,000. Although SEEDA was prepared to accept this estimate, because of the national importance of this economy and its status as a Diamond in the RES, we see no reason for adopting a below trend forecast, and would therefore recommend a round figure of 18,000 as the monitoring estimate. This is still considerably lower than the demand-based estimate from the University of Warwick model at nearly 23,000.
- 22.16 Central Oxfordshire has a high proportion of jobs in knowledge-based activities<sup>5</sup> and an innovation rate 67% more than the South East average<sup>6</sup>. The economy includes firms at the cutting edge of manufacturing and in motorsports, as well as those involved in science-based research. Yet the sub-region has performed below the regional average in terms of GVA growth between 1999-2004<sup>7</sup>, and SEEDA stresses

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<sup>5</sup> 43.7% in K1 sectors, SEEDA 8E.1 debate

<sup>6</sup> RES evidence base

<sup>7</sup> SQW in 8Ei.1 debate

that there is no room for complacency. The extent to which the detail of the sub-regional policies matches the aims of the strategy to capitalise on the sub-region's dynamic economy (Part C, para 4.6.3) and to build on its economic strengths (Policy CO1), is discussed below.

## Employment Land a

- 22.17 Policy CO5 indicates the target sectors of education, science and technology, and it gives locational guidance for the provision of additional employment land, namely at Bicester and Didcot. No indication of the likely scale of this new employment land is given in the policy or text. It is the policy's expectation that development in Oxford city will be "primarily" on PDL that provoked the strongest reactions at the EiP.
- 22.18 There is no dispute that Oxford is the global brand, and with its two universities has significant potential for spin-off applications. But those who support the policy argue that Oxford should focus on high-tech incubation and start-ups together with its cultural, tourism and retail functions, and that grow-on space and the commercialisation of R&D should take place outside the city. The unknown factor in adopting this position is the extent to which economic activity can be diverted to the surrounding country towns. We are not wholly convinced with this argument, despite the success of locations such as the Milton Business Park west of Didcot in attracting high-tech companies. We note that the principal authority had concerns that some firms were leaving Oxfordshire altogether as they grow<sup>8</sup>.
- 22.19 We are inclined to agree with those participants, including Carter Jonas, who argue that it would be wrong for Oxford to rely primarily on PDL because of:
- the magnitude of the recent loss of employment land to residential uses, a trend that could be expected to continue given housing demands; and
  - the nature of PDL, on the basis that some small sites may not be economic to develop for employment uses, or may not provide the quality to be attractive to science and research-based activities.
- 22.20 There is also numerical evidence that new employment land may be needed in Oxford. A recent employment land study<sup>9</sup> sought to compare likely demand with estimates of available land supply (including the fact that there is only 4-5 years supply of land left at both the Oxford Science Park and the Oxford Business Park), and concluded that between 13.5 ha and 47.5 ha net additional employment land could be needed to 2021<sup>10</sup>. Having tested a range of options, the study found that allocating one of the safeguarded sites on the northern edge of the city<sup>11</sup> would largely meet the lower end of the above scale. Oxford City Council argues that an additional 40 ha may be needed in order to provide necessary flexibility and meet a greater proportion of future demand in the city itself.
- 22.21 From this evidence, we are persuaded that some new employment land could be required within Oxford to avoid undue constraint on economic potential there. To our mind it would be less risky for the sub-regional strategy to acknowledge that a range

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<sup>8</sup> Additional advice to SEERA on employment forecasts, para 30, Annex to formal submission, December 2005 [SEP16]

<sup>9</sup> Oxford Employment Land Study, Final Report, Nathaniel Lichfield and Partners for Oxford City Council, March 2006 [Es3]

<sup>10</sup> based on a business as usual scenario without any flexibility and any higher growth scenario with a flexibility allowance respectively, Table 7.5

<sup>11</sup> of which the Peartree site (17 ha) is said to have the best strategic road access



of employment opportunities will be needed in both Oxford and the country towns. The precise scale of new land in Oxford should be determined through the LDF.

- 22.22 Turning now to the two country towns identified in the policy, it is apparent that they have very different economic characteristics. Bicester does not yet have a market profile for high-tech activity and already has a relatively large land supply<sup>12</sup>. Nevertheless we accept the objective of promoting it as a location for spin-off activity as part of the Oxford to Cambridge Arc, and that additional economic activity here would help to reduce its current dormitory function. We were told that progress is at last being made on a business park and hotel to the south west of the town but that the market was fragile. It must therefore be recognised that any further releases of employment land on the northern edge of Oxford, besides the safeguarded site at Peartree, could be adversely competitive to Bicester's aspirations.
- 22.23 It was generally accepted that there is scope for intensification of uses at the successful Milton Business Park, west of Didcot. From monitoring information there appears to be considerable committed employment land in Didcot anyway<sup>13</sup>. No evidence was provided to suggest a particular need for additional land releases.
- 22.24 Given this situation we recommend that Policy CO5 is redrafted to indicate the positive objectives being sought at the named locations, rather than emphasising the distinction between a promotional stance at Bicester and Didcot, compared to a restrictive policy at Oxford. There would be no need in our view to restate the objective of making best use of PDL since this is already included in Policy CO1, the core strategy. In respect of the country towns, our suggested emphasis would be on:
- stimulating growth at the established research and business parks between Didcot and Wantage/Grove. This would acknowledge the potential at the Harwell Campus, in addition to intensification opportunities at Milton Park.
  - promoting Bicester as a new location for higher value and knowledge-based businesses in association with the Oxford to Cambridge Arc.
- 22.25 In respect of Oxford, Policy CO5 could acknowledge that some new employment land in addition to the safeguarded land may be needed, but that the objective should be to avoid worsening the jobs-housing imbalance. Such new land may be needed to give a range of opportunities, including the necessary quality of business site and/or in substitution for employment land lost to housing. In any event the policy should not unduly constrain the ability of such issues to be tested in detail at the LDF stage.
- 22.26 This sub-regional strategy is silent on the degree of protection to be afforded to existing employment land, although we note from the Oxford Employment Land Study that nearly 40 key sites are already protected through the Oxford City Plan. The provisions of Policy RE2 would therefore apply, and we are content that as amended this would allow for substitution of new land where existing land is found to be no longer appropriate for modern business.

## **Balance between labour Demand and Supply a**

- 22.27 Central Oxfordshire already has a higher number of jobs than resident workers. At 2006 this amounted to some 34,000, although we accept that the relationship is more balanced for the whole of Oxfordshire. Unlike in the WCBV and London Fringe, this excess of jobs over labour supply is not anticipated to worsen significantly between

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<sup>12</sup> 30 ha at April 2005, Oxfordshire Land Development Progress System extract [CO28A], which we were told was equivalent to about 15 years supply although the Gavray Drive site was recently lost on appeal to housing

<sup>13</sup> 58 ha at April 2005 [CO28A]

2006-16 on the Assembly's projections consistent with the draft Plan's housing levels<sup>14</sup>. Indeed SEEDA considered that with higher economic activity rates, there might be a rough correspondence between new jobs and new labour supply for the first 10 years of the plan.

22.28 Three concerns remain in our minds however:

- the scale of the imbalance at the beginning of the plan period given that this is one of the smallest sub-regions, and that it is forecast to worsen over the second half of the plan period;
- the fact that it adjoins the Western Corridor and Swindon areas southwards, and Milton Keynes to the north east, all of which are also areas of net in-commuting;
- the concentration of the imbalance within Oxford city.

22.29 At the sub-regional scale, this imbalance raises questions about the source of any additional in-commuters, given that there are no surrounding labour markets other than to the north, from which this could easily happen. SEEDA also pointed to the risk that new labour supply arising from new housing at Didcot and Wantage/Grove could be sucked into the neighbouring Western Corridor/M4 corridor given the economic growth forecasts and overlapping housing market areas.

22.30 We discuss the implications for Oxford city from a housing perspective below, but the outcome of our recommendation would contribute to improving the imbalance in the city.

## Smart Growth

22.31 The particular aspects that appear to relate to this sub-region, which we suggest should be explicitly identified in the text to Policy CO5 are:

- using existing employment land as efficiently as possible;
- promoting the commercialisation of R&D outputs;
- upgrading the skills of those least qualified, including basic literacy and numeracy<sup>15</sup>. This need is reflected in recruitment difficulties being experienced at the lower end of the job market;
- increasing economic activity rates particularly in Oxford city.

## SETTLEMENT SHAPING a

### Green Belt a

22.32 We support the functions of the Oxford Green Belt as set out in Policy CO3. We have taken account of the history of the Green Belt<sup>16</sup>, and the conclusions of the EiP Panels and Secretaries of State in the late 1980s/early 1990s that growth of Oxford should not continue indefinitely. However the most recent EiP Panel envisaged that it was "inevitable" that future plans would need to address new spatial options including those that involve making changes to the Green Belt. This was within the context of meeting needs beyond 2016 or if higher housing levels were required through the South East Plan.<sup>17</sup>

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<sup>14</sup> additional 3,000 excess jobs 2006-16, but a further 12,000 excess jobs 2016-26

<sup>15</sup> as advised by the Oxfordshire Economic Partnership in 8Ei.2 debate

<sup>16</sup> usefully summarised in SODC's statement, Appendix 2, Matter 8Eii

<sup>17</sup> Oxfordshire Structure Plan 2016, EiP Panel Report, paras 1.7, 2.28 and 4.11

- 22.33 As discussed later we are concerned that options for a higher level of growth were insufficiently tested in this sub-region, and hence that the need for a strategic or selective review of Green Belt was sidestepped.
- 22.34 The issue for us is whether the Green Belt has overly constrained the spatial strategy, and whether there are exceptional circumstances at this point in time which justify a review of the Green Belt. We believe that there are, for the reasons given in paras 22.58 - 22.65 below.

## **Influence of Transport, Water Supply, Waste Water Treatment and a Flood Risk a**

### **Transport**

- 22.35 Despite explicit recognition of the need to concentrate development where car travel in particular can be reduced (Policy CO1 v)), several participants expressed concern that transport has not been given sufficient weight in shaping the proposed spatial strategy. The most fundamental issue is the capacity of the A34 which is used for work journeys between settlements within this sub-region, as well as for longer distance traffic between Southampton/Winchester and the West Midlands. Stress levels are forecast to be amongst the highest in the region, and the HA sees little chance of it being widened<sup>18</sup>.
- 22.36 Most participants agree with the generality of the principle that housing should be co-located with employment as far as possible in this sub-region. However this same argument is used by those that argue for growth of housing in the country towns to make them more self-contained, by those that argue for an urban extension of Oxford, and by Terence O'Rourke who argues for a new settlement located away from the A34 corridor altogether.
- 22.37 Our conclusion is that transport issues were very much in the mind of the principal authority in preparing the strategy. But because the testing of the alternative settlement options was relatively superficial, there was no comparative assessment of transport impacts, e.g. through a sub-regional traffic model. Intuitively though we would argue that allocations at and around the regional hubs have the most chance of maximising opportunities for sustainable travel. In our view the extent to which new growth will realistically maximise the use of public transport has been downplayed. The objectives in the latter part of E7, para 2.2 do not seem to be carried through into the new housing provisions.
- 22.38 Further discussion of the influence of more local transport issues on housing distribution, including the district apportionment at Didcot, is included in the housing section below, and on transport priorities is included in the final section on implementation.

### **Water Supply**

- 22.39 New water sources will be required in the later part of the plan period to support growth in this sub-region and in neighbouring Swindon. Thames Water has a preferred package of measures, but there are different views on the extent to which demand management and water efficiency measures should be relied upon. The issue is complicated by the fact that the major element in their package, the Upper Thames Reservoir, is designed to meet London's needs to a greater extent than local needs.

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<sup>18</sup> HA Document 3, para 8.3.12

Because of this inter-regional dimension we have reported on how an Upper Thames Reservoir should be included in this RSS in Chapter 10 (Policy NRM2). Assuming that a new supply is provided, there is no suggestion that it should be an influence on distribution of new housing growth within the sub-region.

### **Waste Water Treatment**

22.40 There are no overriding constraints in terms of the water quality of receiving waters from WWT works, unlike in some other sub-regions. Hence although there is a need for local upgrading of WWT facilities, e.g. a capacity upgrade at Didcot STW, additions to the sewerage network e.g. at Grove, and the need for Oxford and Bicester STWs to meet stricter discharge consents, the EA confirmed that such works were within current technological feasibility.

### **Flood Risk**

- 22.41 The EA identify Didcot, Oxford and Bicester as at risk of fluvial flooding. In respect of Didcot, we are satisfied that SFRA work has been undertaken to inform the proposed district apportionment between South Oxfordshire and Vale of White Horse, including the effects of increasing housing levels here as a NGP.
- 22.42 Although SFRA work has not yet started for Oxford, we were told by the City Council that as flood risk only affects parts of the city it has sufficient options to meet the housing level proposed by the sub-regional strategy, and more.
- 22.43 SRFA work is underway in Cherwell and the District Council consider that they have sufficient options at Bicester to accommodate the proposed housing level there.
- 22.44 Surface water runoff is an issue at Wantage/Grove because of natural drainage difficulties and we understand that the District Council have undertaken work on this in taking forward their Local Plan allocation at Grove airfield.

## **HOUSING a**

### **ver all Level a**

- 22.45 Policy CO2 sets a housing level of 34,000 (1,700 dpa) between 2006-26. This is some 5% below recent structure plan levels on a whole district basis, despite the recent EiP Panel making clear that they saw these levels as the absolute minimum of housing needed<sup>19</sup>. Oxfordshire CC claims that it is a proportionate response, providing for growth in the economy but balanced with concerns from an infrastructure backlog and environmental constraints. Oxford City Council and developer representatives consider the proposed provision to be an inadequate response to the economy and housing affordability issues, particularly in Oxford city, and to recent household projections and the Government's aspirations for a step change in housing supply. Alternative housing levels up to 67% or more were suggested.
- 22.46 Since the draft Plan was submitted, South Oxfordshire in respect of Didcot, and Oxford, have been awarded New Growth Point status. In the case of Oxford, the City Council's current trajectory for 2006-16 is just over 2,000 above the draft Plan's average rate<sup>20</sup>. From the debate it appeared that part of this represented a bringing

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<sup>19</sup> Oxfordshire Structure Plan, EiP Panel Report, para 3.11, December 2004

<sup>20</sup> Updated summary of New Growth Point Dwelling Numbers versus draft SEP (2006-2016 only), February 2007 [GOSE3A]

- forward of housing from the second half of the plan period, but part was a net increase on Policy CO2 levels.
- 22.47 For Didcot the NGP proposals represent a net increase of 1,500. The way in which this is intended to be apportioned between South Oxfordshire DC (SODC) and Vale of White Horse DC (VWHDC) is complicated in timing terms, but over the whole plan period would result in an additional 750 dwellings to each district (see para 22.84 below).
- 22.48 The net effect of these NGP adjustments would be an increase of some 2,500 (+ 250 dpa) bringing the sub-regional total to about 36,500 (1,825 dpa). For the whole of Oxfordshire this is roughly equivalent to the recent structure plan and RPG9 level.
- 22.49 As a partial offset VWHDC seek a decrease in their Central Oxfordshire housing figure by 1,000, of which 300 would be transferred into the rest of the county allowance. This is on the basis that it would be difficult to find the amount of new land required in and around their other settlements, such as Abingdon. We have some sympathy with this position given that Didcot and Wantage/Grove are intended to be the foci of growth in this district. We also note that, despite recent completions for the district as a whole being lower than that required in the last structure plan, this is the only Oxford district proposed to take an increase under the draft Plan (GOSE2). We therefore recommend that the Vale of White Horse figure in Central Oxfordshire outside Didcot is decreased by 1,000. (We consider the rest of its district in Chapter 26).
- 22.50 For the reasons summarised in Chapter 7 we consider that a housing level for this sub-region of 40,100 (2,005 dpa) would better reflect regional imperatives and local considerations, particularly the needs of Oxford city. In terms of regional imperatives it seems wholly wrong that this sub-region with its undoubted economic potential should make significantly less notional allowance for in-migration than the regional average. Indeed we are surprised that there appears to have been so little attempt to understand demographic inputs in preparing the strategy.
- 22.51 Oxford City Council provided extensive data to illustrate their backlog of housing needs, housing affordability problems, and the recruitment and retention difficulties being experienced by local employers and public services, including the hospital and both universities. 40% of the sub-region's job growth would also be expected here on trend forecasts, according to SEEDA. In the light of this it appears ironic that the proposed housing level for Oxford in the draft Plan is about 20% below RPG9 levels.
- 22.52 In our view a more transparent approach should have been taken in preparing the strategy to testing higher growth levels. Although the consultation draft Plan purports to test RPG9 +25%, the spatial implications of this were not described, and an invitation at the end of the section for consultees to comment on higher levels could easily have been missed. Nor were the environmental and socio-economic effects of this higher growth level included in the SA, September 2004.
- 22.53 We see no reason why our recommended higher housing levels cannot be accommodated while still respecting the environmental assets of this sub-region, including the character of Oxford and the attractiveness of the countryside. In this respect we note that following their testing of alternative growth levels, GOSE's consultants identified this sub-region as being one of the four with the most potential for growth<sup>21</sup>. We consider that it is better for the Plan to be clear about a realistic

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<sup>21</sup> Augmenting the Evidence Base for the EIP of the South East Plan, para 57, Roger Tym and Partners and Land Use Consultants, May 2006 [Sr3]

housing level so that infrastructure providers can build this into their programmes, rather than repeatedly over-providing against plan levels as has been the case in Oxford recently.

## **Housing Distribution (Policy CO2) a**

- 22.54 This sub-regional strategy is commendably explicit about the proposed levels of growth assumed for Bicester, Didcot, and Wantage/Grove (E7, para 2.4). This is where the strategy envisages most of the new greenfield land would need to be found. The principal authority defends the choice of these towns in that they are close to employment locations, well related to transport networks and relatively unconstrained physically. Several participants criticised this approach as being too much of a roll forward of the country town's strategy found in previous structure plans, despite a warning in the recent EiP Panel Report at para 2.27 that beyond the structure plan period, i.e. post 2016, this may have "run its course".
- 22.55 We agree with these criticisms insofar as there appears to have been only a very cursory comparison of spatial options, and seemingly no consideration of an SDA as required in SEERA's original brief. Despite a more Oxford focused strategy being supported by the City Council and two local authorities, the options included in the public consultation in autumn 2005 were only minor variations of the country town's strategy with and without Wantage/Grove. The leaflet did allow for suggestions on alternative strategies, and it is significant that a majority of responses favoured more development at Oxford<sup>22</sup>.
- 22.56 The option of a new settlement received even less consideration. Although it featured in the April 2004 sub-regional study it was dismissed in October 2004 on the basis that there was little prospect of developing one that did not "impinge on existing settlements"<sup>23</sup>. This hardly seems robust given that the same reason could be given against any of the options. Nor did a new settlement ever feature in any SA testing. A variety of new settlement proposals were put to us including those outside the Green Belt in an eastern direction (around Milton Common) and to the north (around Weston on the Green), and on brownfield land inside the Green Belt to the north at Shipton on Cherwell. Terence O'Rourke asserted that a major benefit of the eastern option was that it was located away from the A34 corridor, although we would have concerns that a location close to the M40 could increase car commuting towards London. Although there would be a different pattern of environmental and socio-economic impacts, on balance we consider that an urban extension at the regional hub itself would provide a more sustainable solution, particularly on travel patterns.
- 22.57 We have already made it clear that we do not consider that the needs of Oxford city are sufficiently recognised in the draft strategy. But because we see a need for increasing the sub-regional housing total it is not a case of redistributing the draft Plan's housing levels between districts, but of adding additional growth for Oxford on top. We do not consider that this additional growth at Oxford would necessarily harm the chances of the country town is becoming more self-contained – an objective that they are “on the cusp” of achieving, according to Oxfordshire CC.

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<sup>22</sup> 56% (1700 of 3000 responses), as quoted in Savills statement Matter 8Eii.3

<sup>23</sup> Oxfordshire CC Executive Committee, para 36, October 2004 [CO17]

## Oxford

### *Case for a Green Belt Review*

- 22.58 The City Council has undertaken further work since the draft Plan was submitted and on the basis of extant planning permissions, adopted local plan allocations, windfall estimates and a NGP allocation in the West End, it is anticipated that it can provide nearly 5,700 dwellings by 2016. If its housing level remained at 7,000, there would be a dramatic slowdown in the second half of the plan period. The City Council's advice is that an additional 5,000 (250 dpa) should be accommodated in or close to the City. From its LDF preferred options work it estimates the capacity of its safeguarded land at between 500-2,000 dwellings, depending on how much may be needed for employment purposes. Implicit in the Council's thinking however is that a major element of any longer term solution would need to be an urban extension.
- 22.59 Having examined all the evidence before us, our own views accord with those of the City Council that an urban extension will be required in the longer term. This will inevitably mean a review of Green Belt boundaries. We do not come to this conclusion lightly. We are fully aware of the value placed by local residents on each part of the Green Belt, of the functions that it fulfils particularly in protecting the landscape setting of this historic city, and the policy intention that Green Belts are permanent.
- 22.60 However we believe that there are **exceptional circumstances** to justify a Green Belt review in terms that would satisfy PPG 2, para 2.6. First in addition to the regional imperative for a higher sub-regional housing level, there are indicators of need that are specific to Oxford:
- significant potential within nationally important science, technology and education sectors;
  - a significant excess of jobs already over working population;
  - staff recruitment and retention problems reported by key businesses and public services;
  - housing affordability ratios in excess of the regional average;
  - some of the highest house prices in the region;
  - a large backlog of housing need;
  - worsening traffic congestion.
- 22.61 Secondly in terms of alternative settlement patterns, we have no reason to question the urban potential estimates for Oxford assumed within the draft Plan and we believe that there are limits to the extent that significantly more development could be accommodated within the urban fabric, without damaging the special character of the city and putting pressure on its green spaces. It will also be difficult to provide an appropriate mix of dwelling sizes including family accommodation if limited to urban infill and redevelopment<sup>24</sup>.
- 22.62 Thirdly opportunities for development beyond the Green Belt have been thoroughly reviewed in preparing this sub-regional strategy, and such potential as has been identified would still be included in RSS. Nevertheless there could be dangers in further "jumping of the Green Belt", as illustrated not just in debates at this EiP but

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<sup>24</sup> Over 90% of recent development has been in 1-2 bed units and some 75% at over 50 dph, Oxford City Council, Matter 8Eii.3 debate

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also in the recent national review of the planning system where Oxford was used as a case study<sup>25</sup>.

- 22.63 The implications for sustainable development including the effects on car travel of channelling development beyond the outer Green Belt boundary are also recognised as a legitimate factor in considering inner Green Belt boundaries (PPG2, para 2.10). In this context we note that residents of Didcot, Bicester and Wantage have longer journeys to work than those in Oxford, and that they are less likely to travel to work by bus. This comparison still holds good when the southern wards of Oxford are analysed separately<sup>26</sup>. We find these statistics giving absolute flows at 2001 more persuasive than the time series indicator that the proportion of those living in the country towns but working in Oxford has reduced slightly between 1991 and 2001. We are not convinced that a major new settlement outside the Green Belt could be sufficiently self-contained as to outweigh the advantages for sustainable travel of an extension of the regional hub.
- 22.64 Although the advantages and disadvantages of growth at Oxford compared to further growth at the country towns has not been formally documented in any detail, we are confident that sufficient evidence is available within the EiP documentation to justify this comparative strand of the exceptional circumstances test.
- 22.65 The City Council advocate that the next steps should be a strategic Green Belt review<sup>27</sup>. We are concerned about the potential for yet more delay if we were to recommend this. It could also cause needless worry to residents, as illustrated by the concerns voiced by the Oxford Green Belt Network on behalf of many village communities, that any form of Green Belt review would be opening a "Pandora's box" with the risk that the whole Green Belt would become vulnerable. In our view a highly focused, selective Green Belt review would be preferable given the amount of evidence already amassed.

#### *Preferred Location*

- 22.66 This is not the first time that an urban extension to Oxford has been considered. Two locations were identified to have the least impact on the integrity of the Green Belt in background work for the recent structure plan<sup>28</sup>: on the south side (south of Grenoble Road) and to the north west (between Kidlington and Yarnton). The former was included in the deposit draft structure plan, September 2003, but was withdrawn in pre-EiP changes on the basis that it was not needed as further urban capacity had been identified within Oxford.
- 22.67 We were presented with two very full analyses of the Green Belt<sup>29</sup>, which result from site work and review of previous studies including a detailed landscape character assessment undertaken for the Countryside Agency in 2002. This earlier work suggested that the Clay Vales contribute the least of the eight landscape types to the distinctiveness of Oxford's setting. Both recent studies examine the functions of the Green Belt in detail, taking account of a range of factors including viewing cones, hills, floodplains, settlement gaps, ecology, heritage, and the ability of the landscape

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<sup>25</sup> Barker 2 Review of Land Use Planning Interim Report, Box 8.3 and para 6.56, the Barker team for Treasury and CLG, July 2006 [En5]

<sup>26</sup> DLA statement, paras 1.12-1.14 for 2001 Census results, Matter 8Eii.3

<sup>27</sup> Oxford City Council's Matter 8Eii.3 statement gives their suggested review criteria

<sup>28</sup> Oxfordshire Structure Plan 2016, Deposit Draft, Feasibility Report, pages 17-19, Oxfordshire CC, 2003

<sup>29</sup> Review of the Oxford Green Belt, Colin Buchanan for Hallam and Bloor, June 2006 (rep 8127) and Development around Oxford, Environmental and Landscape Considerations, Faulks Perry Culley and Rech for Magdalen College, Oxford and Thames Water Property, June 2006 (rep 8150)



- to absorb development. Both studies produce composite maps that confirm that the two areas identified in structure plan feasibility work are amongst the least constrained.
- 22.68 Various conceptual proposals were submitted by developers and landowners in each of these locations. This allowed us to visualise how potentially developable land would relate to existing infrastructure and employment opportunities within the city, and to surrounding villages within the Green Belt.
- 22.69 Of the two locations we have a strong preference for the southern edge of the city because:
- it could more easily be integrated with existing city public transport systems;
  - it is closer to employment sources, including the Oxford Science Park, Oxford Business Park, and BMW;
  - any potential employment component in a mixed use scheme would provide less competition with Bicester (see para 22.22 above), although it is not at this stage clear that more employment land would necessarily be required (see para 22.25);
  - there would be less risk of coalescence with surrounding settlements than between Kidlington, Yarnton and Begbroke<sup>30</sup>);
  - it was the selected location in the deposit draft structure plan.
- 22.70 Initial work by developers confirms that there is a viable proposition for an urban extension of at least 4,000 on the south side of Oxford, sufficient to support a secondary school, despite the need to relocate utilities infrastructure. In relation to the north west option the University of Oxford indicated that they are no longer pursuing their original mixed use proposal based around their Begbroke Science Park<sup>31</sup>, but are instead expanding within the city.
- 22.71 We have reviewed the evidence submitted by SODC<sup>32</sup> that an urban extension on the south side of Oxford would exacerbate existing traffic problems, despite the assumed incorporation of bus route extensions and a park and ride site. Uncertainties are acknowledged within the report that the relevant land was at the extreme edge of the model area. Nevertheless we accept that access is currently poor and that more detailed transport impact appraisal would have to be undertaken in subsequent work.

### *Next Steps*

- 22.72 The boundary between Oxford city and South Oxfordshire runs through the area immediately south of the city, and it is therefore vital that the RSS gives a clear steer to the need for joint working. We therefore recommend that a southern extension of Oxford is indicated as an SDA on the Key Diagram, and that Policy CO3 is amended to indicate that a selective review of Green Belt boundaries will take place there. If the Secretary of State is minded to accept this recommendation, its implications will be tested through an SA and AA of the proposed changes, which in turn will be subject to full public consultation. By the time that the RSS is adopted there should be sufficient confidence for Oxford City Council and SODC to move straight to a joint Area Action Plan (AAP), if they have completed their LDF core strategies by then.
- 22.73 We assume that a strategic overview of the southern edge of Oxford would provide a first step in this process in order to identify the most appropriate land for development with the least harm to Green Belt functions. The joint AAP or other joint LDD would

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<sup>30</sup> Oxfordshire Structure Plan 2016 Feasibility Study para 35, September 2003 [Ss3]

<sup>31</sup> Masterplanning and impact studies submitted by Turnberry for the University of Oxford [rep 8076]

<sup>32</sup> SE Plan EIP - Grenoble Road, Halcrow for Oxfordshire CC, January 2007 [SOXDC2]

document the very special circumstances that justify taking land out of the Green Belt. It would also identify additional safeguarded land to ensure that Green Belt boundaries endure over the long term, as well as providing a conceptual masterplan of the form of extension envisaged. Such a process would be subject to public consultation and examination.

- 22.74 We are confident that the local authorities will wish to involve representatives of the surrounding village communities in drawing up their proposals, so that they can contribute to the design of landscaping and green infrastructure to maintain their village identities. Although we sympathise with the fears of the Baldons PC and residents of Garsington<sup>33</sup>, we have no reason to doubt that a satisfactory masterplanning solution could be achieved.
- 22.75 Pending the completion of more detailed work, we recommend showing a notional allowance of 4,000 dwellings for a south Oxford SDA in Policies CO2 and H1, together with an appropriate footnote to indicate the cross boundary implications. We also recommend adding 1,000 dwellings to Oxford city's level to incorporate any net addition that arises from its NGP status, which we support, and any limited additional urban intensification. This should allow sufficient scope for a sustainable urban extension (of around 4,000) to be planned and implemented by 2026. Whether there is further potential for expansion beyond this will no doubt be tested during the AAP work.
- 22.76 Because of the sensitivity of the subject matter, we urge GOSE to stimulate and monitor progress on this AAP.

#### **Didcot (South Oxfordshire and Vale of White Horse)**

- 22.77 A guideline figure of about 7,300 dwellings at Didcot is given, about 3,000 of which would be in the second half of the plan period (E7, para 2.4 and Policy CO2 footnote). Since then a further 1,500 dwellings is expected as a result of NGP status (see para 22.47 above). We are largely supportive of this growth at Didcot given that it is well connected by rail and is close to business parks and research centres with growth potential, and because of the willingness to collaborate by the adjoining local authorities with other delivery agencies and developers. However there will be challenges on a number of fronts as discussed below<sup>34</sup>.
- 22.78 We were impressed with the thoroughness of the background work which was designed to inform the apportionment of the longer-term dwellings allocation in Policy CO2 (3,000 dwellings). This covered landscape appraisal, SFRA, agricultural land classification, local traffic modelling, and a brief SA for 9 separate sites, together with public consultation<sup>35</sup>. The process was made more complicated though by the acceptance of South Oxfordshire's bid as a NGP which means delivery of an additional 1,500 dwellings. The same background work was clearly intended to demonstrate to us that this could be accommodated, although the only explicit recognition of a partial increase in housing numbers was in the final traffic modelling work.

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<sup>33</sup> Letters sent as a result of a public meeting held in December 2006, appendix to Garsington Parish Council statement Matter 8Eii

<sup>34</sup> Western Villages Alliance statement Matter 8Eii.4 contains a useful summary of constraints

<sup>35</sup> Didcot Area Housing – Meeting the Regional Requirement, SODC, VWHDC, Oxfordshire CC, December 2006 [CO33] together with mapped information attached to Oxfordshire CC Committee report, January 2007 [CO30]

- 22.79 From our interpretation of the background material, we are content that there is sufficient land identified that could accommodate this larger dwellings figure, although there are clearly challenges in terms of infrastructure and phasing.
- 22.80 We were led to believe that existing commitments are sufficient to meet the initially assumed dwellings total up to 2016, and hence the debate centred around whether it was possible for the town to deliver and assimilate a further 1,500 dwellings as a result of the NGP, and a longer-term growth of 3,000.
- 22.81 Residents groups, whether they were for or against additional expansion of Didcot, were unanimous about infrastructure shortages in the town as a result of past levels of growth. This included town centre and leisure facilities, tertiary education, together with pressing issues relating to transport. The traffic modelling studies predict that with the currently committed level of housing development and infrastructure, the road network will be at capacity by 2016. Key to unlocking subsequent development will be the Harwell bypass. This will enable a link to be made from the western part of the town on to the A417 and across the A34, opening up access to the Harwell Centre and enabling an alternative access onto the A34 avoiding the congested Milton interchange. A northern extension of the Harwell bypass would enable a connection from the western part of the town on to the A4130 with access to the Milton Business Park, collectively termed the Western Link Road. VWHDC was confident that funding sources had largely been identified for the Harwell bypass.
- 22.82 Didcot has a poor record of recent housing delivery. We were told that this arises from delays to existing commitments on the north east and western edge of the town, but that the large Great Western Park would begin delivery in 2008/09 with a 9 year buildout. The highest completion rates achieved by Didcot have been in the mid-1990s at over 400 dpa. SODC was confident that this could be improved given that they were now seeking a much higher proportion of affordable housing, which opens up another occupancy sector. Research commissioned by them suggests that an annual rate of 500-600 dpa might be achieved, and that even 900 dpa might be possible, as would be required to achieve the trajectory implied in the NGP numbers. We agree with Didcot Town Council and others who considered this to be unrealistically ambitious, and doubt the comparability of Swindon and Milton Keynes used as benchmarks in the study<sup>36</sup>. Nevertheless SODC have agreed with GOSE that frontloading of housing provision within the rest of their district could meet the terms of the NGP status, and it is not for us to question these administrative arrangements.
- 22.83 Despite our concern about delivery rates in the short term, we consider that NGP status would have longer-term benefits here. The amount of growth proposed for Didcot by the draft Plan and NGP proposals would almost double its current size according to the Western Villages Alliance. In the absence of a Local Delivery Vehicle, we consider that NGP status will bring valuable access to outside expertise, pump priming funds for new initiatives and studies, and hopefully some capital contribution to new infrastructure.
- 22.84 The outcome of the site analysis and infrastructure phasing considerations is that land in South Oxfordshire is more likely to be used to accommodate the additional 1,500 dwellings under the NGP up to 2016, whereas a greater proportion of the longer-term growth is likely to be in Vale of White Horse<sup>37</sup>. However an equal split of both elements is envisaged. Since Policy CO2 does not distinguish phasing, the original

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<sup>36</sup> Assessing the amount of growth that Didcot can accommodate to 2026, Knight Frank for South Oxfordshire DC, January 2007 [SOXDC1]

<sup>37</sup> SODC and VWHDC letters to GOSE, 22 February 2007 attached to Summary of NGP Dwelling Numbers [GOSE3A]

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50/50 split between the two districts still remains, but we recommend that each of these figures is increased by 750 to take account of the new NGP, and the footnote is now deleted. We further recommend that a summary of the phasing implications of Didcot's growth between the two adjoining local authority areas, together with the intention to operate a pooled system of development contributions to fund the Harwell bypass and its northern extension is given in the accompanying text.

- 22.85 We welcome ongoing work that is seeking to integrate Didcot with Wantage/Grove and intervening employment opportunities to the west. A Southern Quadrant Partnership including the two local authorities and SEEDA is seeking to strengthen this southern economic growth area. A similar geographical area is covered by an ongoing integrated transport study. We have already suggested that this development axis is identified more clearly in the spatial strategy for this sub-region.

### **Wantage/Grove (Vale of White Horse)**

- 22.86 A guideline figure of about 3,400 dwellings at Wantage/Grove is said to be assumed in Policy CO2 (E7, para 2.4). We support this allocation, primarily because of its interlinkage with Didcot and areas of employment growth potential<sup>38</sup>, as identified above. The allocation is a sizeable increase on a relatively modest settlement (Wantage had a population of about 10,500 in 2001), and the implied build rate has not been equalled since the late 1970s. But the District Council confirmed that about 75% of this capacity is accounted for by a single site already in their Local Plan, for which an application is expected this year, and which would fund the Grove northern link road. We see no case for increasing this guideline figure, particularly as it is the only named settlement without a rail station, a situation which appears unlikely to change. But it does have the merit of being less dependent on the A34 corridor than Didcot or Bicester.

### **Bicester (Cherwell)**

- 22.87 Policy CO2 is said to assume a guideline figure of about 4,300 dwellings at Bicester (E7, para 2.4), which is a town of about 29,000 population. This continues the recent rate of completions of about 200 dpa in this town. We support this housing level and acknowledge the partnership work being undertaken to improve the town's infrastructure, its centre and its employment offer. It is very dependent on out-commuting, including the use of the Chiltern Line into London. Until it becomes more attractive to new sources of economic activity, as is the objective of the strategy, we see no case for increasing this guideline figure.

### **Rest of Central Oxfordshire (including Witney, West Oxfordshire)**

- 22.88 In accordance with Policy CO1, outside the main locations of Oxford, Bicester, Didcot, Wantage and Grove, limited development will be permitted to support the social and economic well-being of local communities. Policy CO2 implies that 12,000 dwellings (2006-26) will be allocated to these other areas. With the exception of VWHDC the District Councils are generally content that this apportionment would make adequate provision for sustainable development in these parts of the sub-region while respecting the environmental and policy constraints. We were reminded that much of the area outside Didcot is in the Green Belt.

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<sup>38</sup> 2,200 additional jobs are expected to 2026 by the Harwell Campus Site Organisations, on top of the current 4,600 jobs, Matter 8Ei.1statement

- 22.89 In VWHDC about 1,300 dwellings would be required on greenfield sites outside the main locations. As we have set out above, we are sympathetic to the Council's view that this would place unsustainable pressures to extend small rural settlements and we have therefore agreed to their request to reduce their proposed housing level in the sub-region outside Didcot (see para 22.49).
- 22.90 Developer interests, on the other hand, are not satisfied with the implications of Policies CO1 and CO2 for other towns in the sub-region. We heard arguments that Witney (23,000 pop approx<sup>39</sup>) should be recognised for its potential for higher levels of growth, taking account of its existing good level of employment and higher order services and the advantage of reducing pressures on the A34 corridor. It was also suggested that more employment growth at Witney could sustainably encourage east to west movements along the A40 by using spare capacity on the high quality Oxford to Witney bus link.
- 22.91 We recognise that Witney's status as a main location under Policy H1 of the Oxfordshire Structure Plan is not replicated in the draft Plan. This is reflected by the reduced allocation for West Oxfordshire district as a whole compared with RPG9 (335 dpa compared with 453 dpa) and by the level of 160 dpa proposed for the sub-regional part of the district. Net completion rates 2001-06 have averaged 554 dpa. As a result, there are fears that current rates of housing completions will fall dramatically in the middle and later phases of the Plan period and that reserve site provision to the west of the town will be unnecessarily held back. Also, Barton Wilmore argued that the stock of employment land is too low.
- 22.92 However, we are not convinced that there is a case for a much higher rate of growth at Witney as a means of relieving pressure on the A34 corridor. Witney's historic core has serious traffic constraints and the A40 link with Oxford suffers heavy congestion. We do not consider that these problems are likely to be overcome by a shift to public transport and we would have concerns about the implications of diverting scarce resources from the necessary investment in the A34 corridor. Increased self-containment of the town would be beneficial but there is already a broad balance between the number of economically active residents and jobs. We heard little about future needs for employment land but have no reason to doubt that existing commitments and regeneration of existing sites will be adequate to meet needs.
- 22.93 We do nonetheless have concerns that the proposed housing provision figure would unnecessarily constrain the market in Witney, and in our view a small uplift in the figure would enable a sustainable level of growth to be maintained in the town. This would increase the opportunities for affordable housing provision and give flexibility to respond to growth in the local economy and would make use of land that has already been identified for longer-term growth. As a result, we suggest that the district's sub-regional component should be increased from 160 dpa to 190 dpa, an increase of 600 dwellings, but do not consider that this justifies a specific reference to Witney in Policy CO1.
- 22.94 We agree with the District Councils that having regard to the capacity and the constraints affecting the other small towns in the sub-region such as Abingdon, Eynsham, Faringdon, Wallingford and Woodstock, it would not be justified to make any further amendment of the implied provision level for these areas.

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<sup>39</sup> As at 2001. Source: Oxfordshire County Council.

## Flexibility on Housing Levels between Central Oxfordshire and Rest of County

22.95 As part of the general debates on housing levels in Oxfordshire, the District Councils pressed for flexibility to be built into the sub-regional policy framework to accommodate the housing requirement in the most sustainable manner, irrespective of the sub-regional boundary. We have referred above to the particular case of VWHDC where we agree to a re-distribution for these reasons, but as set out in our consideration of the Rest of Oxfordshire (Chapter 26) we do not find sufficient reason to adopt a flexible approach generally to the split districts here.

## Affordable Housing a

22.96 Policy CO4 states that at least 50% of all new housing should be affordable. This is the highest level sought throughout the region. Concerns were expressed at the EiP not only about the scale, but also the intended status of this level.

22.97 We consider that a level above the regional target is justifiable in this sub-region for the following reasons.

- Housing affordability ratios are amongst the worst here in the whole region (primarily due to high house prices).
- Recent housing needs surveys have shown that affordable housing needs exceed the total amount of new development proposed (E7, para 2.6) including the high level of backlog.
- There is significantly higher levels of overcrowding and unfit homes than the regional average, particularly in Oxford city<sup>40</sup>.
- Targets above the regional average are already included in all the adopted Local Plans, with the exception of Cherwell. Oxford city also has an affordable housing SPG.

22.98 However we are concerned about a level as high as "at least 50%". Only Oxford city and West Oxfordshire DC in its rural settlements seek 50%, and few of the five districts have achieved much more than 20% affordable housing as a proportion of total new housing in any year over the 2001/02-2005/06 period<sup>41</sup>. It is also questionable whether "at least" 50% is compatible with the creation of mixed sustainable communities.

22.99 As to its status, we consider that it should be treated as a 'target' for consistency with other parts of the region<sup>42</sup>. It is intended to guide subsequent LDF preparation, as well as to provide a monitoring benchmark. But as made clear in Chapter 8 not all LDFs need be set at this level, and split districts would not necessarily be expected to include separate targets for areas inside and outside of sub-regions. We consider it perfectly legitimate for this target to be expressed in aspirational terms, since it may also contribute to setting the tone for development control negotiations, but there must be a sense of realism.

22.100 The problem in this sub-region is how to pitch a single target that will be realistic for the less highly priced areas but at the same time not weaken the negotiating position in Oxford city. The two options appear to be to express the target as "up to 50%" or "at

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<sup>40</sup> Oxford City Council statement Matter 8Eii.1, para 3

<sup>41</sup> RPS statement Matter 8Eii.2, Table 4

<sup>42</sup> This is a different interpretation from that accepted by the recent structure plan EiP Panel who accepted 50% as a monitoring level (transferred from policy into the text)

least 40% or 45%". On balance we consider that the target should be expressed as "at least 40%" because:

- viability work has not yet been undertaken to any great extent, and the results of the Housing Market Assessment had not been published by the end of the EiP;
- there appeared to be some confusion on the part of the principal authority as to whether the omission of low-cost market housing from the definition of affordable housing would change the target level<sup>43</sup>;
- the target is a proportion of all new housing, and hence a higher percentage would need to be achieved on some qualifying sites with small infrastructure contributions or lower land values, to offset lower provision on sites with older permissions and little or no provision on small sites;
- the "at least" terminology should avoid any weakening of the negotiating position within Oxford city (and in rural areas of West Oxfordshire).

22.101 There is an important reference to key worker housing in Policy CO4. Although it was generally accepted that guidance about type and size of affordable housing should be left to the LDF level, background work has been undertaken in Oxfordshire. This substantiates the shortage of housing opportunities for key workers through worker and employer surveys, and provides evidence of potential employees rejecting job offers because they were unable to find affordable housing in the area<sup>44</sup>. This points to the need for a range of affordable housing types, including in the intermediate sector. Although this is covered in the regional policy, because of its special significance to this sub-region, we consider that some elaboration would be appropriate in the background text.

22.102 Finally we are not convinced that affordable housing requires a separate policy. The information in the second sentence of the policy is already included in Policy H4 as amended to include reference to site size thresholds. The final statement about the in perpetuity benefits of affordable housing is implied in the affordable housing definition accompanying the regional policy, but could perhaps be made more explicit. We recommend that the opening sentence of Policy CO4 is relocated to Policy CO2, but with the adjustment to the level as above.

## **IMPLEMENTATION a**

### **Implementation Plan Proposals a**

22.103 We acknowledge that there has been a real attempt to identify only schemes of sub-regional significance in the SRIF table. Of the 11 transport themes identified, 5 are components of an Access to Oxford package and the remainder are schemes to facilitate new development at the country towns named in the strategy, together with Witney which has experienced considerable recent growth. GOSE largely endorsed the identification of these themes as basically sound and deliverable, and having emerged from a clear sub-regional transport strategy.

22.104 Subsequent additions may be necessary as more detailed work takes place on the growth locations, e.g. the Didcot - Wantage/Grove corridor where recent traffic modelling work indicates the importance of a Western Link Road at Didcot from the A4130 to A417. The southern part of this is reflected in the SRIF under the name of

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<sup>43</sup> The definition used in Oxfordshire CC's formal advice to SEERA in December 2005 clearly included low-cost market housing [SEP16, affordable housing paper, para 2]

<sup>44</sup> Key Worker Housing Needs Survey for the Oxfordshire Community Partnership, November 2004 quoted in SEP16, para 4

the Harwell Bypass. Rather than including the possibility of its southern extension to Chilton, consideration may need to be given to including its northern extension to the A4130. Other than this we were not convinced by arguments from other participants for the inclusion of additional schemes within these tables at this stage.

- 22.105 We comment further on the current state of East-West Rail in Chapter 23 on the MKAV sub-region.
- 22.106 We recognise that there has been an attempt to balance transport themes with water-related investment. Although we welcome this, we are not convinced that the development-related water supply and waste water treatment upgrades listed are of sub-regional importance. The possibility of an Upper Thames Reservoir, which would be a more significant scheme within the sub-region, is already included in the regional investment tables. We agree that the Banbury Flood Alleviation Scheme, although EA funding has apparently been delayed on this, should remain in the investment tables, although it should be transferred to our suggested Areas outside Sub-Regions schedule given that it is not located within the Central Oxfordshire sub-region.
- 22.107 We were not convinced that there were any missing elements in terms of cultural facilities or green infrastructure of sub-regional importance. Measures to manage recreational pressure at the Oxford Meadows SAC, as envisaged to be necessary by the Wildlife Trust, would be of local significance, and in any event such measures are now given more explicit recognition in the Assembly's additions to Policy NRM4 arising from the AA which we endorse (see Chapter 10).
- 22.108 Minor amendments to the SRIFs were identified by the principal authority, and this will no doubt be taken on board when the next version of the Implementation Plan is produced<sup>45</sup>.

## **Transport (Policy CO6) a**

- 22.109 Turning now to how the identified themes are reflected in the draft Plan, the Access to Oxford package is identified as the sub-regional transport priority in Policy CO6. This is amongst the schemes included in the Regional Funding Allocation bid for 2009/10-2015/16. This advice was accepted by the Secretary of State for Transport as a basis for further appraisal of the measures within the package<sup>46</sup>. The development-linked objectives of the other Implementation Plan schemes are included in the supporting text to this policy. Hence the relationship between the draft Plan and Implementation Plan is very explicit, and to our mind provides a good practice role model of what might be sought in other sub-regional strategies in finalising the RSS.
- 22.110 Some participants argued for additional priorities to be expressed in Policy CO6. In our view this would dilute its clarity. But there is scope to make the supporting text (E7, paras 2.14-2.16) even clearer, as follows.
- In respect of the A34 the measures contained within the concepts of active traffic management, intelligent transport systems and access management could be made more explicit, given the need to reconcile its importance for longer distance traffic as well as development-related movement. Parallel initiatives to upgrade the freight capability along the South Hampshire-West Midlands rail network under Policy T11 could also be cross referenced.

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<sup>45</sup> Email from Oxfordshire CC to Panel Secretary, 28 March 2007 [CO35]

<sup>46</sup> Secretary of State for Transport's letter to the SE Regional Transport Board of 29 March 2007 [Tr3B]



- The existing reference to East-West Rail could be expanded to refer to ongoing collaboration with authorities in the MKAV sub-region to find a way of capturing development value along the route to facilitate its implementation.
- The objective of improving multimodal transport links in the corridor between Didcot and Wantage/Grove to improve access between homes and jobs could be brought out more clearly.

22.111 Policy CO6 implies that only Oxfordshire CC will be involved in the management and development of transport networks. Although it undoubtedly has an important role as both local highway authority and local transport authority, we recommend that the role of other key agencies is also recognised (HA and Network Rail).

### **Infrastructure (Policy CO7) a**

22.112 Policy CO7 contains the stipulation that development will be contingent on the provision of timely infrastructure. For the reasons given elsewhere (Chapter 5) we consider that this should be deleted. Indeed the principal authority confirmed that it was not their intention to suggest an additional development control test over and above normal planning processes.

22.113 We consider that the remainder of Policy CO7 is unnecessary and could be deleted. The content of the first sentence is adequately covered in the background text E7, para 2.17, and the reference to the SRIFs could be included in E7, para 2.18.

22.114 We support the recognition given to social and environmental infrastructure (E7, para 2.18). The need to improve attractions and town centre facilities particularly in Didcot and Bicester is a useful complement to their importance in the spatial strategy. A cross-reference to the possible need for an Upper Thames Reservoir could be made to Policy NRM2.

### **Institutional Arrangements a**

22.115 It was generally accepted that implementation of this sub-regional strategy was an easier prospect than in some others since there are well established joint working arrangements within this single County. This should ensure a coordinated approach to monitoring of the strategy. Nevertheless the existing Implementation section at the end of the strategy could usefully be expanded in respect of partnership arrangements and subsequent LDF working arrangements.

22.116 Partnership arrangements that might be highlighted are:

- the NGP partnership arrangements with Government for Didcot and Oxford
- a recently formed Management Board between Oxfordshire CC and the HA
- the Southern Quadrant Partnership linking Didcot and Wantage/Grove
- the West End regeneration partners in Oxford
- the business led group at Bicester.

22.117 If our recommendations are accepted for the two key development proposals in this sub-region, Didcot and Oxford, we suggest that the need for joint working at LDF level is stressed. In Didcot working relationships are already well established between SODC and VWHDC, as discussed above (see para 22.77), and coordinated LDF Core Strategies have been prepared in parallel covering the first growth phases.

22.118 Our recommendation for an SDA in south Oxford will require new working arrangements to be forged between Oxford City Council and SODC. We appreciate that SODC have so far fiercely opposed any outward expansion of Oxford into their

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area, but we hope that previous differences of opinion can be put aside and that joint work can progress on a selective Green Belt review as part of an AAP. As already mentioned, we recommend that GOSE offers procedural assistance and monitors progress closely.

22.119 The table showing delivery mechanisms and lead/support agencies would be better located in the Implementation Plan.

## **RECOMMENDATIONS a**

### **Recommendation 22.1 a**

Revise Policy CO1 to reflect an aspiration to maintain its world-class status, to incorporate growth immediately adjacent to as well as within Oxford, and to make explicit an aim to improve the self-containment of the surrounding (so-called “country”) towns (para 22.12, 22.13)

### **Recommendation 22.2 a**

Expand the text to Policy CO1 to acknowledge the cross boundary interrelationships including the Oxford to Cambridge Arc initiative and the regional priority given to the reinstatement of an East-West Rail link, and include the aim of fostering a development axis between Didcot and Wantage/Grove based on its economic strengths and to improve public transport between homes and jobs in the southern part of the sub-region. (para 22.6, 22.13)

### **Recommendation 22.3 a**

Amend the housing provision levels in Policy CO2 by:

- increasing the total sub-region from 34,000 to 40,100 2006-26. (para 22.50)
- increasing South Oxfordshire (part) by 750 dwellings to take account of the NGP. (para 22.84)
- decreasing the Vale of White Horse (part) by 250 dwellings (+ 750 for the Didcot NGP but – 1,000 in the remaining part of the district within the sub-region outside Didcot and Wantage/Grove. (paras 22.49, 22.84)
- increasing Oxford by 1,000 dwellings to take account of the NGP. (para 22.75)
- including a south Oxford SDA of some 4,000 dwellings to be divided between Oxford and South Oxfordshire as a result of more detailed work. (para 22.75)
- increasing West Oxfordshire by 600 dwellings to reflect the potential of Witney. (para 22.93)

### **Recommendation 22.4 a**

Give in the accompanying text to Policy CO2 a summary of the phasing implications of Didcot's growth between the two adjoining local authority areas, together with the intention to operate a pooled system of development contributions to fund the Harwell bypass and its northern extension. (para 22.84)

### **Recommendation 22.5 a**

Add to Policy CO3 that a selective review of Green Belt on the southern edge of Oxford will be undertaken through a coordinated LDD. (paras 22.65, 22.72)

**a**

**Recommendation 22.6 a**

Amend the affordable housing target to "at least 40%" from at least 50%, and relocate the opening sentence of Policy CO4 to Policy CO2 and delete the rest of Policy CO4 (paras 22.100, 22.102)

**Recommendation 22.7 a**

Redraft Policy CO5 on employment land provision to indicate the positive objectives being sought at the named locations (para 22.24), and to acknowledge that some new employment land in addition to the safeguarded land may be needed, but that the objective should be to avoid worsening the jobs-housing imbalance. (para 22.25)

**Recommendation 22.8 a**

Include a job growth estimate of 18,000 for monitoring against for the 2006-16 period, and the elements of smart growth most relevant to this sub-region in the text to Policy CO5. (paras 22.15, 22.31)

**Recommendation 22.9 a**

Amend Policy CO6 on transport to indicate that Oxfordshire CC will work with the HA and Network Rail to achieve these objectives (para 22.105)

**Recommendation 22.10 a**

Clarify the supporting text to Policy CO6 in respect of management measures on the A34, by expanding the existing reference to East-West Rail, by giving more emphasis to the objective of improving multimodal transport links in the corridor between Didcot and Wantage/Grove to improve access between homes and jobs. (para 22.110)

**Recommendation 22.11 a**

Delete Policy CO7 on infrastructure. (paras 22.112, 22.113)

**Recommendation 22.12 a**

In the Infrastructure text, make a cross-reference to Policy NRM2 on the possible need for an Upper Thames Reservoir (para 22.114)

**Recommendation 22.13 a**

Expand the final Implementation section to indicate partnership arrangements and to stress the need for joint working at LDF level between SODC and VWHDC on Didcot, and between SODC and Oxford City Council on the south Oxford SDA. (paras 22.115, 22.117)

**a**



## **23 | MILTON KEYNES | AYLESBURY VALE |**

Matter 8F

*This chapter considers the content of the draft Plan's MKAV section against that of the Milton Keynes South Midlands Sub-Regional Strategy. It looks at economic prospects for the area and at employment land provision. The chapter examines the longer term housing provision for the two Growth Areas, and recommends an addition to Milton Keynes to make up for underperformance on delivery since 2001 and a rephrasing, and adjustments for those parts of both districts outside Milton Keynes and Aylesbury towns. The chapter examines in depth the locational direction for the longer term growth of Milton Keynes, recommends SDAs to the south east and south west and sets out phasing and apportionment of the housing provision by district to accommodate that growth. Finally, the chapter seeks to strengthen the Implementation and Delivery section.*

### **OVERVIEW |**

- 23.1 The rationale for this sub-region comes from the Growth Area status of both main towns under the Sustainable Communities Plan, and hence is not in question. Most of its policy content comes directly from the adopted Milton Keynes South Midlands (MKSM) Sub-Regional Strategy, March 2005, but with housing levels rolled forward as discussed in the Housing section below. Background work on how such housing might be accommodated in and around Milton Keynes has been locationally more specific than in other sub-regions, with the aim of informing an apportionment between districts. This is because the periphery of Milton Keynes is close to the boundaries of two other districts, one of which is in the neighbouring region.
- 23.2 The policy structure is also different from other sub-regional strategies within the draft South East Plan, comprising a single policy for each main town together with a third on sustainable communities. We have considered the scope for an alternative topic-based structure, but consider that the circumstances in the two towns are so different as to make this approach more difficult, together with providing a discontinuity with the MKSM Part B statement. Nevertheless, it would in our view be helpful for the strategy to reflect a greater integration between Milton Keynes and Aylesbury and we suggest two ways of doing this:
- an opening section which gives a stronger strategic framework and spatial strategy for the combined area; and
  - an additional table in the background text which distinguishes the different elements of the district-wide housing levels, including cross boundary components (see para 23.125).
- 23.3 The principal authorities have not sought to include a strategic framework because they assume that the MKSM Part A statement will continue to provide this (E8, para 1.2). It is by no means clear that this is Government's intention, but for our part we would like to see the Part A statement remaining in existence even when amendments to Part B statements have been adopted within each component RSS. The MKSM strategy provides an additional overarching element to RSS for the three component regions, namely it provides
- a wider spatial context within which the catchment areas of each of the main towns can be seen;
  - it provides a longer-term perspective to 2031, and
  - it provides the basis for joint working such as that now taking place within the health sector, as well as through the Inter-Regional Board.

We also note that the East of England RSS proposed changes have been made on the basis that the MKSM strategy still provides current guidance.

- 23.4 Nonetheless, because there is scope for potential confusion, we consider that key messages of the Part A statement, as identified in the rest of this chapter, should be incorporated into this sub-regional strategy, but suggest that this is done sparingly. In the opposite direction we do not consider there to be a need to repeat strategic Policy 3 in this section, given the region-wide requirement to plan for sustainable communities in Policies CC12 as amended and S4, and hence we recommend the deletion of Policy MKAV3. For completeness the South East Plan should also indicate that the relevant MKSM Part B statement is superseded.

## **STRATEGIC FRAMEWORK I**

- 23.5 The current strategy is to our mind weak in providing guidance on the integration with adjoining sub-regions and regions, and the interrelationship between Milton Keynes and Aylesbury themselves.
- 23.6 The Oxford to Cambridge Arc deserves a stronger mention in any strategic framework. It is currently only identified in the sub-regional vision statement (Part C, para 4.6.1). Some dismissed this as merely a marketing tool, but it was clear from SEEDA that it is progressing as an initiative with its own business plan<sup>1</sup>. It complements to the idea of a Golden Arc identified in the Hetherington Commission and hence links into the stronger spatial strategy that we recommend in Chapter 4.
- 23.7 Including the concept in a strategic framework has the benefit of linking this sub-region with the adjoining Central Oxfordshire, and with the Bedford growth area and the Cambridge sub-region within the East of England Plan. Each town within this broad corridor would seek to build on its strengths, but to facilitate closer interrelationships and synergies between their economies. Milton Keynes at the centre of this Arc could become a location for knowledge-based businesses and a networking hub. This is a bold vision. It will rely on improved orbital communication between these towns. The aim to get an East-West Rail link reinstated which is another component that should be clearly stated in the strategic framework.
- 23.8 It would also be worth mentioning that MKAV is at the outer end of the M1 corridor growth area identified in the London Plan Further Alterations, September 2006. We were told that pan-regional work to explore coordination of policies and investment was expected to start in summer 2007, although the main significance is likely to relate to those areas in Hertfordshire and Bedfordshire closer to London. Nevertheless Milton Keynes Council acknowledged the possible scope for increased reverse commuting, and we note that the Milton Keynes-London is identified as one of several priority areas for further transport study in the East of England proposed changes, page 267.
- 23.9 We also consider that a strategic framework should list the main challenges to be faced within this sub-region. This would introduce the theme of improving the integration between the two main towns. Amongst the challenges facing this sub-region are:
- strengthening the economic role of Aylesbury town and reducing its dependence on out-commuting;
  - continuing to assimilate high levels of new growth;

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<sup>1</sup> The Oxford to Cambridge Arc, Business Plan and Strategy for 2007-2008, February 2007 [SEEDA6]

- improving skills levels and educational attainment; and
  - improving connectivity between Aylesbury and Milton Keynes, as well as between Aylesbury and the more buoyant economies in adjoining sub-regions.
- 23.10 Milton Keynes is the larger of the two and has a much clearer identity. It has a modern growing economy and is developing a city region role extending into neighbouring regions. We agree with those participants who suggest that the role of Aylesbury town needs to be expressed more clearly. We therefore suggest that the proposed role of each town, as expressed in MKSM Part A, para 15 is included here. The intention to strengthen the traditional role of Aylesbury as a county town is already expressed in Policy MKAV2 but we agree with those participants who suggested that Aylesbury would need to move forward on several fronts, including seeking a closer linkage with Milton Keynes. In this respect we find the objective of minimising the need for internal flows between Aylesbury and Milton Keynes (E8, para 5.2) contradictory.
- 23.11 Several key priorities are currently expressed rather late in this sub-regional strategy (E8, paras 5.3 and 5.5), and they would have more impact if included in an opening strategic framework. The remaining parts of section 5 could then be combined with section 6 as they relate to infrastructure and delivery.
- 23.12 GOSE favoured including the MKSM Spatial Diagram (Part A, Figure 1) in the MKAV sub-regional strategy. This would have the advantage of giving it an inter-regional context, but there would also be scope for confusion given that the housing figures relate to 2001-21, and the possible direction of growth arrows for Milton Keynes would have been superseded if our recommendations are accepted. Hence we favour a newly commissioned illustrative sub-regional diagram which would indicate the main provisions of this Plan, together with designations such as the Chilterns AONB. A new diagram could also usefully extend into neighbouring regions and show structural information of the kind on the MKSM Spatial Diagram e.g. the proximity of Green Belt to the south east of Milton Keynes, together with the existing railway line between Bletchley and Bedford.

## **CONDMY I**

### **Job Forecasts I**

- 23.13 Policy MKAV1 includes a job growth estimate for Milton Keynes of 48,850 between 2006-26, and Policy MKAV2 includes an equivalent of 21,200 for Aylesbury Vale district. These are policy-led figures, originating from the high growth scenario which sought to shift economic activity towards higher value sectors<sup>2</sup> in background work to the MKSM strategy. Hence the combined figure (70,050) is higher than the Regional Assembly's projection controlled to draft RSS housing levels for the sub-region (61,050, scenario 7). The employment growth rate is also higher than the published Experian trend-based forecast for the first 10 year period of the Plan.
- 23.14 In our view inclusion of above trend growth estimates for this sub-region is consistent with the role of Milton Keynes and Aylesbury town as Growth Areas, and consistent with the prospects for success of economic initiatives to be undertaken under the RES as part of the Milton Keynes Diamond. There is undoubtedly considerable growth potential within the Milton Keynes economy, and some 80,000 new jobs have been created between 1967-2001<sup>3</sup>. According to SEEDA it has seen the highest GVA

<sup>2</sup> Joint statement of common ground Matter 8Fi & 8Fii, para 3

<sup>3</sup> Milton Keynes Council Matter 8Fi.2 statement

- growth in the region at 5% pa 1999-2004, and there is capacity here for growth to be diverted from other more congested parts of the region. We note in passing that job growth in the 2001/02 to 2004/05 period was somewhat below the average assumed in the MKSM strategy<sup>4</sup>, but we were told by Milton Keynes Council that a further 1,000 jobs were created almost immediately after the AMR was published.
- 23.15 We are more concerned about the draft Plan's job growth estimate for Aylesbury Vale district (equivalent to 1,060 jobs pa). This is over 60% above that included in the MKSM strategy (635 pa)<sup>5</sup>. In partial support for this, some participants drew attention to the MKSM AMR findings that recent growth (1,650 pa) has been above this level, although much of this may have occurred outside the town, according to the district and county councils.
- 23.16 We were told by the Government Office and the Regional Assembly that the MKSM employment growth rate related to Aylesbury town, although we find no reference in the EiP Panel Report to this effect, and the policy wording in the adopted strategy clearly relates to Aylesbury district. The December 2005 submission by the principal authorities suggests that the upward movement may have more to do with seeking a broad balance between new homes and new jobs<sup>6</sup>. In the light of this and the recent job growth in the district, we are content with a policy-led estimate for Aylesbury Vale, although we anticipate that development agencies will have to be proactive to achieve this ambitious level.
- 23.17 Unlike in other sub-regional strategies, there is no indication of the status of these job figures. The MKSM strategy makes clear that they are intended to be reference figures for monitoring purposes rather than targets (Part A, para 20). But because they are set at a level significantly above the employment growth trend, we recommend they are called targets for consistency with the regeneration sub-regions in the South East Plan, although with the clarification that they are not intended to be a constraint to economic development and will be subject to review (Part A, para 20). We recommend that consideration is given to inserting a new Economy section early in the MKAV chapter so that the status of the job targets, their relationship to housing and smart growth (see below) can be covered.

## **Balance between New Jobs and New Homes**

- 23.18 Across the whole of this sub-region jobs and labour supply are broadly in balance. However there is a contrast between Milton Keynes which has more jobs, and hence net in-commuting, and Aylesbury town which has excess labour supply and net out-commuting, with high flows to London. The draft Plan seeks to maintain the objectives of the MKSM strategy based on "no net change in overall net out-commuting" (E8, para 5.2). We consider that the clarity of this wording could be improved, particularly as it is an objective to reduce the dependence of Aylesbury town on out-commuting (E8, para 5.3).
- 23.19 To assist in achieving this balanced growth, the draft Plan seeks a ratio of jobs to new homes of 1:1 (E8, para 5.2). This is not the same thing as jobs and labour supply, since there may be more than one economically active person per new home. The relationship between new jobs and new homes will also be influenced by the extent of

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<sup>4</sup> MKSM Sub-Regional Strategy AMR 2004/05, page 19, January 2006 [Is2]

<sup>5</sup> Milton Keynes/Aylesbury Vale Policy 2, 12,690 jobs 2001-21

<sup>6</sup> Covering letter to Sub-Regional Strategy- Milton Keynes and Aylesbury Vale, Buckinghamshire CC, Dec 2005 [SEP17]



double jobbing (less new homes needed to achieve a balance) and job sharing (more new homes needed).

23.20 The potential use of this ratio caused a great deal of concern to business and developer representatives, who feared that it could be used as a way of slowing down the delivery of new housing. We agree that to use the ratio as a development control tool, as sought by Aylesbury Vale DC, would be counter to the intended certainty provided by the new system of housing trajectories, PPS3, para 63, and could provide a disincentive for economic investors. We accept that this was not the intention of the Regional Assembly and the principal authorities<sup>7</sup>. For clarification, though, we recommend that the following messages are included in the text:

- The ratio is intended to assist monitoring both at the district level and as part of the wider MKSM strategy.
- Future cross boundary urban extensions to Milton Keynes should be treated as part of Milton Keynes city for the purposes of this monitoring.
- A period of about five years is necessary for its reliable interpretation. This takes account of timelags in employment data, but that delivery is not in regularly sized units as it is in housing.
- Any revision to housing figures that might be indicated as necessary through monitoring, either upwards or downwards, would need to be made through the next review of the South East Plan, taking account of the relationship between jobs and homes and changing commuting patterns within the wider MKSM area.

23.21 We do not agree with Aylesbury Vale DC and others that its ratio should be increased to 1.25 new jobs to each new home. This is because it would be unwise in our view to seek to fine tune the use of a monitoring ratio given that there are several labour market factors which influence it (see para 23.19 above), besides demographic and lifestyle factors. We also consider that there could be a stronger temptation to use a revised ratio as a development control tool, if the bar is set even higher. As we later argue for an adjustment to the housing provision levels of the Milton Keynes urban area and of Aylesbury Vale district, we recommend that their job targets should be raised to 49,950 and 21,500 respectively in order to maintain the 1:1 ratio.

### **Smart growth**

23.22 We have argued elsewhere that each sub-region should indicate the elements of smart growth particularly relevant to its area. In this sub-region it is not a case of seeking to reconcile significantly different labour demand and labour supply figures. Instead, the emphasis is perhaps more on upgrading skills to make the best use of potential labour supply and as an attractor to incoming firms, and to increase the rate of new firm formation and entrepreneurship. The educational initiatives proposed in this sub-region are identified in E8, para 5.5. As we understand it, the need for skills upgrade is greatest in Milton Keynes. In Aylesbury educational attainment is high, but there is a high leakage of professional and managerial skills into the London market. GOSE also indicated a challenge in bringing the long-term unemployed back into the labour market<sup>8</sup>. There is therefore a need for better monitoring of the nature of jobs being created, and not just their quantity. We understand that SEEDA is already engaged in a pilot project with surrounding RDAs to improve information about the quality of jobs being provided in the MKSM area and their skills profile.

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<sup>7</sup> consistent with MKSM Part A, para 20

<sup>8</sup> Aylesbury Vale AMR, pages 14-15, December 2006 [GOSE16]

## mployment Land I

- 23.23 Milton Keynes is the largest centre of office employment in the South East but there has been proportionately less office space take up over recent years than in some other parts of the region such as the London Fringe. No shortages were reported in the sizeable industrial and distribution property markets<sup>9</sup>. Policy MKAV1 contains a strong statement on the adequacy of planned employment land, and the main locations. In the longer term it is assumed that additional employment land will be provided as part of the future urban extensions<sup>10</sup>. We consider that it is worth explicitly mentioning this in background text. Milton Keynes Council also accepted that if they subsequently promoted change of use of any employment land to housing, it would be replaced elsewhere<sup>11</sup>.
- 23.24 Policy MKAV2 is less specific about employment land in Aylesbury, despite the aim of strengthening the economy of Aylesbury town. The importance of providing quality employment land and buildings is however mentioned in the text (E8, para 4.7). Aylesbury Vale Advantage, the local delivery vehicle, stressed the importance of the town centre and the need to provide quality office space here. Given that this area is currently unable to attract speculative development, they indicated the possible need for an economic intervention. As with Ashford, the ability to provide quality office space is critical to the attraction of financial and business service sector uses, of the type that the strategy seeks to attract. Aylesbury also aims to increase its representation of firms within the ICT sector, and in R&D activities. We understand that at long last the Aston Clinton Major Development Area is progressing and that this will cater for smaller high-tech units.
- 23.25 However it is not clear from the draft Plan whether this will provide sufficient new employment land. Previous employment land review work for Aylesbury Vale in 2004 had indicated a need for an additional 120 ha of employment land. Other advice received by the local authorities at that time was that this was likely to be a maximum and probably overestimated demand and floorspace ratios<sup>12</sup>. Although we have no option but to accept this uncertainty, if it is still the view that some new land will be required e.g. in association with the future urban extensions, we recommend that this should be mentioned in the text.
- 23.26 A further issue in relation to employment land is the degree of protection afforded to existing employment land. The draft Plan notes that there are opportunities for redeveloping redundant employment land, where sites are poorly located or do not have good prospects for future employment use (E8, para 4.5). Although accepting that there is no doubt scope for some change of use arising from industrial restructuring, we stress the need for such decisions to be taken on the basis of an up-to-date analysis of likely employment demand compared to the scale and quality of employment land supply. We were persuaded by Aylesbury Vale Advantage's arguments that the degree of rigour in making such an assessment needs to be particularly strong close to the town centre, given that ad hoc releases to housing could reduce the potential for remodelling the town centre. We understand that one such site had recently been lost on appeal to housing. We recommend that the need for rigorous assessment, particularly close to the town centre is reflected in E8, para

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<sup>9</sup> South East Regional Property Market Study, CBRE for SEERA, March 2007

<sup>10</sup> Some 86 ha envisaged in the south east and south west growth areas, Growth Strategy for Milton Keynes, para 11.48, Milton Keynes Partnership, July 2006 [MK1]

<sup>11</sup> Milton Keynes Council, 8Fii.2 debate, day 1

<sup>12</sup> Aylesbury Vale 2026, Advice on Submission to the Review of RPG9, paras 3.11-3.12, RTP for Buckinghamshire CC, October 2004 [Ay16B]

4.5 to qualify the current statement which could be construed as providing an open door to residential developers.

- 23.27 Despite requests by Aylesbury Vale DC, we were not given sufficient evidence to suggest that the Aylesbury Growth Area needs a policy of similar strength to protect existing employment land as in the Western Corridor Blackwater Valley (Policy WCBV4).
- 23.28 We do not consider that the draft Plan can be much more specific about initiatives to strengthen the economy of Aylesbury town. Linking it to the Oxford to Cambridge Arc concept, as we suggest in the strategic framework, will make it clear that an increase in high-tech activity is being sought, with support from the RES<sup>13</sup>. Professor Lock made the useful suggestion that increased networking may be necessary to link Aylesbury into the business circles within Oxford and Cambridge in order to seek spin-off developments. Other economic initiatives currently underway include attempts to re-brand the town's image. Many participants saw part of the solution being improved accessibility. We are more dubious about this given that transport improvements could also further assist out-commuting. Nevertheless we note that Buckinghamshire CC is promoting a North-South transport study to assess the scope for improving links with the Western Corridor Blackwater Valley. Further discussion about infrastructure proposals is given in the final section of this chapter.

## **HOUSING I**

### **Overall Levels I**

- 23.29 The only aspects for discussion at the examination were the longer term housing levels for both Growth Areas and the remainder of their districts, beyond that included in the recently adopted MKSM strategy which runs to 2021.

#### **Milton Keynes urban area**

- 23.30 The housing provision proposed for Milton Keynes urban area between 2021-26 (2,370 dpa) represents 50% of the indicative longer term rate in the MKSM strategy for 2021-31 (Part A, para 22). However several developer representatives pointed out that the MKSM strategy indicative rate was prefaced by the words "at least", and argued for a higher figure based on potential capacity and the objectives of the Barker Review. Star Planning and Pegasus Planning argued for higher rates throughout the plan period.
- 23.31 We were not persuaded by these arguments, given that the proposed growth rates in Milton Keynes are already the highest in the region, and are significantly higher than the Government's 2003 and 2004-based national household projections. To boost the figures further would mean that Milton Keynes was making even more capacity for in-migration, which could prejudice the achievement of housing balanced with job growth, as discussed in the previous section, and could affect the quality of housing – of concern to Milton Keynes Forum.
- 23.32 Consistent with the MKSM strategy the draft Plan proposes a higher rate (3,000 dpa) up to 2011, with a fall off between 2011-21, followed by a further rise. The realism of an early surge in completions was called into question, particularly by the local authorities. Building rates have increased over the last few years assisted by the

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<sup>13</sup> including the creation of innovation and incubation centres and supporting business to business collaboration in key clusters and sectors, RES, page 40

formation of a Joint Housing Delivery Team and a greater diversity of housing types including town centre apartments, but are still below 2,000 dpa. The implied plan rate for 2006-11 is 65% above 2005/06 completions<sup>14</sup>. According to Milton Keynes Council, a rate of 3,000 dpa has only been achieved twice, both in the 1980s housing boom supported by the urban development corporation and a public housing programme.

- 23.33 Milton Keynes Council propose a rephasing which would backload the increase in building rates. Although this steady build up looks superficially attractive, it does not take account of the opportunities now coming on stream from the local plan, as reflected in the most recent housing trajectory (GOSE9b).
- 23.34 It was also accepted by the Regional Assembly that the underperformance against MKSM housing levels 2001-06 should be made up in the plan period. Although it is not normal planning practice to carry forward any shortfall against one plan into the next, to do so here reflects the special circumstances of there being a 2001-31 target within the Sustainable Communities Plan. This amounts to an additional 1,107 dwellings which should therefore be added to the districts total in Policy H1, and with phasing assumptions to Policy MKAV1.
- 23.35 We accept the need for realistic phasing to give certainty for infrastructure planning, including allowing income estimates to be made from the tariff as input to the business planning process underway within Milton Keynes. However to accept Milton Keynes Council's suggestion would mean a slippage beyond 2016 of some 3,000 dwellings from existing commitments including the expansion areas incorporated in the local plan<sup>15</sup>. This seems perverse in such an important growth area. We therefore favour a less extreme phasing revision as shown in Table 23.1, which adjusts the build rates within the first 10 years of the plan when the sources of land supply are known. The latter half of the plan when supply is largely dependent on the new strategic urban extensions, would remain largely as in the draft Plan, but adjusted for the early underperformance.

**Table 23.1: Recommended Phasing of Milton Keynes Housing Level**

	<b>2006-11 dpa</b>	<b>2011-16 dpa</b>	<b>2016-21 dpa</b>	<b>2021-26 dpa</b>	<b>Total 2006-26</b>
Draft Policy MKAV1	3,000	2,200	2,200	2,370	48,850
Milton Keynes Council (8Fii.1)	2,200	2,400	2,560	2,610	48,850
Trajectory (GOSE9b)	2,880	2,600			
Panel rec phasing	2,500	2,700	2,200	2,370	48,850
Plus carry forward 2001-06 underperform			+120	+100	+1,100
Panel rec inc 2001-06 underperformance	2,500	2,700	2,320	2,470	49,950

<sup>14</sup> Statement of Common Ground, Matter 8Fii.1

<sup>15</sup> Table submitted by Buckinghamshire CC for the Matter 8F.2 debate [BucksCC3] Although this shows the alternative locational strategies favoured by them, the 5 yearly total reflects the re-phased annual completion rates suggested by Milton Keynes Council

- 23.36 We were not convinced by the arguments of Professor Lock and others that the level for 2021-26 should be more than half the MKSM indicative level for 2021-31. A firm estimate for the 2021-26 period should allow account to be taken of the lead times of the planned urban extensions necessary to enable this level to be met – we return to the phasing of these in the next section. We also envisage that an early start will be made on the assessment work necessary for the identification of future extension(s) beyond 2026 so that this work can inform the next review of RSS.
- 23.37 Neither do we think it appropriate for the 2026-31 housing levels to be included in policy, as Savills suggested. This roll forward or adjustment will be the subject of the next RSS review. However it would be useful for the background text to make clear that the housing levels in Policy MKAV1 are consistent with the overall aspiration for 68,600 additional homes 2001-31 in the MKSM strategy (Part A Strategic Policy 1 and para 22).

### **Rest of Milton Keynes district**

- 23.38 The text indicates that development in the rest of the district outside Milton Keynes urban area should continue at the same rate (E8, para 2.2), consistent with the MKSM strategy (Part B, para 97). The EiP Panel Report (para 7.23) quantified this at 120 dpa. However because the housing level in Policy H1 (supposedly district-wide) equates to that in Policy MKAV1 (urban area with assumed extensions), it can be assumed that this allowance for the rest of the district has been omitted. This was accepted as an error by both the Regional Assembly and Milton Keynes Council.
- 23.39 We have no reason to challenge the proposed level. Indeed we understand that it broadly accords with recent levels of development in the main settlements and rural areas although recent rates may have been higher; it is consistent with allocations in the adopted local plan up to 2011. In reality it does imply a slightly higher rate than recently in towns to the north of the district (Newport Pagnell, Olney, Stony Stratford), given that any natural growth previously assumed for Woburn Sands will be incorporated into the proposed south east urban extension area. Responses to the summer 2006 consultation by Milton Keynes Council suggested general support for a limited amount of growth in the rest of the district to support local needs and local facilities. We therefore recommend that an additional 2,400 dwellings (120 dpa) is added to the total in Policy H1, and is separately identified in the explanatory table that we suggest is added to this sub-regional strategy. We further recommend a footnote to the housing levels in Policy MKAV1 to indicate that they exclude housing in that part of the district outside Milton Keynes urban area.
- 23.40 RPS argued for a higher rate of growth for Newport Pagnell, although their arguments seemed to rest on achieving recognition for land to the east of Newport Pagnell that had previously been earmarked as a reserve site in the local plan. It is not the role of an RSS examination to get involved in this level of detail. However we entirely dispute their suggestion that the rest of district level should be increased on the basis of national household projections, since it is the Milton Keynes urban area that is intended to provide capacity for higher regional growth levels, not the largely rural areas. On a broader point, we see no reason for Newport Pagnell to have a significantly higher level of growth than previously, unless it were incorporated into a planned expansion of Milton Keynes east of the M1. For the reasons given in the next section, we do not consider that this is needed in the lifetime of this plan.

## Aylesbury urban area

- 23.41 The proposed housing level for Aylesbury urban area between 2021-26 (840 dpa) is almost half of the indicative longer term rate identified in MKSM strategy for the 2021-31 period (Part A, para 22). This represents a slight reduction on the rate of 880 dpa envisaged for the previous 10 years, and a slightly lower proportion of the district total.
- 23.42 Some private sector participants argued for a higher figure taking into account regional need, and their view of the town's capacity for growth. Environment organisations took a diametrically opposed view, placing weight not just on landscape quality around Aylesbury but also uncertainties about infrastructure provision and the effects on out-commuting levels.
- 23.43 Where the 2021-26 housing level is pitched was to a large extent overshadowed in the debate by concerns about housing delivery generally throughout the plan period. Completions have only achieved about two thirds of the more modest rates of 480 dpa set by the MKSM strategy for 2001-06. Delays in releasing the MDAs were generally accepted as the prime cause, but developer representatives expressed confidence that with a more responsive planning pipeline and a range of opportunities, delivery rates could improve. Yet even with the efforts of the Joint Housing Delivery Team and the District Council's intention of operating fast track procedures in parallel with completing their current LDD, the expected build rate is only just sufficient to meet the draft Plan's district wide housing levels over the next 10 years<sup>16</sup>.
- 23.44 There are several additional factors that demand a degree of caution when considering Aylesbury's housing provision levels:
- Even if as we hope an East-West Rail link is reinstated, Aylesbury town may only benefit in the longer term since the spur to Aylesbury is not in the base business plan currently being progressed.
  - The policy-led job growth estimate assumed in Policy MKAV2 appear to us to be ambitious (see para 23.15 above). Hence there is a risk that out-commuting particularly to London could increase – a risk that was recognised by the MKSM EiP Panel when recommending a lower housing level for the 2016-21 period.
  - Aylesbury Vale already has the third highest district housing level in the region, and a rate of 880 dpa in Aylesbury town has only been achieved twice in the 1980s, according to the District Council.
- 23.45 Taking account of all these factors, we see no justification for amending the proposed 2021-26 housing levels. For consistency we would have liked to apply the same argument as in Milton Keynes that any underperformance 2001-06 should be reallocated to future years because this is a SCP Growth Area, but this would contradict the caution expressed above. We do not recommend that the level should be more than half the MKSM indicative level for 2021-31, since a firm estimate now should allow account to be taken of the lead times of any planned urban extensions necessary to enable this level to be met.
- 23.46 We see no reason for any further locational guidance on preferred directions for growth around Aylesbury town, as some developer representatives sought, since there are no boundary issues in the same way as affecting urban extensions of Milton Keynes.

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<sup>16</sup> Bucks Housing Completions Data from local AMRs – past and projected, Feb 2007 [GOSE9b]

## Rest of Aylesbury Vale district

- 23.47 The housing provision for Aylesbury Vale district outside Aylesbury town between 2016-26 (220 dpa) rolls forward the same rate as included in the MKSM strategy for the previous 10 years (Milton Keynes/Aylesbury Vale Policy 2). This proposal did not precipitate much discussion in that many developer representatives supported the concentration on Aylesbury town. However DLP in particular argued strongly that this level of new development would be insufficient to meet local needs.
- 23.48 Housing provision for the whole district is based on a split of 80% to Aylesbury town and 20% to the rest of the district. This seeks a significantly more concentrated pattern of new development than in local plans prior to Aylesbury town achieving Growth Area status under the Sustainable Communities Plan. 220 dpa in the rest of the district is significantly lower than the historic rate of completions (360 dpa between 1991/92-2005/06<sup>17</sup>). It compares to a rate of about 280 dpa between 2001-11 in the Local Plan adopted 2004, according to DLP. The figure is "predicated solely on windfall-based assumptions"<sup>18</sup>.
- 23.49 Although we support the intention of the draft Plan to focus growth on Aylesbury town, we are not convinced that sufficient allowance has been made to meet local needs. Aylesbury Vale is a large district, apparently with over 100 settlements, with more than 38,000 dwellings (60% of the district total) outside Aylesbury town<sup>19</sup>. Apart from a requirement to provide for rural communities and to meet affordable housing needs, we are persuaded that sustainable opportunities for growth could exist at key service centres e.g. Buckingham, and at locations that might benefit from improved public transport accessibility in connection with East-West Rail, e.g. Winslow. Both examples that we have given are deliberately north of Aylesbury and within the orbit of Milton Keynes, rather than in locations which could more directly deflect investment interest in Aylesbury town, or could fuel out-commuting to London, or have implications for the Chilterns AONB.
- 23.50 For these reasons we recommend an increase in housing levels for 2016-26 of 30 dpa i.e. an additional 300 dwellings. We have not sought to change the levels 2006-16 since these were set by the MKSM strategy. We do not consider that such a small increase is sufficient to unbalance the strong focus on Aylesbury town.
- 23.51 In the longer term it is possible that some of the future growth of Leighton Linlade may need to be accommodated within Aylesbury Vale district (E8, paras 4.3 and 4.8). This possibility is anticipated in the MKSM strategy (Bedfordshire and Luton Policy 2(b) and Part B. para 89), but is dependent on a review of the Green Belt. We understand that joint work is ongoing with South Bedfordshire, and in anticipation of the possibility of future needs, the District Council is undertaking landscape character assessment to the west of Leighton Linlade, as it is around other settlements. However we agree with Buckinghamshire CC that it would be premature to include any provision for such growth in this RSS. This should be made clear in the text to Policy MKAV2, and in the new table that we recommend should be added to the strategy to indicate cross boundary implications

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<sup>17</sup> Boyer Matter 8Fiii.4 statement

<sup>18</sup> Aylesbury Vale DC Matter 8Fiii.4 statement

<sup>19</sup> DLP Matter 8Fiii.4 statement

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## Affordable Housing I

- 23.52 Policy MKAV2 sets a target of 40% for affordable housing in the Aylesbury growth area. This is carried forward from the equivalent policy in the MKSM strategy. There were divergent views on whether a higher rate than the regional target could be substantiated in this part of the sub-region.
- 23.53 On first sight 40% appears to accord with the recommendations of the growth area studies which preceded the MKSM strategy, and with Aylesbury Vale's supplementary planning guidance of August 2004. But it is clear that the earlier figure included 10% for discounted market sale, which is specifically excluded in the national definition<sup>20</sup> and in the regional Policy H4.
- 23.54 Undoubtedly there is a high level of unmet housing need in Aylesbury Vale. The findings of a recent Housing Needs Survey seemed to indicate that such needs roughly equate to the total proposed housing provision for this district<sup>21</sup>. This in part reflects the aspirational nature of such survey findings and a similar situation is reported in some other sub-regions.
- 23.55 Overall however we were not persuaded that a higher than regional target could be justified for the Aylesbury Growth Area, for the following reasons.
- Consistency with the MKSM strategy is less relevant given the change in the definition of affordable housing.
  - Viability work has not yet been completed, although considerable S106 contributions to infrastructure can also be anticipated to be required.
  - Low levels of affordable housing house have recently been achieved, e.g. 7% in 2004/05<sup>22</sup>.
  - Housing affordability pressures are less marked here than in many other parts of the region, as illustrated in Map H3.
- 23.56 We therefore recommend that reference to affordable housing being sought at the same rate as the regional target (35%) is made in the text, with reference to 40% in Policy MKAV2 being deleted. This will also resolve any confusion that could result from having a higher affordable housing target in Aylesbury town than in the rest of the district. Indeed Policy MKAV2 could be considered perverse since, according to Aylesbury Vale DC, some of the greatest need for affordable housing arises in the rural parts of the district.
- 23.57 From the debate it appears that evidence is not available to justify any particular mix of affordable housing types. Nevertheless it would be appropriate in our view to signal the expectation that a variety of intermediate products would be appropriate, including shared ownership and sub-market rent, that could be attractive to incomers, as well as the social rented element that dominates local needs as revealed in recent Housing Needs Surveys. Beyond this we agree that further detail on the type of affordable housing sought would need to be determined through the LDF.
- 23.58 The 30% affordable housing target in Policy MKAV1 was not examined, although we assume that this lower level relates to the existence of an extensive stock of affordable housing in this former new town. The affordable housing component within the planned urban extensions to Milton Keynes should be guided by this policy, even

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<sup>20</sup> PPS3, para 27, as amplified in the Delivering Affordable Housing Policy Statement, Annex B, CLG, November 2006 [Hn21]

<sup>21</sup> Aylesbury Vale, submission to SEERA, June 2005 [Ay14]

<sup>22</sup> SEERA Matter 8Fiii.3 statement



where they may be located in a neighbouring local authority. Places for People offered the view that a higher level of intermediate housing may be appropriate in these urban extensions to facilitate the provision of larger affordable units.

## **LOGI R TI RM I XPAI ION OF MILTOI I I**

### **General Context I**

- 23.59 Nearly all participants at the examination appeared to accept that Milton Keynes should accommodate at least the level of housing proposed in the draft Plan, although some argued that the levels should be increased. However, there was significant disagreement as to how and where the additional housing should be accommodated.
- 23.60 In reaching our conclusions on the longer term expansion of Milton Keynes we have been guided in part by the MKSM strategy; by the criteria put forward by the Regional Assembly<sup>23</sup>; and by the very useful discussion that took place at the examination on urban form and structure. We have also taken into account “A strategy for Growth to 2031” (MK 2031) produced by the Milton Keynes Partnership in July 2006. However, in doing so we have noted the significant concerns raised by a number of participants and non-participants about this strategy and the process by which it was produced.
- 23.61 Many participants referred to the unique qualities of Milton Keynes and the need for this to be reflected in any subsequent expansion. In particular, Professor Lock, on behalf of The Milton Keynes Parks Trust, highlighted the grid pattern layout, the extensive areas of open space, the significant number of trees and the dispersed employment provision. It is also apparent that the city has been successful in creating an environment which is much loved by its residents.
- 23.62 We share the view that Milton Keynes has a distinctive character that should be respected in any proposals for future growth. However, we are not convinced that “rolling out the carpet”, which was one of the options put forward by Professor Lock, would necessarily be the most appropriate solution for future expansion. A more flexible approach, incorporating the best features of the original city while being responsive to the changing demands of the 21<sup>st</sup> century, is in our view more likely to create distinctive and sustainable communities which have their own sense of place.

### **Directions of Growth I**

- 23.63 The MKSM strategy identified four general directions of growth to the west, south west, south east and east. We have been urged by some participants to recommend that the RSS should continue to merely indicate general directions of growth. It was also suggested by Professor Lock that the examination was not the appropriate place to debate particular allocations. However, others, including GOSE, the Regional Assembly and many of the affected local authorities have indicated that it would be helpful to have clear recommendations as to how the proposed housing should be apportioned between districts and where it should be located.
- 23.64 We understand the concerns of some participants about the extent of debate about this issue and the contention that the strategy outlined in MK 2031 is lacking in vision. However, we note that the future expansion of the city has already been debated at the MKSM examination, at the local plan inquiry and in the preparation of MK 2031, as well as at our EiP. Given the significant level of disagreement over where and how

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<sup>23</sup> SEERA Matter 8Fii statement, para 8

future expansion of the city should take place we are concerned that recommending that the South East Plan should merely include general directions of growth would continue the current level of uncertainty. More importantly it would in our view seriously undermine the ability of the sub-region to make the important contribution to the step change in housing provision that is required to meet the future needs of the South East.

- 23.65 Some have argued that we do not have the evidence to make a considered judgement on the size and location of future extensions. However, we do not accept this view. Unusually for an EiP there was a very detailed level of debate as to where and how the future expansion of the city would be best located. This was supplemented by a number of non-participant statements which have outlined in some detail alternative suggestions. We are satisfied therefore that it would be appropriate in this case to make detailed recommendations regarding how the draft Plan should be modified in order to set the framework for the expansion of the city in the period up to 2026. We conclude there is clear justification in this case for the RSS to set out an unambiguous strategic framework for the preparation of LDDs, as envisaged in PPS11, para 1.17.

### Urban Capacity

- 23.66 We do not accept the suggestion of Professor Lock that the potential capacity within the existing urban area of Milton Keynes should make no contribution to the required level of growth in the sub-region since it would arise naturally. In our view this is true of any city or town. To only take account of housing outside the existing urban area would mean that the housing figures for Milton Keynes would not be consistent with others in the Plan. Moreover to ignore the potential of the existing urban area could result in an overprovision of housing. This could have damaging consequences.
- 23.67 MK 2031 concluded that some 13,000 additional dwellings could be accommodated within the existing urban area in the period between 2011-2031<sup>24</sup>. However, Aylesbury Vale DC<sup>25</sup> and Buckinghamshire CC argued that there is potential to accommodate around 3,800 – 4,000 more dwellings than this (i.e. 16,800 to 17,000). In response, Milton Keynes Council reviewed their figures and accepted that there was potential to accommodate a further 810 dwellings as part of existing housing allocations and commitments<sup>26</sup>.
- 23.68 Other participants, however, considered that the estimated level of housing potential in MK 2031 would lead to town cramming and be damaging to the unique qualities of the city. Concerns were also raised by Milton Keynes Forum and others that in order to achieve this level of additional housing, demolition of some existing housing would be necessary. This would not be supported by existing residents.
- 23.69 In our view the figures in MK 2031, as revised at the examination by Milton Keynes Council, provide a reasonable estimate of the potential capacity of the existing urban area. We note that Milton Keynes Council is satisfied that this level of additional housing can be provided without the need for demolition and we see no reason to dispute this. While we acknowledge the unique character of the city, we are satisfied from our visits to the area and what we heard at the examination that there is scope to

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<sup>24</sup> The figures in Table 11.1 of MK 2031 indicate that 9,600 dwellings could be provided within the South East Plan period

<sup>25</sup> MK2031- Review of Urban Potential/Urban Capacity Studies, David Roy for Aylesbury Vale DC, Sept 2006 [Ay23]

<sup>26</sup> It also accepted that up to 130 additional dwellings could be created by sub-division of existing housing and flats above shops. However, as it also concluded that additional capacity in the V7 corridor may be less than estimated in MK 2031 we have disregarded these in calculating the overall housing figures for the sub-region.

- accommodate this level of additional dwellings without causing significant damage to the environment of the city or to the quality of life of its residents.
- 23.70 Undoubtedly redevelopment within the city centre will make a significant contribution to this. However, we also believe that there is potential to accommodate some additional housing along the V7 corridor and within some of the existing housing estates without eroding the quality of the existing green infrastructure or the overall character of the city. Indeed provision of additional dwellings in certain locations along the V7 corridor may help to reinforce its role as a public transport corridor and improve modal shift, particularly if it enables some existing bus stops to be better integrated with existing housing areas.
- 23.71 Although the Milton Keynes Parks Trust raised concerns about the redevelopment of existing employment areas at Willen Park Lake and Shenley Wood, we note that there has been limited uptake of this land for employment purposes despite it having been available for some time. Moreover, it is the intention of Milton Keynes Council to provide replacement land as part of any subsequent urban extensions. In the circumstances, we see no reason to discount the potential contribution of these areas.
- 23.72 There may be additional potential over and above this, but in our view it would be unwise to rely on a higher figure at this stage without additional work being undertaken. In contrast to the detailed urban capacity study undertaken by Milton Keynes Council, the work undertaken on behalf of Aylesbury Vale DC was apparently only a desk based study. As such it would be inappropriate in our view to attach significant weight to it.
- 23.73 In reaching our conclusion on potential urban capacity, we have noted that the Local Plan Inspector considered that there was potential to accommodate more housing through the redevelopment of city centre car parks. However, Milton Keynes Council contended that his conclusion was a result of double counting. Whether or not this is true, there remains in our view some uncertainty about the extent of any additional capacity from this source, especially as it appears that some areas of car park are being sold to adjoining commercial users.
- 23.74 Overall we believe it would be appropriate to allow for some 10,410<sup>27</sup> additional dwellings being provided within the urban area during the plan period.

## **Future Expansion of the City**

### *Dispersal vs Strategic growth areas*

- 23.75 Professor Lock considered that there were three alternative strategies for the expansion of Milton Keynes to that proposed in MK 2031. Building daughter settlements (e.g. in the direction of Hanslope to the north of the city)<sup>28</sup>, rolling out the existing grid pattern of the town into the adjoining countryside (e.g. across the Shenley ridge to the west)<sup>29</sup> or spreading growth along public transport corridors<sup>30</sup>. Although some participants, like Milton Keynes FoE, appeared to favour the idea of daughter settlements, we note that this strategy is not one that is promoted in MKSM. Moreover, none of these strategies appear to have been subjected to detailed

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<sup>27</sup> This is derived from the 9,600 dwellings identified in columns (b), (c), (d) and (e) of Table 11.1 of MK 2031 + the additional 810 dwellings identified by Milton Keynes Council.

<sup>28</sup> Greater Milton Keynes – A paper for discussion, page 37, MK and North Bucks Chamber of Commerce, June 1999 [DLA2]

<sup>29</sup> Ibid – page 31

<sup>30</sup> Ibid – page 35

- examination and all of them would, in our view, have some disadvantages in terms of congestion and achieving improved public transport standards.
- 23.76 Furthermore the Local Plan Inspector clearly supported Milton Keynes Council's strategy of focussing the vast majority of development in the city and strongly restraining growth in the rural areas on sustainability grounds<sup>31</sup>. He also ruled against development spilling over the Shenley Ridge to the west of the city<sup>32</sup>. No evidence has been put forward to cause us to disagree with his findings. We therefore consider the creation of sustainable urban extensions well served by public transport is the most appropriate strategy for the future expansion of Milton Keynes.
- 23.77 There seemed little support at the examination for a more dispersed pattern of growth. However, some non-participants have argued strongly for a wider range of sites to be brought forward. Others have argued in favour of alternative locations to those suggested in MK 2031. Much of the debate at the examination centred on the alternative of developing to the east of the motorway, which was promoted by Buckinghamshire CC, Aylesbury Vale DC, Milton Keynes Forum and Berkeley Strategic. However, some parties, especially a number of the non-participants, have put forward alternative directions including to the west and south of the city and we have given these equal consideration in reaching our conclusions.
- 23.78 Although some participants suggested that it might be appropriate to reconsider the possibility of development to the north of the city, this was not one of the directions of growth identified in MKSM owing to the existence of the extensive flood plain to the north of the city. In addition, we note that such a proposal would be directly contrary to the adopted Local Plan strategy which was endorsed by the Local Plan Inspector. We are not satisfied therefore there is sufficient justification for us to revisit the area to the north of the city as a location for further substantial growth within the plan period.
- 23.79 While there was considerable disagreement as to the most appropriate location for any future expansion of the city, most participants appeared to agree that any extensions should be of sufficient scale to form sustainable communities in their own right. Otherwise it was considered there was a danger that they would merely form dormitory suburbs.
- 23.80 There was rather less consensus as to precisely what this scale should be. Milton Keynes FoE and Milton Keynes Forum contended that it would be better to have a much larger single extension as this would ensure that a much wider range of services and facilities could be provided. It was argued that the existing district centres at Kingston and Westcroft had not been successful in attracting the necessary range of facilities. However, it was generally agreed that the minimum building block for any new extension should relate to the level of housing necessary to support a secondary school<sup>33</sup>.
- 23.81 We accept that an extension of this size is likely to be the minimum required to create recognisable and sustainable communities and provide an appropriate level of facilities. For this reason we do not consider that a more dispersed pattern of growth with a number of smaller extensions would be an appropriate approach to the future

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<sup>31</sup> Milton Keynes Local Plan 2001-2011 Inspector's Report Part 2, Para 9 of the accompanying letter, Aug 2004 [MK17a]

<sup>32</sup> Milton Keynes Local Plan 2001-2011 Inspector's Report Part 1 (plus associated correspondence), page 12, paragraph 6.7, Aug 2004 [MK17]

<sup>33</sup> In Buckinghamshire and Bedfordshire this was contended to be around 5,000 dwellings but Milton Keynes Council apparently use a threshold of 7,500 dwellings

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expansion of the city. In our view it would be preferable for the city to expand through the provision of planned Strategic Development Areas as is envisaged in the draft Plan for South Hampshire and as we also recommend for Reading and Oxford. We have therefore considered where these extensions would be best located having regard to the criteria identified by the Regional Assembly and the other factors discussed at the examination.

### *Accessibility*

- 23.82 Clearly it would be preferable for any future extensions to be in locations that have a high level of accessibility to strategic and local road and public transport networks. We also consider that there is considerable merit in the MK 2031 strategy of linking such extensions with the proposed development of the East-West Rail route. We have noted the suggestion that this service would be little used for journeys to work within Milton Keynes given the likely journey times. Nevertheless in our view the provision of a rail service serving the new communities would expand the sustainable travel options for future residents, which we believe should be strongly supported.
- 23.83 Accessibility to the strategic road network, particularly the M1, would be high for any extension to the east or south east of the city. We appreciate that this level of accessibility might encourage a degree of out-commuting. However, given the current travel to work patterns within the district we are not persuaded this would be so significant as to rule out extensions in these locations. Moreover, visibility from the M1 will clearly have some advantages in terms of attracting new business into the area and creating a more balanced community.
- 23.84 Land to the east of the M1 would be slightly closer to the city centre than that to the south east but given the existing level of congestion at junction 14, we consider that further significant development to the east of the M1 without new crossings over the motorway is unlikely to be sustainable in transport terms. We accept that with the provision of new crossings there may well be advantages in terms of a lower increase in average travel delays<sup>34</sup>. However there would be marginal differences in terms of increases in travel distance and time when compared with the extensions to the south east and south west proposed in MK 2031. We are not satisfied therefore that an extension to the east of the M1 would give rise to substantially greater advantages overall.
- 23.85 An extension to the south west would be further from the M1 but once the improvements to junction 13 have been completed and the adjoining section of the A421 has been dualled<sup>35</sup>, it would in our view have a reasonable level of accessibility to both the strategic and local road networks. Indeed its slightly greater distance from the M1 might have the advantage of discouraging out-commuting. We note that the HA is opposed to any dualling of the A421 to the west of Milton Keynes but we do not consider that this would significantly undermine the accessibility of this location.
- 23.86 Land to the south of Milton Keynes would also have reasonable access to the A4146 and A5. In contrast accessibility to the strategic and local road network would be much poorer for an extension to the west of the city. While this could no doubt be improved it would clearly add to the cost of development in this location.

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<sup>34</sup> Table 4.1 of the Buchanan review [MK14A] predicts an increase in average delay/veh of 48% for the MKP strategy compared to 27 & 29% respectively for the two strategies put forward by BCC/AVDC

<sup>35</sup> Both these schemes are included within the existing highway programme

- 23.87 The south east extension proposed in MK 2031 would be in close proximity to the existing Aspley Guise station on the Bletchley to Bedford line so that it would be served by rail from the outset. A new station is proposed at Newton Longville as part of the proposed south western extension. Given the support for this by the developer and the various local authorities and the evidence from the Grip stage 2 report<sup>36</sup> that the westward extension of the line to Oxford is being actively pursued, we consider there is a reasonable prospect of this station being provided if a strategic extension to the south west of the city is provided for in the South East Plan. Development to the south of Milton Keynes would potentially have access to Bletchley station so it would also be relatively sustainable in terms of accessibility by rail.
- 23.88 Although it was argued by some participants that residents of an extension to the east of the motorway could make use of Aspley Guise station, the location proposed by a number of participants for such an extension would be a considerable distance from the station. Existing roads to the station are narrow and unsuitable for significant vehicular traffic. We consider therefore that little use would be made of the station by future occupants of any extension to the east of the motorway. Similarly any extension to the west would be relatively remote from either an existing or proposed station.
- 23.89 We note that travel to work journeys by bus is far lower in Milton Keynes than other cities within the region<sup>37</sup>. The MK 2031 strategy proposes a strategic east-west and north-south public transport corridor in the form of a “droopy cross”. While many participants were critical of this strategy we see no reason why, subject to the appropriate level of financial support, this strategy should not be effective. The provision of these improved transport corridors would enhance the accessibility of the land to the south west and south east. It is accepted that owing to the proximity of land to the east of the motorway it should be possible to provide frequent bus services to this location with relative ease. Access by bus to the west of Milton Keynes would be much poorer but it could no doubt be improved.
- 23.90 Although we appreciate the suggestion that consideration should be given as part of the expansion strategy to the creation of a guided busway or tramway, we are not satisfied from the available evidence that such a proposal would be viable at this time. However, we agree it would be appropriate for future expansion of the city to be designed so as to leave open the option for such a system in the longer term.
- 23.91 Overall in terms of both existing and potential accessibility to the widest range of transport modes we consider that extensions to the south east and south west would have greatest advantages.

### *Integration*

- 23.92 It is clearly essential that any extension should be well integrated into the urban framework of the city. It is also important that it should provide a functioning rounded community rather than merely being a dormitory suburb. The MK 2031 strategy sets out in some detail how it is intended that this would be achieved. In addition to providing the necessary facilities and services, any extension also needs to incorporate an appropriate level of green infrastructure and provide a level of local employment opportunities as elsewhere within the existing city. However, its design and layout

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<sup>36</sup> East West Rail Consortium Western Section - Guide to Railway Investment Projects (GRIP) Stage 2 Report – Final Report, February 2007 [EWRC1a]

<sup>37</sup> Milton Keynes 4.7%, Reading 12%, Oxford 16% Milton Keynes FoE in Matter 8Fii debate

should also provide a sense of identity or local distinctiveness that provides an attractive environment to live and work in.

- 23.93 While the proposed extensions to the south west and south east are some distance from the city centre we see no reason why subject to suitable design they should not integrate well with the city. In contrast even with new links across the motorway we feel that any extension to the east of the city would integrate less well since the motorway combined with the flood plain of the River Ouzel would separate the area both physically and psychologically from the rest of the city. We do not agree with the suggestion that a large extension to the east of the M1 would integrate well with Newport Pagnell. Its scale would be rather overwhelming and there is little reason to believe it would provide significant support for existing services within Newport Pagnell.
- 23.94 We have noted the suggestion that an extension to the east would serve to link Cranfield University and its adjoining development to the city and the motorway. However, while we recognise the importance of the University as a centre of international importance for research and development, we find little evidence to support the view that extending the city in its direction would bring significant benefits.
- 23.95 A small extension to the west could probably be integrated reasonably well with the main city. However, the alternative suggested by some parties of jumping the Shenley ridge to the west and developing the Whaddon Valley would in our view tend to result in such an extension being physically and visually isolated from the city. This would make it much harder to integrate. In contrast, development to the south around the Brickhills area would be relatively easy to integrate. Consequently, we conclude that extensions to the south east, south west or south have the greatest potential for integration.

#### *Infrastructure costs and deliverability*

- 23.96 There will undoubtedly be significant infrastructure costs in providing any large extension to the city. In our view these are likely to be lowest in respect of an extension to the south east given its location in relation to existing transport routes. Costs may be slightly higher in respect of an extension to the south west particularly if it is expected to fund the provision of a new station and transport interchange. Although we have no evidence to refute the costings put forward in support of an extension to the east of the motorway, we fear that they may be considerably higher than predicted. Even if they are not, there is no doubt that the provision of new crossings over the motorway will be expensive. Moreover there is no certainty that it will be possible to provide the crossings in the positions suggested in the Buchanan review.
- 23.97 We note the suggestion that development to the east of the motorway could support the development of the East-West Rail link through the levying of appropriate tariffs. However, we consider that it would be hard to demonstrate a sufficient connection to the benefits of the project to justify such a levy on housing in this location. Even if developers were prepared to support it, it would clearly add to the already significant costs of improving transport links over the motorway. In our view, development to the south east and south west of the city is therefore far more likely to provide the necessary funding for the East-West Rail project (see para 23.146 below).
- 23.98 Infrastructure costs for extensions to the south or west are harder to estimate but given the currently poor transport infrastructure, they are likely to be quite high in respect of

any extension to the west. Given the topography, the cost of extending southwards may also be quite high.

23.99 There is clear evidence that developers are well advanced with the initial masterplanning of an extension to the south east. A masterplan would also appear to have been drawn up for a substantial part of the extension to the south west. In contrast, there is little evidence that the alternative extensions that have been put forward in other areas have reached the same stage, with the exception of the small area of the land to the east of the M1, which was promoted by Berkeley Strategic. This reinforces our view that extensions to the south east and south west are likely to have a far greater chance of delivering the necessary housing within the plan period. This would be enhanced still further if both were areas were brought forward together rather than separately as proposed in MK 2031.

23.100 Overall in terms of infrastructure costs we consider that extensions to the south east and south west are most likely to be deliverable within the plan period.

#### *Impact on existing settlements*

23.101 One of the greatest concerns raised by the participants at the examination was the impact of the further expansion of Milton Keynes on the existing communities in which they live. Whichever direction the city expands it is likely to have an impact on existing villages that are currently separate communities with their own identifiable character. It is understandable therefore that residents of villages like Whaddon, Newton Longville, the Brickhills, Woburn Sands, Aspley Guise, Moulsoe and North Crawley fear being swamped by the onward progress of the city as it rolls out towards them. However, as a number of participants pointed out, the original city incorporated many villages and these retain much of their original character. Judging by the current price of houses within them, they remain desirable places to live.

23.102 In our view there is every reason to believe that with the provision of appropriate landscape buffers, existing settlements around the city should be able to retain their own integrity. However, we accept that the depth of any landscape buffers will need to be influenced by the existing landscape setting and heritage value of the affected settlements. It may therefore be slightly easier to successfully incorporate some settlements than others. Nevertheless, we do not consider that this criterion weighs heavily in favour of any particular direction of growth.

#### *Regeneration*

23.103 In our view extensions to the north, east, south east and west are unlikely to contribute significantly towards regeneration of more deprived communities in Milton Keynes. Extensions to the south west or south could serve to support the regeneration of the existing centre of Bletchley and may help the regeneration of communities along the V7 corridor. However, we do not consider that the benefits would be of such weight as to warrant favouring these directions for future growth above any other.

#### *Green infrastructure*

23.104 There is no doubt that the provision of green infrastructure, in the form of linear parks, tree lined roads and integral open space, will be critical to the effective integration of any extension with the main city. However, in our view there is no reason to believe that such infrastructure could not successfully be provided in any of the suggested directions. Clearly there are greater areas of existing woodland to the west and south west which could provide an established focus for core areas of open space. However, there are smaller areas of woodland to the east and river valleys to the east, south west, west and north, as well as areas of biodiversity interest to the south east and



elsewhere. These could similarly provide an existing framework for green infrastructure. Consequently, we do not find any of the proposed directions to be of greater merit in this regard.

- 23.105 In considering this criterion we have taken note of Professor Lock's concern that the green infrastructure proposed in MK 2031 appears to be 40% lower than elsewhere in the city. However, no detailed evidence was provided to support this contention. Even if the extent of open space provided for in MK 2031 is lower than currently exists within the city, we see no reason why this issue could not be satisfactorily addressed at the detailed planning stage.
- 23.106 Similarly we are not persuaded that the provision of linear parks external to the main residential area would necessarily provide a less satisfactory living environment and note that this situation already occurs on the northern edge of the city. The extension of the linear park along the Tattenhoe valley to serve the proposed extension to the south west appears in our view to be logical. Moreover, using existing valleys can serve the dual purpose of providing opportunities for open air recreation and managing flood risk. However, we accept that where linear parks are external to the main area of development they will clearly need to be supported by an appropriate level of integral open space and suitable footpath links so that all residents have easy access to recreational facilities.

#### *Landscape impact*

- 23.107 Although this criterion was not one identified by the Regional Assembly, there was much debate at the examination and in the submitted documents about the relative landscape merits of the countryside surrounding the city. A number of appraisals have been undertaken but in our view all appear to be somewhat partial and given their different methodology we have found them of limited value in making direct comparisons of the landscape quality and sensitivity of the various directions of growth that have been proposed.
- 23.108 There appears, however, to be a degree of agreement that the landscape to the south east is relatively poor since it is largely flat and bordered on two sides by the motorway and railway embankments. We note the suggestion that any development on this area would intrude into views of the greensand ridge from the east of the motorway. However, given the significant scale of the greensand ridge we are satisfied that development to the south east would not erode its importance as a landscape feature. Similarly subject to the provision of appropriate buffers we see no reason why it should undermine the important landscape setting of the settlements on the ridge, including Aspley Guise. We appreciate that there may well be areas of biodiversity importance within the area but we see no reason why these could not be retained and/or enhanced as part of any development.
- 23.109 The Local Plan Inspector concluded that the landscape to the west of the city was attractive and that significant further development in this direction would be likely to breach the Shenley ridge, which he considered formed a natural landscape frame to the city on its western side. We see no reason to disagree with his view in this regard.
- 23.110 Extensive development to the south of the city would be likely to have a significant impact on the attractive setting of the Brickhills. Both villages are located within an area of attractive landscape and contain a large number of listed buildings. It could also in our view detract from views of the greensand ridge and erode its importance as a landscape feature.
- 23.111 The quality of the landscape to the south west and east of the motorway appear to be fairly similar. It is contended that the quality of the field hedgerows to the east of the
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M1 is poorer and that development here would therefore have less landscape impact. However, in our view the better quality of field boundaries to the south west may well help to blend future development into the landscape. While it was argued that no clear defensible boundary exists to the south west we are not satisfied that existing landscape features to the east of the motorway provide a noticeably more defensible boundary.

23.112 Although much is made by some parties of the important elevated setting of Newton Longville, the core of which is a conservation area, Moulsoe and North Crawley are similarly in elevated rural settings. While neither is a conservation area, in our view they retain much more of their original rural character. In contrast the historic core of Newton Longville is surrounded by later residential development.

23.113 We find that development to the south east would have the least landscape impact. Although the relative landscape merits of development to the east of the motorway and to the south west are finely balanced we consider that there would be marginally less impact from the latter. Development in any other direction however would have a detrimental landscape impact.

### **Conclusions on Directions of Growth**

23.114 Weighing all these criteria our view is that the development to the south east is likely to be the most sustainable. Given the difficulties of accessibility by rail, the problems of integration and the likely infrastructure costs we consider that development to the east of the motorway during the plan period would be less sustainable or deliverable than development to the south west. Consequently, we endorse the two directions of growth identified in MK 2031.

23.115 The proposed extension areas will need to be masterplanned with careful integration of the existing settlements, using landscape buffers, integration of their open space network into the existing green infrastructure within Milton Keynes, and the provision of clear defensible boundaries. However, we have every confidence that this will be done to a high standard given the unique character and history of Milton Keynes. We note that the role of the Milton Keynes Parks Trust is widely valued, and it has already started discussions with relevant parties. In our view Policy MKAV1 successfully articulates these considerations.

### **Green Belt and/or Strategic Gaps I**

23.116 It has been suggested by some that a Green Belt should be created around Milton Keynes to limit its sprawl. However, we consider such a proposal to be inconsistent with the city's Growth Area status. We note that this suggestion has previously been rejected by the MKSM Panel<sup>38</sup> and by the Local Plan Inspector.

23.117 We see no need for an extension to Green Belt to the south east of the city, as suggested by Mid Bedfordshire DC. In our view there are no exceptional circumstances to justify this. The existing railway line forms a clear defensible boundary. In contrast the boundary suggested by Mid Bedfordshire would, in our opinion, be much weaker, being far less easy to read on the ground. We would very much hope therefore that Mid Bedfordshire DC will not pursue its current unilateral attempt to extend the Green Belt through the means of an LDD.

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<sup>38</sup> See para 7.30 of the Panel Report

23.118 Neither in our view is their sufficient justification for including any new strategic gaps within the Plan. Inclusion of such gaps in respect of any extension that has a population of less than 10,000 would be incompatible with the threshold in Policy CC10b. We find no case for reducing this threshold. Even if any of the extensions were to reach this threshold we are not persuaded that a strategic gap is necessary in this location. In our view land held by the Milton Keynes Parks Trust in perpetuity would receive far more protection than under Green Belt or strategic gap policies, with management being provided to ensure positive uses of the land.

23.119 We accept that the provision of green buffers around existing settlements will be essential to retain their character. However, in our view the detail of such buffers can reasonably be left to the site allocations and masterplanning stage (see para 23.137 below). This would have the added advantage of allowing local interests, including Parish Councils, further say in the scale and design of these buffers.

## **Distribution of Housing I**

23.120 Taking into account our findings the urban area has the capacity to provide some 10,410 additional dwellings during the plan period (para 23.74 above) and the housing already allocated as part of the Local Plan Expansion Areas and on other peripheral greenfield sites<sup>39</sup>, we consider it will be necessary for around 15,790 dwellings<sup>40</sup> to be provided in the proposed urban extensions. This is slightly higher than the figure in MK 2031, which proposes 15,500 dwellings (8,000 in the south east<sup>41</sup> and 7,500 in the south west<sup>42</sup>), in the light of our view that provision should be made for the previous shortfall (see para 23.34).

23.121 We have noted the suggestions by Mid Bedfordshire DC and Aylesbury Vale DC that the level of housing in their respective areas should be reduced<sup>43</sup> and that they are supported in this regard by both their respective County Councils and most of the affected Parish Councils. However, if the allocations were reduced along the lines suggested it would necessitate finding a third strategic development area. Given our views on the sustainability of the alternative locations suggested we do not feel that this would be appropriate at this stage. Moreover, the resultant smaller extensions in the south east and more particularly the south west would in our view be far less sustainable.

23.122 In contrast, given the poorer quality of the landscape to the south east of the city and the higher level of existing accessibility to this area, we believe it would be appropriate for the allocation for the south east extension to be greater than that proposed in MK 2031. In this regard we note that at least five of the eight options for growth that were considered in the preparation of MK 2031 proposed a figure of 10,400 or more dwellings in this location. While the subsequent land budget analysis suggested a lower figure as being more appropriate, the evidence provided by Milton Keynes Council to support this conclusion was, in our view, relatively weak. In contrast, the subsequent masterplanning work undertaken by the South East

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<sup>39</sup> 34,160 dwellings

<sup>40</sup> 15,500 dwellings proposed in MK 2031 + 1,100 shortfall referred to in paragraph 23.34 – 810 additional dwellings in urban area referred to in paragraph 23.67

<sup>41</sup> 4,800 of these dwellings would be within Milton Keynes District and the remainder (3,200) would be in Mid Bedfordshire District

<sup>42</sup> All of which would be in Aylesbury Vale District

<sup>43</sup> Both suggested a figure of 2,700 dwellings, although Bedfordshire CC suggested that the figure for Mid Bedfordshire should only be 2,300.

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Consortium suggests that the area has sufficient capacity to accommodate at least 10,400 dwellings (4,800 within Milton Keynes and 5,600 in Mid Bedfordshire).

- 23.123 Consequently, we consider that it would be appropriate for the Plan to provide for 10,400 dwellings within an extension to the south east of Milton Keynes – 4,800 of these dwellings being apportioned to Milton Keynes and 5,600 to Mid Bedfordshire. We are satisfied that even at this higher allocation there would be sufficient scope to provide the necessary green infrastructure and landscape buffers to safeguard the character of adjoining settlements and protect biodiversity, whilst still providing an attractive environment for future residents.
- 23.124 However, in the light of the more sensitive landscape to the south west, the greater uncertainty over future access to rail services and the need to create better defensible boundaries we consider that at this stage it would be appropriate to reduce the amount of housing allocated within the south west extension below that suggested in MK 2031. In our view an allocation of 5,390 dwellings would be sufficient to ensure the creation of a sustainable community without harming the landscape or eroding the setting of Newton Longville. Although this is less than the 7,500 dwelling threshold that Milton Keynes Council uses in relation to the provision of a new secondary school since the extension would fall entirely within Buckinghamshire where the threshold is 5,000 we consider this to be reasonable.
- 23.125 We set out in Table 23.2 below how our proposed housing levels for Milton Keynes and Aylesbury would be apportioned. The elements of the two urban extensions to Milton Keynes in adjoining districts should be included in a footnote to the housing table in Policy MKAV1.

**Table 23.2: Explanatory Table showing District Apportionment of Housing Levels**

	Milton Keynes	Aylesbury Vale	Mid Bedfordshire*
Milton Keynes urban area	34,160		
South east urban extension	4,800		5,600
South west urban extension		5,390	
Rest of Milton Keynes	2,400		
Aylesbury urban area		16,800	
Rest of Aylesbury Vale**		4,700	
Total 2006-26	41,360	26,890	5,600
Policy H1 district levels expressed as dpa (Total/ 20 years)	2,068	1,345 (rounded)	280

\* Subject to a revision of the East of England Plan. Pro tem this element is included in Milton Keynes' figures in Policy H1 (2,068 + 280 = 2,348 dpa)

\*\* No allowance is made for any future growth of Leighton Linlade, although this may be needed in the next South East Plan review

- 23.126 As an alternative to district apportionment, several participants including the Milton Keynes Parks Trust argued that any remaining quantity of housing on which the principal authorities had failed to agree a location should be allocated to a Milton Keynes 'Policy Area'. This approach to our mind would give rise to further delay with

no guarantee that the parties would be able to reach agreement on the outcome following further study. In addition it would not give the certainty that infrastructure providers look to RSS to offer. In any event, we have felt able on the basis of the evidence before us to recommend broad locations for the urban extensions, and therefore the need for this policy area approach does not arise.

## **Phasing of Urban Extensions I**

- 23.127 As for the phasing of the extensions it appeared to be generally agreed at the examination that it would be sensible to bring both extensions forward together rather than leaving the commencement of the extension to the south west to the last five years of the plan period, as proposed in MK 2031. Even at the reduced scale we now propose we are concerned that allocating all the housing in this growth area to the last five years could jeopardise the delivery of the proposed housing within the plan period. Bringing forward the start of the extension to the south west to 2016 would provide much greater flexibility and in our view would increase the likelihood of meeting the relatively high annual housing rates.
- 23.128 We note the suggestion of DLP Planning, on behalf of the Salden Chase Consortium, that the south west extension should be brought forward to 2011 to tie in with the programmed date for the provision of the new station at Newton Longville. However, as this project has not yet been given the final go ahead it is always possible that the programme may slip. In our view it would be more sensible for the station to be provided before any new housing as this would be likely to have a far greater impact on future residents' travel patterns. Consequently, we do not consider it appropriate for the south west extension to be brought forward to 2011.
- 23.129 In contrast, given the increased level of housing we propose in the south east we consider it would be sensible for its development to be staggered over a longer period. Given that some 4,800 of the dwellings would be provided within Milton Keynes district we envisage no insuperable difficulties in some 600 dwellings being constructed between 2011 and 2016.
- 23.130 A further review of the East of England RSS may be necessary before commencement of any significant level of housing within Mid Bedfordshire. However, we do not consider this should prevent the illustrative level of housing, as set out in Table 23.3, coming forward within this area during the period 2016-2021 given our conclusions at para 23.135 below. In addition, in the light of our recommendations in respect of adjustments to the proposed annual dwelling rate in the early part of the plan period we would suggest a very slight modification to the phasing of the provision within the urban area and a slightly larger modification to the phasing of development in the Local Plan expansion areas from that suggested in MK 2031 may be necessary. Moreover, extending development in the expansion areas, and other greenfield sites allocated in the Local Plan, into the period 2016-21 may well reflect more accurately the actual deliverability of this housing. In this regard we note that the tables in MK 2031 suggest that some residual housing development was expected to occur in these areas during this period.

**Table 23.3: Illustrative Phasing of Housing in the Urban Extensions and Areas of Change (2006-2026)**

Subject	2006-11	2011-16	2016-21	2021-2026	2006-2026
Housing to be provided in urban area	1,100	1,400	3,500	4,410	10,410
Housing to be provided in the Local Plan Expansion Areas and other Local Plan greenfield sites	11,400	11,500	850		23,750
Housing to be provided in the SE Growth Area		600	4,800	5,000	10,400
Housing to be provided in the SW Growth Area			2,450	2,940	5,390
<b>Totals</b>	12,500	13,500	11,600	12,350	49,950

### **Growth beyond 2026 I**

23.131 A number of participants suggested that the period for the South East Plan should be extended to 2031, at least as far as Milton Keynes is concerned, to reflect the strategy in MK 2031. However, we see no justification for this. As such we do not consider it appropriate to reach any conclusions on the suitability of the further extension to the south west that is proposed in MK 2031 for the period 2026-2031. In our view it will be necessary for a detailed comparative assessment to be undertaken of the implications of development to the east of the M1 and to the south west of the city, taking into account any progress of the East-West Rail link, prior to the next review of the South East Plan if informed judgements are to be made in determining the most sustainable strategy for Milton Keynes after 2026. As such, we do not consider we would be justified at this stage in ruling out provision to the east of the M1 after 2026 or in identifying the M1 as a permanent boundary for the city.

23.132 We have considered the suggestion of some parties that provision should be made in the Plan for strategic housing reserve sites at Milton Keynes. However, we do not consider that such a policy would be appropriate for an RSS. In any case we are not satisfied from the evidence that has been put before us that there is an overriding need to provide for strategic reserve sites in this location.

### **IMPLIMI TATIO I**

#### **Institutional Arrangements I**

23.133 This sub-region was used as a role model in discussions at the regional level in terms of the mechanisms being used to assist implementation. The two Local Delivery Vehicles have clearly galvanised actions on several fronts, assisted in part by additional growth area funding and community infrastructure funding from Government. The business planning approach adopted by Milton Keynes Partnership, together with the tariff imposed on new development, was widely praised. Although these arrangements are well established, we agree with GOSE that it would be useful to incorporate aspects of MKSM Strategic Policy 4 into a new Delivery policy for this sub-region, and we recommend accordingly.

23.134 The East-West Rail Consortium that was formed to promote the new strategic rail route includes local authorities and the RDAs, as well as the Regional Assembly and Milton Keynes Partnership. We heard that fund raising options are under discussion and it is envisaged that the Consortium will continue to have a key role in progressing the scheme on behalf of the constituent partners. We agree that implementation of the East-West Rail will require the Consortium (or another formally constituted body) to take executive powers in order to be accountable for levying of any tariff for the investment in rail infrastructure. We therefore recommend that the text explains the organisational arrangements intended to levy and hold developer contributions towards reinstating an East-West Rail link.

23.135 Actions are needed on two fronts to allow the Milton Keynes planned urban extensions to proceed. First, a revision will need to be made to the East of England RSS. We prefer this action rather than a partial review of the MKSM strategy because of the uncertainty as to whether it will continue in existence in the long term (see para 23.3 above). The Government's proposed changes to the East of England Plan, December 2006, are silent on the possibility of an urban extension into Mid Bedfordshire, and our Panel Report will probably be too late to influence the Plan as adopted. Nevertheless the proposed changes already include provision for an early review, and the needs of Milton Keynes would clearly be a topic to be covered either singly as a partial review or together with other topics. However this might mean that revised housing levels for Mid Bedfordshire were not formally adopted until 2010/11. As long as the South East Plan is clear about broad location, and transparent and accountable steering arrangements are set up, we do not consider that more detailed work on the south east extension should be held up because of these inter-regional procedural complexities.

23.136 Secondly, a coordinated approach will be necessary at the LDF level. Savills and other developer representatives all argued that a much stronger steer should be given by RSS on the form of joint work expected. Three joint working models were suggested by Milton Keynes Council:

- a joint site allocations DPD with a separate SPD for each extension;
- a joint Area Action Plan for each extension;
- a SPD for each extension linked to the LDF Core Strategy of each of the relevant districts.

The difference lies in the degree of 'buy in' that each would require from district Members, the formality of public consultation and appraisal processes necessary, and the status of the final documents. Milton Keynes Council favoured the first of these.

23.137 While a joint site allocation DPD would provide the necessary strategic overview to ensure integration of both extensions into the wider city, and a consistency of approach to green infrastructure and measures to protect existing communities, we are concerned about the possible time it might take to produce. Nevertheless some form of strategic overview would be very helpful, whether produced as a statutory or non-statutory document. If the non-statutory route were taken, the masterplanning framework and detailed design for each extension would be included in a statutory Area Action Plan for each extension area. Whatever mechanisms are subsequently agreed with GOSE in producing updated Local Development Schemes, we recommend that a fuller explanation of this intended process is given in the supporting text to the new Delivery policy to replace current references (E8, paras 2.4 and 6.3).

23.138 We welcome the fact that a commitment has been made to continue the joint working arrangements established for the MK 2031 strategy, i.e. the wider officers and

Members reference group. A continued involvement of the Milton Keynes Partnership would provide resourcing advantages. Nevertheless we could not help noticing a loss of faith in the Partnership from certain quarters, and this will need to be regained in some way. It would also help if both Aylesbury Vale DC and Mid Bedfordshire DC could feel like more equal partners, rather than arrangements being dominated by Milton Keynes' interests.

- 23.139 In the longer term consideration will need to be given to the joint arrangements for taking development control decisions and to allow the Milton Keynes tariff to be collected, or whether the Urban Development Authority boundary should be extended.
- 23.140 There will undoubtedly be considerable challenges to face in taking forward what will inevitably be controversial proposals. Nevertheless, if our recommendations are accepted, we hope that RSS will provide a clear steer that now allows more detailed local planning to progress.

## **Infrastructure/Implementation Plan Proposals I**

- 23.141 There are references to transport infrastructure in Policies MKAV1 and MKAV2, while other types of infrastructure are covered in Policy MKAV3. These policies provide the context for the schemes included in the revised Implementation Plan. Since the latter was produced in October 2006 we recognise that it represents a considerable refinement of the infrastructure requirements set out in the MKSM sub-regional strategy. We welcome the recent work done by the Regional Assembly, local authorities and partners to expand the definition of infrastructure as proposed in the draft Plan and the updating of the sub-region's transport and infrastructure needs.
- 23.142 GOSE express concern about the relationship between the infrastructure proposals in the MKSM sub-regional strategy and the Implementation Plan, given that the draft RSS does not purport to alter Part A of the sub-regional strategy. As we indicate in para 23.4 the main messages of the MKSM Part A statement should be incorporated into this sub-regional strategy. However since the infrastructure priorities listed in the Part A statement were based on work in late 2004/early 2005 in our view they have in effect been overtaken by the revised Implementation Plan. Indeed we see the SRIF schedules as being subject to frequent amendment, and we would highlight the footnote at the end of the MKAV SRIF that refers specifically to possible changes in the light of consultation on the long term growth strategy for Milton Keynes. Hence we propose that only the most critical elements of infrastructure should be identified in the RSS itself.
- 23.143 We also accept that some of the uncommitted schemes included in the sub-regional study and the SRIF may not have been subject to full testing in terms of their value for money or of possible alternative solutions. We do not have sufficient detailed evidence in front of us to make judgements about the merits of all of the individual schemes included in the SRIF. We do not therefore propose any deletions of specific schemes from the schedules. However to avoid any confusion we recommend the deletion of references to the Part A statement and the Implementation Plan at the end of Policy MKAV1 and MKAV2 v). A cross reference to the latter could then be included in the text together with the list of key infrastructure elements set out below.
- 23.144 We note the confidence expressed by the Regional Assembly about the robustness of the assumptions made in relation to infrastructure provision. In general we accept that this confidence is justified by the extensive analysis of infrastructure and costs undertaken particularly by the Milton Keynes Partnership and Aylesbury Vale



Advantage. The work on Milton Keynes has provided a useful baseline for the tariff approach to planning obligations discussed below.

- 23.145 We acknowledge that there has been an attempt in the SRIF to balance transport against other types of infrastructure. 35 of the 42 “themes” are included under the heading of transport though we are not convinced that all of the highway schemes are necessarily of sub-regional importance.
- 23.146 We agree entirely with the Regional Assembly about the strategic importance of East-West Rail. Hence we discuss it as an integral part of the Regional Transport Strategy and support its inclusion in Annex 2 of the Implementation Plan. As well as providing enhanced inter-regional public transport connectivity between major growth areas it has real significance for the MKAV sub-region. In particular we agree that East-West Rail supports the economic objectives of the sub-region as part of the Oxford to Cambridge Arc and offers opportunities to make the best use of land through higher density development at rail nodes and interchanges. We therefore recommend that the significance of East-West Rail for the growth of the sub-region should be referred to in the combined section 5/6 text.
- 23.147 The role of transport investment for the sustainable growth of the sub-region is reflected in the number of transport schemes in the SRIF. We are pleased to note that many schemes relate to intra-urban public transport in accordance with the transport infrastructure elements referred to in Policy MKAV1. In this respect the separate grouping of road, rail, park and ride, demand management and other measures subsequently suggested by Milton Keynes Council in an updated SRIF<sup>44</sup> is helpful, though we recognise that some of the road schemes have public transport priorities built into them. However while demand management is mentioned in relation to Aylesbury (E8, para 6.2) we agree with the HA that such measures will be needed more widely on the trunk and adjacent local highway networks in Milton Keynes. These schemes will be essential to encourage sustainable travel and to keep junction improvements to an affordable and environmentally acceptable level. We recommend that this point be added to the text at E8, para 6.1.
- 23.148 While in our view transport infrastructure, and particularly public transport, should have first priority, other necessary infrastructure should be included in the Implementation Plan. There do not appear to be any major water supply schemes that should be listed at this stage and green infrastructure is included in the SRIF. However we agree with the EA that fluvial flood protection investment proposals need to be specified as soon as up to date evidence is available. We also note that, while water quality targets will not be a constraint to forecast growth to 2026, there will be a need for the existing Aylesbury WWT to be extended or alternatively for a new works to be constructed<sup>45</sup>.
- 23.149 Taking account of the above issues and the SRIF as amended by Milton Keynes Council we recommend that (in addition to the re-opening of the East-West Rail link as part of an inter-regional east-west corridor) the following projects should be identified in the text relating to sub-regional infrastructure in a merged section 5 and 6:
- Improvement of junctions on M1, A422 and A5
  - A421 corridor highway and public transport improvements
  - Central Milton Keynes public transport and traffic management schemes including integrated inter-modal hub

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<sup>44</sup> Annex A to statement by Milton Keynes Council for Matter 8Fi

<sup>45</sup> Aylesbury Water Cycle Strategy Phase 1, Halcrow Group Ltd, November 2006

- Enhancement of intra-urban bus services in Milton Keynes
- Extension of Park and Ride in Milton Keynes and new Park and Ride for Aylesbury
- Aylesbury public transport hub and intra-urban public transport corridors
- Aylesbury to Milton Keynes rail (via East-West Rail) and road route improvements
- Aylesbury to High Wycombe rail improvements
- HE and FE facilities including new university
- Aylesbury WWT – increased capacity.

## RI COMMENDATIO I

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### Recommendation 23.1 I

Include a stronger strategic framework for this sub-regional section to integrate Milton Keynes and Aylesbury, including the significance of the Oxford to Cambridge Arc, the aim of getting the East-West Rail link reinstated, and to incorporate briefly the key messages of the MKSM Part A statement, and to say that MKSM Part B is superseded. (paras 23.4, 23.6, 23.7, 23.10)

### Recommendation 23.2 I

Create a new Economy section and:

- Refer to the job estimates as targets, and increase that for Milton Keynes urban area from 48,850 to 49,950 and for Aylesbury Vale district from 21,200 to 21,500 to maintain a 1:1 ratio with our adjusted housing figure. (paras 23.17, 23.21)
- Identify the elements of smart growth that apply to this sub-region. (paras 23.17, 23.22)
- Clarify that the ratio of jobs to new homes is intended to assist monitoring both at the district level and as part of a wider MKSM strategy, that a period of about five years is necessary for its reliable interpretation, and that any revision to housing figures that might be necessary through monitoring would need to be made through the next RSS review. (paras 23.20)

### Recommendation 23.3 I

Amend Policy MKAV1 by adding an additional 1,100 dwellings for Milton Keynes in the 2016-26 period to take account of the shortfall in completions between 2001-06 and the rephrasing recommended in Table 23.1. Add footnotes to indicate the components to be accommodated in adjoining districts and that the figures exclude that part of Milton Keynes district outside the urban area (paras 23.39 23.34, 23.125)

### Recommendation 23.4 I

Amend Policy H1 by adding 2,400 dwellings (120 dpa) for housing outside the Milton Keynes urban area to the district-wide total, and include an explanatory footnote in Policy MKAV1. (para 23.39)

### Recommendation 23.5 I

Treat the two urban extensions to Milton Keynes as SDAs in the Plan. Future directions of growth should be confirmed as being to the south east, subject to a revision to the East of England RSS, and the south west. (paras 23.81, 23.114, 23.135)

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**Recommendation 23.6 I**

Plan for the scale of the south east extension area to be larger than recommended in the MK 2031 strategy, and the south west proportionately smaller. (paras 23.123, 23.124)

**Recommendation 23.7 I**

Plan for the start of construction in the south east extension area to be phased for 2011-16 and for the south west 2016-21. (paras 23.127- 23.130)

**Recommendation 23.8 I**

Amend the supporting text to Policy MKAV1 to make clear that the housing levels are consistent with the overall aspiration for 68,600 additional homes 2001-31 in the MKSM strategy, and to clarify that additional employment land will be provided as part of the future urban extensions to Milton Keynes. (paras 23.37, 23.23)

**Recommendation 23.9 I**

Amend Policy MKAV2 by adding 300 dwellings to the Rest of Aylesbury Vale for the 2016-26 period (i.e. an extra 30 dpa over 10 years). (para 23.50)

**Recommendation 23.10 I**

Delete reference to 40% affordable housing in Aylesbury Vale in Policy MKAV2 and refer to the applicability of the region-wide target of 35% in its text. (para 23.56)

**Recommendation 23.11 I**

Make clear in the supporting text to Policy MKAV2 that some new employment land may be required in Aylesbury Vale, and emphasise the need for rigorous assessment of proposals to release employment land for other uses, particularly on sites close to Aylesbury town centre. (paras 23.245, 23.26)

**Recommendation 23.12 I**

Add an explanatory table into the text showing the district apportionment of housing levels. This, and the supporting text to Policy MKAV2, should make it clear that in the longer term it is possible that some of the growth of Leighton Linlade may need to be accommodated in Aylesbury Vale district. (paras 23.51, 23.125)

**Recommendation 23.13 I**

Delete Policy MKAV3 given the region-wide requirement to plan for sustainable communities in Policies CC12 as amended and S3, and that we recommend a continued existence for MKSM Part A statement. (paras 23.3, 23.4)

**Recommendation 23.14 I**

Include in a final section on Implementation and Delivery the key sub-regional infrastructure improvements, including the strategic importance of reopening the East-West Rail link, the organisational arrangements on funding, together with a further detail on the demand management measures in the Milton Keynes area. Delete reference to the MKSM Part A schemes and the Implementation Plan at the end of Policy MKAV1 and in MKAV2 v. (paras 23.11, 23.134, 23.143, 23.146, 23.147, 23.149)

**Recommendation 23.15 I**

Include a new Delivery policy for the sub-region, incorporating aspects of the MKSM strategic Policy 4, with supporting text to explain the intended process for producing joint or coordinated LDDs to take forward the two SDAs. (paras 23.133, 23.1347)

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**Recommendation 23.16 I**

In process terms:

To guide the growth post 2026, a comparative assessment of the implications of further development to the south west against development to the east of the M1 should be undertaken prior to the next RSS review. (para 23.131)

## **24 eGATWIE AREA eUB REGION e**

Matter 8G

*This chapter examines the key influences shaping the Gatwick Area sub-region and finds that the proposed approach in the draft Plan is generally sound, provided that clearer recognition of the cross-boundary relationships and the role of Gatwick Airport is incorporated. Some strengthening of the guidance on the economy, including on the regeneration of the town centres, and a small uplift in the proposed housing provision, is also recommended. It also identifies critical infrastructure themes that should be included in the Infrastructure section for this sub-region.*

### **OVEIe EW AND RATIONALE e**

- 24.1 The Gatwick Area sub-region is centred on Crawley/Gatwick and Horley. It extends to the edge of Redhill and includes the towns of East Grinstead, Haywards Heath, Burgess Hill and Horsham. The whole of Crawley Borough and parts of Mole Valley, Reigate and Banstead, Tandridge, Mid Sussex, Lewes and Horsham administrative areas are within the sub-region.
- 24.2 As participants at the EiP emphasised, this area has a wealth of environmental and economic assets. The central part of the sub-region lies within the High Weald AONB, while the Sussex Downs AONB (and proposed South Downs National Park) lies on the southern fringe, to the south of Burgess Hill. Crawley/Gatwick is a major centre of employment and the airport is the UK's second busiest. Connectivity is enhanced by the rail and A23/M23 corridors linking London and Brighton through the centre of the sub-region. The M25 lies just to the north of the sub-regional boundary.
- 24.3 The sub-regional framework for this area carries forward the Crawley/Gatwick/M23 area which was one of three locations identified for joint working within the Western Policy Area in RPG9. This was centred on Crawley, Gatwick and Horley, but Redhill and Reigate, East Grinstead, Haywards Heath, the South Coast and, to a lesser extent, South London were regarded as lying within its sphere of influence. The economic dynamism associated with the airport and its labour demands, the relationship with Brighton and other coastal towns, and access to the airport were the key elements in the proposed sub-regional approach in RPG9.
- 24.4 We heard widely diverging views about the role and rationale for the Gatwick Area sub-region and the appropriateness of its boundary. Some environmental interests challenged the justification for the sub-region, arguing that it has little social, environmental or even economic cohesion. Others strongly supported it, recognising especially the pivotal influence of Crawley/Gatwick on a wide area. We appreciate the environmental concerns but take the view that these contribute to the importance of managing the future growth of the key economic driver of Crawley/Gatwick, and the complex interrelationships with surrounding areas do not reduce the need for a sub-regional approach as recognised in RPG9.
- 24.5 Regarding the appropriateness of the sub-regional boundary, we understand SEEDA's and others' concern about the exclusion of Redhill-Reigate from the sub-region. It is an important node on the London-Brighton corridor and has strong linkages with Crawley/Gatwick. Its inclusion within the RES's Gatwick Diamond recognises the interrelationships. We also note that the London authorities regretted that the delineation of the sub-region would fail to reciprocate the London Plan's development corridor along the Wandle Valley (but see para 24.29).

- 24.6 Given the draft Plan's London Fringe sub-regional concept, we appreciate that there were arguments both ways as to the most appropriate context for Redhill-Reigate. It is clear that it also has an important role to play in the London Fringe. On balance, we do not consider that it would be justified to re-draw the boundaries to incorporate Redhill-Reigate into the Gatwick Area sub-region, and we would be loathe to damage the joint working arrangements that have developed through the preparation of the sub-regional strategies. However, we suggest that in order to realise the full potential of Redhill-Reigate for both sub-regions and for the Gatwick Diamond, close working relationships need to be fostered between them (see para 24.15 and 24.25 below).
- 24.7 So far as the southern boundary is concerned, we are satisfied that Crawley/Gatwick's influence extends well beyond the High Weald AONB and therefore the inclusion of Haywards Heath and Burgess Hill in the sub-region is appropriate. We also heard requests to include Southwater within the sub-region and we appreciate that it relates closely to Horsham. Nonetheless, we are content to leave the boundary as it is on the basis that E9, para 2.8 implies that the local authorities should have flexibility to transfer housing numbers between the sub-region and the remainder of their districts and we agree to this while retaining the clear focus on the sub-region.
- 24.8 We commend the principal authorities for producing a succinct strategy for the Gatwick sub-region. In terms of its introductory section, the vision expressed in E9, para 1.3 largely fulfils the same role as the challenges to be faced (which we suggest as a common opening to the sub-regional strategies in Appendix B2), as long as Gatwick Airport is mentioned.

## **Oe eTeATeGY (POLICe GAT1) e**

### **Spatial Strategy e**

- 24.9 Policy GAT1, described as the spatial strategy, aims to maintain and enhance the character and distinctiveness of the sub-region including its existing settlement pattern, the Green Belt and strategic gaps, the AONBs and other attractive countryside. It also requires that growth in the sub-region should be at a rate that can be assimilated by local communities. As a number of participants highlighted there is little that is spatially distinctive about this strategy. Also, it is unclear why it should differ in emphasis from the Statement of Strategy in C, para 4.6.7. This seeks to capitalise on the sub-region's location in relation to Gatwick Airport, London and Brighton, positively related to the Gatwick Diamond concept and focusing on diversifying the economy to reduce direct reliance on the airport. It also states that expansion of the airport will only be supported to agreed levels appropriate for a single runway (a matter upon which we comment later).
- 24.10 We agree that Policy GAT1 needs strengthening, to refer to the importance of sustaining and enhancing the pivotal role played by Crawley-Gatwick in the sub-regional economy, Gatwick Airport's international gateway role, and recognising the sub-region's interrelationships with London and the South Coast. It should also address the policy deficit which justifies the sub-regional approach. From the evidence and the views of participants, we believe that this is the need to manage the potential of all the growth elements coming together in an area of environmental constraint (see below). It is important to discourage coalescence of settlements but we do not consider that this is a spatially distinctive policy meriting inclusion in GAT1. We return later to the proposed policy for strategic gaps.

## **Environmental/economic Balance e**

- 24.11 The sub-region has significant environmental assets. The High Weald AONB covers much of the central area, the Sussex Downs AONB is on its southern borders, and the attractive Low Weald countryside, villages and towns with their distinct identities are also much valued. The MGB in the northern part of the area is widely regarded as a valuable environmental resource in its own right, being part of the setting of the Surrey Hills AONB, as well as a policy tool for urban containment. There are particular concerns about pressures on the sub-region's water resources and on water and air quality. Flood risk is a significant factor in parts of the sub-region. The SA and AA have highlighted the challenges that need to be addressed if planned growth is to be sustainable.
- 24.12 However, taking account of the Regional Assembly's proposed amendments to the draft Plan following the AA, we find it difficult to accept that the policy framework as a whole would not provide the appropriate safeguards for environmental protection in the sub-region. So far as the sub-regional spatial strategy is concerned, in our view it would respect the key environmental assets. We have some concerns that it undervalues the role that can be played by the economic drivers in the sustainable development of the sub-region and we return to this later. But overall, we are satisfied that the strategy provides for appropriately integrated environmental protection in the future development of the Gatwick Area.
- 24.13 As in the case of the other sub-regions, we consider that the inclusion of an illustrative strategy diagram in the Plan would be helpful in setting the context of the sub-region. This would need to include Gatwick Airport, the MGB, AONBs and proposed National Park, the named towns, the railway stations and lines and the strategic highway network.

## **ONOMY (POLIEY GAT4) e**

### **Context and Job Forecasts e**

- 24.14 Policy GAT4 sets out five elements that are required to secure the future economic well-being of the sub-region. The background text acknowledges that this will also contribute to the economic strength of the wider South East region. It explains that economic development should be rooted in the promotion of high value-added investment and increasing the value-added in the economy, coupled with enhancement of the skills and flexibility of the local workforce in order to assist the reduction of social exclusion. This reflects the Plan's general objective of achieving smart growth and we recommend that it would be helpful to include an explicit reference to the concept in the Gatwick Area strategy.
- 24.15 As acknowledged in E9, para 2.12, the sub-region lies at the heart of the Gatwick Diamond for Investment and Growth. This is expected to act as a catalyst to stimulate prosperity across wider areas, and offers scope for further sustainable growth based on targeted investment in their infrastructure. As referred to above, SEEDA and local economic partnerships favour the inclusion of the Redhill/Reigate hub within the sub-region in order to achieve greater complementarity with the Gatwick Diamond. Although we recommend, on balance, that the sub-regional boundary should not be altered, we believe that close working between the sub-regions and the fact that the Borough of Reigate and Banstead straddles both should ensure that the Diamond objectives are fully taken into account. We note that the NGP funding for Reigate and

Banstead, which includes initial capital and revenue funding for infrastructure projects, should help towards the achievement of wider objectives, including those for the Gatwick Diamond.

- 24.16 Estimates of GVA are not available at sub-county level so it is difficult to assess the contribution that the Gatwick Area sub-region makes to the regional GVA. However, from data for Surrey and West Sussex it could be assumed that the wider Gatwick Diamond (which includes the whole districts of Crawley, Mole Valley, Reigate and Banstead, Tandridge and Mid-Sussex and most of Horsham) contributes about 10-12% to the region's GVA. This gives some indication of the importance of the sub-region to the prosperity of the South East<sup>1</sup>. As Savills argued, it also underlines the importance of ensuring that the sub-region continues to "punch above its weight".
- 24.17 An interim target for monitoring employment growth 2006-16, based on the Assembly's scenario 4 (which incorporates the long-term migration trend), is included in E9, para 2.16. On the basis of the dwellings-led scenario 7 forecast, the Assembly has since proposed that the employment target should be reduced from 22,600 to 17,400. We have noted the wide range in the other forecasts from Cambridge Econometrics, Warwick and other sources, but SEEDA is willing to support the Assembly's revised figure, which is close to the latest Experian trend forecasts, and we find insufficient reason to differ. On this basis the expected growth in labour supply would marginally exceed the target for growth in jobs. However, given that total jobs currently exceed labour supply<sup>2</sup> and taking account of the sub-region's interrelationships with adjacent centres of employment and London's job market, we consider that the difference is insignificant.

## **Gatwick Airport e**

- 24.18 The role of Gatwick Airport in the sub-regional and regional economy was the subject of particular debate at the EiP. The draft Plan seeks to diversify the economy in order to reduce reliance on the airport. This appears to be based on expectations that its importance will decline in relative terms over the Plan period.
- 24.19 BAA's interim master plan for the airport<sup>3</sup> forecasts that by 2015, the airport will support some 14,550 jobs elsewhere, 3,400 fewer than in 2001. But it would nonetheless support 27,300 jobs at the airport and accommodate growth of about 8 million passengers compared with 2001. Cargo tonnage handled is expected to increase also, from about 0.25 million to 0.33 million tonnes pa.
- 24.20 As was acknowledged generally, uncertainty about the prospects for expansion of the airport in the longer term is a key issue. A number of participants questioned the wisdom of relying on continued airport growth, given the implications for climate change. On the other hand we heard arguments that RSS should plan for significant additional employment land and housing provision in the expectation that a second runway will be built at the airport. However, if this were to go ahead, it would not occur until very close to the end of the Plan period. In our view the implications of a decision to approve a second runway are so significant in their own right that a review of the Plan would be required and there is no need to attempt to pre-judge the issues at this stage. On balance, we consider that the draft Plan's approach which aims to support the development of the airport within currently agreed levels of growth is

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<sup>1</sup> Gatwick Diamond Socio-Economic Baseline Report, Economic Strategy Group, West Sussex CC, November 2005 [GAT56]

<sup>2</sup> by about 23,000 at 2006, SEERA scenario 7 projection

<sup>3</sup> Gatwick Airport Interim Master Plan, BAA Gatwick, October 2006 [BAA6]



broadly appropriate in the current circumstances, provided, as we recommend on Policy T9, that land is safeguarded for a second runway if required, a process which we understand is taking place through the Crawley LDF (see Chapter 9). We do however agree with those who expressed concern that Policy GAT4 underplays the current economic importance of the airport, and we recommend strengthening the policy to redress the balance.

## **employment Land e**

- 24.21 In accordance with Policy GAT4 which in turn links back to Policy GAT2, employment floorspace will be provided in association with the major developments and strategic locations at or adjoining Crawley, supporting its role as a transport hub and regional centre, and the other main towns within the main north-south and east-west corridors. Policy GAT4 also requires the provision of high quality sites for start-up and micro businesses, and in this respect also we consider that the economic development strategy in the draft Plan would reflect and help to implement some of the key elements in the economic strategy for the Gatwick Diamond<sup>4</sup>.
- 24.22 Policy GAT4 allows for the provision of sites to attract high value-added inward investment. We support this principle, but regret that more work has not been done to indicate the likely scale of future demand. In the meantime we found no convincing case for identifying new strategic employment sites through the RSS. If a second runway were to be approved at Gatwick the implications for employment land supply would need fundamental review but it would be inappropriate to make strategic land releases now for that eventuality.
- 24.23 So far as other requirements are concerned, Policy GAT4 refers to the need for enhanced learning opportunities, including a university campus and other improvements in tertiary education. This would address another of the components of the economic strategy for the Diamond. The Implementation Plan identifies Crawley as the location for the campus and on this basis we consider that GAT4 should include this locational detail.
- 24.24 The proposed policy framework will permit employment development in association with major new housing development in the sub-region, where required, while supporting the role of the town centres as principal locations for employment. However, we note that the Ancer Spa report identified the need to boost the appeal of the town centres and we agree with the Surrey and West Sussex Economic Partnerships that the policy should be clearer about the high priority that will be given to town centre regeneration in the sub-region.
- 24.25 It is important that the sub-region should have the right mix of high quality sites in order to continue to attract high value investment. We observed that the recycling of employment land at Manor Royal, for example, has been successful in responding to strong demand. The need for an enlarged stock of good modern accommodation both for commercial or office space<sup>5,6,7</sup> must continue to be met if the sub-region is to continue to prosper. However we have found no substantive evidence that much of this need will not be met on brownfield sites. The joint approach to employment land

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<sup>4</sup> Gatwick Diamond Economic Strategy, Ancer Spa on behalf of West Sussex Economic Partnership and Surrey Economic Partnership, December 2006 [GAT58]

<sup>5</sup> Ancer Spa report, as above.

<sup>6</sup> Gatwick Area Employment and Community Land and Property Demand Review, Halcrow Group Ltd in association with King Sturge, December 2006 [SAV2]

<sup>7</sup> South East Regional Property Market Study, CBRE Ellis, March 2007 [SEERA13a]

reviews by Crawley, Horsham and Mid-Sussex Councils is very helpful in developing a co-ordinated approach in their respective LDFs, and hopefully this approach will be extended to include Reigate and Banstead as part of the Gatwick Diamond. Subject to the strengthening of the support for town centres and the airport, we consider that the overall policy framework for economic development of the sub-region is robust and well-balanced.

## **TTL e M eNT SHAPING e**

### **Transport corridors e**

- 24.26 The main north-south (Brighton Main Line and A23/M23) and east-west (Horsham to Crawley rail and A264) transport corridors are recognised as a structuring influence on new development in Policy GAT2. All of the main settlements on which this sub-regional strategy relies are located in these corridors. Development focused at these main settlements should maximise the opportunity to use sustainable transport modes. East Grinstead is the only one without a direct rail connection to the heart of the sub-region at Crawley/Gatwick, although there are bus links.
- 24.27 Leonard Martin argued for a stronger focus of development on the north-south transport corridor between Crawley and Redhill, in part to improve the viability of bus-based public transport. We strongly support further development at these two regional hubs and acknowledge the two northern extensions of Horley that are already planned. We are encouraged by the work that is being done to improve and extend the Fastway bus service to Horley and possibly beyond. This has the potential to play an important role in a sustainable transport strategy for the sub-region and it will be supported in part by the NGP funding allocated to Reigate and Banstead Borough.
- 24.28 However we are not persuaded that further development emphasis should be given to this part of the corridor, because the gaps between settlements are already relatively narrow, and because uncertainty remains about the outcome of ongoing consultation on the Brighton Main Line Route Utilisation Strategy. Although capacity is likely to be increased through the use of longer trains and improved signalling, its division between long-distance and local services and the feasibility of lengthening station platforms particularly at Redhill and Horley has yet to be tested.
- 24.29 This part of the corridor also has potential complementarity with the Wandle Valley development corridor in the London Plan. Pan-regional work on this is due to take place in summer 2007, and there is the possibility of some additional reverse commuting by rail from south London to jobs in Redhill and Crawley/Gatwick. In our view the inter-linkage between Redhill and Crawley, and their relationship with south London can be recognised and taken into account without the sub-regional boundary change sought by some participants.

### **Gr en B elt and Strategic Gaps (Policy GAT1) e**

- 24.30 Policy GAT1 confirms the role of the MGB and strategic gaps in shaping the spatial strategy. As set out in Chapters 5 and 20 of our report we fully accept the importance of the MGB as a metropolitan resource not only for the region's population but also Londoners. However, as explained in regard to the work by the principal authorities on the London Fringe strategy, we are concerned that options for a higher level of growth in Surrey were insufficiently tested and therefore the need for any strategic or selective review of the MGB was not addressed. We have referred to the MGB context of the Redhill/Reigate hub in Chapter 20 and our conclusion there that there is

a case for small scale review of MGB boundaries is also relevant to this sub-region. In regard to the MGB around Salfords and Horley which lie within the defined Gatwick sub-region, we refer below to the very limited potential for review of MGB boundaries without undermining the purposes of the Green Belt. Overall, given the need for increased housing provision in Reigate and Banstead as set out in detail in Chapter 20, we consider that there may be a need for some small scale review of the MGB in the Gatwick sub-region part of this district.

- 24.31 Turning to the strategic gaps, these are a long-established policy tool for controlling the growth of settlements in West Sussex. The strategic gaps that are to be protected in accordance with the West Sussex Structure Plan are defined in Policy CH3. It is clear that a number of them would not comply with the criteria of Policy CC10b of the draft Plan, and in accordance with our recommendations in Chapter 5 above these criteria would be made more restrictive in order to avoid the safeguarding of unnecessarily wide tracts of land (see Recommendation 5.14)
- 24.32 On balance, we accept that the settlement form of the sub-region is likely to continue to merit strategic gap policies in LDDs, provided that they are designated and regularly reviewed in accordance with our proposed amendments to Policy CC10b. This would ensure a more flexible policy approach that would protect the areas which are important for settlement shaping while not sterilising any more land than is necessary. As a result, some of the existing strategic gaps in the County between widely spaced settlements, for example between Crawley and East Grinstead, and between small settlements, would no longer merit protection as strategic gaps<sup>8</sup>. We are confident however that countryside and landscape character policies should be sufficient to protect important open areas between settlements.
- 24.33 It was suggested at the EiP that a strategic gap should be defined around Gatwick Airport, but in our view this would not accord with the principles underpinning Policy CC10b or with the fundamental purpose of strategic gaps.

## **Influence of Water Supply, Waste Water treatment, Flood Risk and e Transport e**

### **Water Supply**

- 24.34 It is clear that the Sussex North water resource zone is in deficit and there is a forecast deficit for the zone serving Burgess Hill, Haywards Heath and East Grinstead. Transfer of water between water resource zones will continue to be needed to supply the Gatwick area in the immediate future. The SRIF identified potential for a desalination plant on the Sussex Coast to help augment the future supply, but we heard at the EiP that this is unlikely to proceed, at least in the medium term, due to environmental and cost factors. However, on the basis of all the evidence to the EiP we are satisfied that the water requirement for the Plan period can be provided and, subject to successful implementation of water-saving measures, that there is no fundamental constraint in this regard. The Plan should, nonetheless, provide more information than is contained in E9, paras 3.1 and 3.2 on what may be required to secure the future water supply (see para 24.67).

### **Waste Water Treatment**

- 24.35 We were told that the concern that a detailed water cycle study might be needed to find an acceptable solution for waste water treatment at Crawley has been resolved;

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<sup>8</sup> Note to the Panel on Strategic Gaps, identifying those in the Gatwick Area Sub-region that would meet the criteria of Cross Cutting Policy CC10b, March 2007 [GAT65]

nonetheless, significant investment in infrastructure at Crawley will be required. Generally, water quality remains a concern in the sub-region, and capacity to treat even existing levels of waste water may be reduced as the implementation of the Habitats and Water Framework Directives take effect. The EA is particularly concerned about capacity at Horsham for this reason. Therefore phasing of development may be necessary in some locations, and further investment in treatment will be required. As Mid Sussex DC highlighted in relation to infrastructure generally, delays in completing the required improvements have caused long delays in housing delivery and this needs to be avoided in future. But from all the evidence we are satisfied that WWT considerations have been properly factored into the sub-regional strategy. As in the case of water supply, however, additional detail should be provided in the text about the key infrastructure for delivery of the sub-regional strategy. We refer further to this in para 24.67 below.

### **Flood Risk**

24.36 Flood risk is a particular concern in the River Mole catchment area, especially at Horley, but the EA is satisfied that the proposed scale of growth can be accommodated there. Elsewhere there is still much work to be done on flood risk assessments to inform site allocations but the Assembly is satisfied that there are sufficient lands available outside flood zones 2 and 3 to accommodate the Plan's requirements. On the basis of all the evidence to the EiP, we have found no reason to disagree with this position nor is there any indication that a slightly increased level of provision could not be accommodated. However we share EA's view that a specific reference to the need to assess and manage flood risk should be included in the text.

### **Other Transport**

24.37 We have referred above to the particular role of the transport corridors in shaping the spatial strategy for the sub-region. So far as we can judge on the transport aspects more generally, the strategy has been informed by close working with stakeholders and regional partners, transport modelling and by multi-modal and other studies<sup>9</sup>. In addition to the Brighton Main Line Route Utilisation Strategy, other such strategies which are not yet complete will also influence the potential contribution that can be made by the Southern rail services.

24.38 GOSE questioned whether the RTS's manage and invest approach is evident in the distribution of growth in this sub-region, and the HA and others emphasised the importance of demand management and other soft measures to reduce the stress on the highway network. In our view the reduction element will be facilitated by the urban focus of the strategy. As in other parts of the region, there are significant management challenges and investment demands and we comment further on these matters under Implementation below. Major pieces of transport infrastructure are required in order for development to proceed. The case for some others, including a rail interchange west of Crawley, will require further investigation. Overall, however, we have found no substantive evidence that the transport infrastructure requirements have not been considered so far as it is possible in drawing up the sub-regional strategy. But, as GOSE alluded to, we agree that there could be merit in a more focused sub-regional transport study, in particular to help scope the potential for maximising the role that will be played by public transport.

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<sup>9</sup> Crawley/Gatwick RPG Study – Transport Study – Final Report, Halcrow Group Limited, February 2003, and the Supplementary Report in October 2003 provide useful reviews.

## **HOUSING**

### **Overall Level (Policy GAT2)**

- 24.39 In accordance with Policy GAT2 the sub-region is proposed to provide 33,000 additional dwellings (1,650 dpa) over the Plan period. West Sussex CC, as lead authority for the sub-region, has stated that this scale of growth is equivalent to that in the Growth Areas and that it will provide for appropriate development of the economy but that the environmental and infrastructure implications are very challenging, especially after 2016. The Council and the local authorities are supported by the Assembly in their view that the proposed housing level is the maximum that should be required.
- 24.40 Since the draft Plan was submitted, Reigate and Banstead has been awarded New Growth Point status. The District Council made clear however that while this entailed a faster rate of delivery up to 2016 than previously envisaged, it was not proposed to increase the overall housing provision figure for the borough as set out in the draft Plan.
- 24.41 Given the forecast of a small net surplus in labour, and that we consider the economic strategy to be generally sound as above, we do not support the economic arguments made by some developer interests for a very substantial uplift in the sub-region's housing provision.
- 24.42 For the reasons given in Chapter 7 we conclude that the draft Plan housing figure represents an appropriate response to the demographic factors. There is substantive evidence of the very high level of housing need in this sub-region. Data for the Gatwick Diamond area on the "barriers to housing" domain in the Indices of Deprivation 2004 identify that a number of Super Output Areas are among the worst in England. This is almost entirely due to the affordability of housing in the Diamond area<sup>10</sup>. Taking a holistic approach, we consider that the greatest possible contribution to meeting locally-arising need should be made within the sub-region.
- 24.43 The extent to which housing provision levels are marginally higher than RPG9, particularly in Crawley, gives some comfort that the area will contribute towards the step change in housing provision required by Government. We understand that the relatively poor performance in recent rates of completions is due to complex, interrelated factors but that delays in provision of essential infrastructure have been one of the most critical. Taking the completions data and the RPG9 comparison into account, and subject to other considerations, we consider that some increase in the housing provision figure would be supportable but that it should be very modest, to reflect what could realistically be delivered.
- 24.44 Assessments of urban potential for Crawley, Horsham, Mid-Sussex and Reigate and Banstead in total indicate that about 38% of the Policy H1 requirement is likely to be provided on brownfield land within the urban areas or on already committed greenfield sites<sup>11</sup>. If brownfield land outside urban areas is also included, the percentage would rise to about 42%. Although relating to a slightly larger area, this

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<sup>10</sup> Gatwick Diamond, Socio-Economic Baseline Analysis Report, Economic Strategy Group, West Sussex County Council, November 2005, paragraph 9.1 [EiP library reference GAT56].

<sup>11</sup> Based on Urban Housing Potential Update and Housing Potential on Previously Developed Land Outside Urban Areas: Final Report and Commentary Updated Version, Michael Ling for SEERA, October 2006 [Hr6C] and Table showing Assumed urban and non-urban PDL housing potential as percentage of policy H1 Housing provision, SEERA, October 2006 [Hr6B]

nonetheless indicates the scale of greenfield development that is likely to be required. The West Sussex and Surrey Structure Plans identify the strategic locations where much of the greenfield requirement up to 2016 will be found<sup>12</sup>. Any increase in the overall housing provision for the sub-region is therefore likely to increase an already high level of reliance on greenfield sites.

- 24.45 We have noted earlier that there may be a need for some small scale review of Green Belt boundaries within the sub-region in order to provide for housing requirements but that its potential scope is limited in the Horley-Salfords area. Taking into account the extensive area of the High Weald AONB in the sub-region, the existence of flood risk constraints, the noise protection zones around Gatwick airport, and all the other environmental factors, we accept that there is limited potential for a higher level of growth.
- 24.46 Overall, we consider that the draft Plan provision figure of 1,650 dpa has a reasonably sound basis. It represents a balanced response to most of the key factors that should be taken into account. In some respects we agree it is challenging, especially taking account of the scale of growth that is required in the strategic development areas to implement the policies of the two structure plans. This challenge is increased by the magnitude of under-provision that has occurred against the RPG9 housing requirement in certain areas. This should not be seen as a perverse incentive for authorities/stakeholders that have under-delivered against RPG targets to continue doing so; instead it reflects the need for realistic, achievable targets.
- 24.47 Nonetheless, we are not convinced by the principal authorities' arguments that the draft Plan figure is the absolute maximum that can be achieved. We consider that the need to provide more housing generally in the South East, and especially more affordable housing, should weigh heavily in favour of a small increase in the contribution from this sub-region. Accordingly we recommend that the overall requirement should be increased to 34,500 dwellings (1,725 dpa), an increase of 4.5%.

## Housing Distribution e

- 24.48 Work is already underway through LDDs to bring forward sites that will help to meet the draft Plan's housing requirement to 2016 and beyond. The detailed work undertaken in response to the two structure plans entails urban extensions at Crawley (partly in Horsham District) for 5,200 dwellings, Horley (2,300 dwellings), East Grinstead (2,500 dwellings), Haywards Heath (1,400 dwellings) and Horsham (1,000 dwellings)<sup>13</sup>. The distribution of the residual requirement up to 2026 is based on assessments of urban potential, so far as long-term forecasts can be relied upon, and the scope for additional greenfield development where required. We appreciate that the principal authorities and the districts have worked hard to identify how an already challenging target for 2026 could be accommodated, and we have no reason to doubt that the urban potential assessments in general were carefully undertaken. Updated information on Crawley is referred to below. Our recommendation would entail an additional 1,500 dwellings in total for the sub-region and will slightly increase the challenge. Nonetheless we are reasonably confident that this can be met by a stronger urban focus, higher densities and some additional greenfield releases if necessary.
- 24.49 We set out below the considerations for the districts that are specified in the sub-regional distribution. It should be noted that while parts of the administrative areas of

<sup>12</sup> West Sussex Structure Plan 2001-2016, West Sussex CC, February 2005. See Policy LOC1. Surrey Structure Plan 2004, Surrey CC. See Policy LO1.

<sup>13</sup> The approved Horsham Core Strategy proposes 2,000 homes for the area west of Horsham by 2018 [GAT54].

Lewes, Mole Valley and Tandridge lie within the sub-region, these are mainly rural areas where new housing development is expected to be insignificant. The draft Plan has included these elements in the Rest of Lewes and in the London Fringe apportionments for Mole Valley and Tandridge. We follow the same convention and so no reference is made to them below.

- 24.50 As Leonard Martin commented, the current presentation of the district housing apportionments in Policy GAT2 is less than transparent since much of the future growth that will take place at Crawley is located in Horsham District. Also, the sub-regional strategy should be more informative about the broad locations for growth that are already committed through the structure plans. We recommend that additional information be included in the supporting text on the broad locations where large scale development is already committed through the planning system (see para 24.48 above).

### **Crawley**

- 24.51 Crawley includes the regional hub of Crawley/Gatwick. This is based around the former New Town that has become a commercial and administrative centre providing a wide range of higher order functions. The proximity of the airport attracts organisations requiring access to international and European markets. The rail station acts as a key interchange between inter- and intra-regional rail services. The hub also has a high level of access to the strategic road network, and the coach station at Gatwick operates as a national hub for coach services.
- 24.52 We heard arguments at the EiP that the draft Plan fails to give sufficient recognition to the potential of Crawley/Gatwick. Nonetheless, Policy GAT2 specifically identifies its role as a hub and seeks to direct a major part of the sub-region's future development to it. The draft Plan provision figure represents a 19% increase on the RPG9 target and is even more challenging when compared with recent completion rates which have averaged only 38% of the RPG9 figure. Also, the potential future role of the hub is affected by uncertainty about expansion of the airport and we expect that when the decision about a possible second runway is made, if it is positive then the strategy for Crawley/Gatwick will need to be reviewed. Given these factors, it is difficult to accept that a significant increase in Crawley's housing provision figure would be justified but we agree that the hub should make the largest possible contribution to the overall housing requirement that is consistent with its constraints.
- 24.53 We recognise that due to Crawley's characteristics and bearing in mind that the North East Sector (NES) is affected by safeguarding for a possible future second runway at Gatwick, the scope for further greenfield development is very limited<sup>14</sup>. Additional capacity would therefore need to come from brownfield sources. The evidence to the EiP indicates that the regeneration efforts in the town centre and elsewhere are likely to yield more housing opportunities than originally expected, hence the lack of need to rely on the NES before 2018 at the earliest. We note the Borough Council's concern that the new town neighbourhood principle and structure will nonetheless constrain the number of dwellings that can be provided on brownfield sites. However, in our view, high quality, innovative design should be used to maximise the scope for intensification and increased densities, given the significant employment and accessibility advantages offered by the hub. Taking all of these factors into account we consider that a more challenging target can be set based on brownfield

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<sup>14</sup> Although the original housing allocation for the district was based on the assumption that 2,700 dwellings would come forward on the NES within the Plan period, the Council has identified several brownfield opportunities which replace the need to bring forward the NES before 2018.

redevelopment. On this basis we propose that the overall provision figure for the borough should be increased by 500 dwellings.

### **Mid Sussex (part)**

- 24.54 The draft Plan provision figure of 13,800 dwellings over the Plan period is considered very challenging by the District Council, given the environmental and infrastructure constraints affecting the area. The requirement for the district as a whole is slightly above the RPG9 requirement (+9%). Nonetheless, for a number of reasons there has been substantial under-performance to date against the RPG9 target (-26%). We consider that this must caution against a substantially increased figure which is unlikely to be achievable, even though we heard calls for a large uplift in the district's apportionment.
- 24.55 Concerted efforts are being made to unlock the major sites at East Grinstead and Haywards Heath that will bring forward a large part of the district's overall requirement. We accept that lead-in times and the major infrastructure requirements for the proposed level of growth in the district also indicate that a much increased housing target may not be deliverable. However, looking towards the latter half of the Plan period there is likely to be some increased scope in our view, and the level of services, local economies and accessibility of East Grinstead and Haywards Heath would justify a small overall uplift. The potential to improve public transport connections between East Grinstead and Crawley is a supportive factor.
- 24.56 The case for substantially increased growth at Burgess Hill was put to the EiP. Studies carried out for the Council illustrate potential for expansion in a number of directions around the town. We agree that the town has locational advantages in terms of its position on the London-Brighton rail line, two rail stations, and opportunities to contribute to both the sub-regional and South Coast economies. It could help to provide housing choice to meet needs associated with Brighton's growth. We were also told about the importance of encouraging regeneration of the town centre. As a result we consider that there may be potential for future growth at Burgess Hill that would merit some reference in the supporting text.
- 24.57 Taking all of these factors into account, on balance we conclude that a small increase in the sub-regional apportionment to the district would be justified. The total provision figure should therefore be increased by 1,000 dwellings.

### **Horsham (part)**

- 24.58 A total of 9,200 dwellings are proposed for that part of Horsham district within the sub-region. Almost half of this will be provided in urban extensions to Horsham and to Crawley (within Horsham's administrative area) that are committed following the West Sussex Structure Plan. Taking the figures for the district as a whole, the provision figure is only slightly in excess of the RPG9 target, but it exceeds recent completion rates by about 16%. The Council regards this level as very demanding for environmental and infrastructure reasons and it argues that any higher level would be likely to have unacceptable environmental impacts and could not be realistically delivered within the Plan period.
- 24.59 We have referred above to a number of the environmental constraints affecting the district. The EA has particular concerns about water quality and has recommended that the number of new dwellings connected to the Horsham STW should be limited to 3,800. There may be potential in the longer term for further expansion of Horsham beyond committed levels but we consider that there is insufficient justification at this stage to support it. Options for further extensions to Crawley in the north-east of



Horsham district are constrained by the implications of potential expansion of the airport and in various other directions by the AONB.

- 24.60 Overall, balancing all of these considerations, we consider that the proposed apportionment to the sub-regional part of Horsham district is sound.

### **Reigate and Banstead (part)**

- 24.61 The apportionment to Reigate and Banstead is split between its Gatwick and London Fringe sub-regional parts. We have commented in Chapter 20 above on the London Fringe element. The Borough Council expressed particular concern about the need for flexibility to provide for its overall housing allocation in the most sustainable locations, notwithstanding the split between the two sub-regions. Our recommendation in Chapter 7 would assist in this regard. For the sake of comparability with the draft Plan however, we consider the Gatwick sub-regional component of the borough below.
- 24.62 Policy GAT2 proposes that the borough should provide for a total of 3,000 dwellings (150 dpa) in its part of the sub-region. This contribution would be made principally at north west and north east Horley where two new neighbourhoods are being brought forward as part of the Surrey Structure Plan's requirement up to 2016. However this target entails a reduction from the structure plan's requirement for about 173 dpa up to 2016. We heard representations that the draft Plan's figure is unduly cautious and would fail to capitalise on the sustainability advantages of this location on the Redhill-Crawley/Gatwick corridor. We have considerable sympathy with these arguments, especially since there is potential to enhance public transport connectivity between the centres by the proposed extension of Fastway to Redhill. Against this, the Council is concerned that, given very limited brownfield potential in Horley, any significant additional housing requirement would require incursions into the fragmented and particularly vulnerable tracts of MGB along the A23 corridor. While to the south, Horley's expansion would be constrained by air quality, noise and other considerations associated with Gatwick Airport.
- 24.63 Taking all of these factors into account we do not propose any specific increase in the apportionment to this part of the borough. However, as a consequence of our recommendations in Chapters 7 and 20, the Council would have flexibility to identify the most sustainable locations to accommodate the increased overall provision level that is recommended, provided that this would not depart significantly from the overall strategy for either of the sub-regions.

### **Affordable Housing (Policy GAT3) e**

- 24.64 Policy GAT3 sets out an overall target of 40% affordable housing and advises that it should be delivered through a variety of mechanisms and tenures. This exceeds the overall regional target of 35% (of which 25% should be social rented and 10% in other forms of tenures). The draft policy has won support from a range of participants, including some developer representatives, provided that it is used as a target and is applied flexibly in response to local circumstances.
- 24.65 We found little substantive justification in the arguments against this higher overall target for the sub-region. There is clear evidence of a high level of need in West Sussex, as demonstrated in the affordable housing needs assessments carried out at local authority level and reflected in the background submissions by the principal

authority<sup>15</sup> (and the high affordability ratios mentioned in para 24.42). We have already commented on the affordable housing need in Surrey in Chapter 20 above. We accept that flexibility will be required at a local level to respond to particular circumstances but the draft Plan's overall framework would permit this. However the viability of a 40% target in general in West Sussex has been assessed and it can be supported<sup>16</sup>. We do not accept that the economics of affordable housing provision on the large greenfield sites that will provide a significant element of the sub-region's new housing would be unlikely to support the target in general. Given that the mechanisms are already set out in Policy H4 for the region as a whole we are not convinced that the sub-region requires a separate policy; we recommend that the indicative target could be added to Policy GAT2.

## **IMPLEMENTATION**

### **Implementation Plan Proposals**

24.66 The sub-regional strategy includes references to implementation in E9 para 2.3, 3.1 and 3.2 although we note that 3.1 repeats the content of 2.3. The bulk of the information is contained in the Implementation Plan. The SRIF as expanded by West Sussex CC at the EiP<sup>17</sup> includes a wide range of transport schemes. Some of them, such as capacity improvements at Gatwick and upgrading of the Gatwick-Heathrow rail link are clearly very important for the sub-region but are of wider regional significance. On the other hand, it includes non-specific soft measures to ease congestion which are likely to be of local significance.

24.67 A number of participants emphasised that the main elements of infrastructure that are most critical to delivery of the sub-regional strategy should if possible be identified. We agree, although this is not an easy task – selectivity and subjectivity are involved – and we also accept that many schemes are needed to remedy existing deficits as much as to facilitate new development. Some schemes are of wider regional significance but nonetheless are seen as particularly important for the sub-region. Other softer measures such as ITS or demand management are important across the region and we are not convinced that they should be repeated in each of the sub-regional strategies. Subject to these limitations, we consider that the following schemes, whether already included or not, merit references within the supporting text in E9:

- Improvements and extensions to Fastway
- Gatwick rail station improvements
- North Downs rail line upgrade
- Capacity improvements on the London-Brighton mainline
- A23/M23 improvements
- A22/A264 East Grinstead Relief Road
- new WWT infrastructure for Crawley and Horsham
- Clay Hill reservoir (which we note would be located in Lewes district outside this sub-region)
- University campus at Crawley.

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<sup>15</sup> Advice to SEERA on the Gatwick Area sub-region and Rest of West Sussex, West Sussex CC, August 2005 [GAT35].

<sup>16</sup> Study Relating to the Financial Viability Impacts of Affordable Housing Policy Options in West Sussex, Adams Integra for the West Sussex Planning and Affordable Housing Group, August 2005 [GAT53]

<sup>17</sup> GAT66 and GAT67 submitted at the EiP

24.68 This list indicates the main schemes that would assist mobility management within the sub-region. While references to the above infrastructure should be included in the Plan, we are not convinced that Policy GAT5 serves a useful purpose. It largely repeats the content of paras 3.1 and 3.2, and should be deleted. But as noted above, a significant omission is a reference to flood risk and flood risk management and this should be corrected in the final part of the strategy text. As elsewhere we suggest that the table on delivery mechanisms and agencies would be better located in the Implementation Plan but the final section of the strategy could be labelled Infrastructure and Implementation and refer to the joint working arrangements below.

## **Institutional Arrangements e**

24.69 From all the evidence at the EiP we have concluded that there are reasonable grounds for confidence that implementation of the sub-regional strategy can be achieved without a special “delivery vehicle”. The sub-region straddles two counties but joint working on the preparation of the draft Plan has provided a sound basis for the future, and there is evidence of close collaboration between the districts on issues such as employment land requirements and area actions plans for strategic sites. The work on the Gatwick Diamond initiative led by the local economic partnerships, the principal authorities and SEEDA has also been fruitful in promoting joint working, and has been a way of binding Reigate and Banstead BC with the three West Sussex districts.

24.70 Nonetheless, the sub-regional strategy is distinctly lacking in its recognition of the joint working that will continue to be required for successful implementation in this sub-region and we do not consider that all such references should be left to the Implementation Plan. The need for continued joint working on LDDs should be stressed, to clarify and complement the reference in E9, para 3.2 to the use of joint, multi-agency plans and frameworks to bring forward the required infrastructure. The importance of partnership working with the Gatwick Diamond agencies to implement the economic development strategy should also be mentioned in the final part of the strategy.

## **RECOMMENDATIONS e**

### **Recommendation 24.1 e**

Include a reference to the opportunity to capitalise on the sub-region’s location in relation to Gatwick Airport in the introduction to the strategy. (para 24.8).

### **Recommendation 24.2 e**

Amend Policy GAT1 to seek sustainable economic growth based in part on Gatwick Airport’s gateway role while ensuring that the sub-region’s distinctive environmental assets, in particular the High Weald and Sussex Downs AONBs, are protected. (para 24.10)

### **Recommendation 24.3 e**

Amend Policy GAT2 to increase the housing provision for the Plan period, 2006-2026, for:

- the sub-regional total from 33,000 to 34,500
- Crawley by 500 dwellings
- Mid-Sussex by 1,000 dwellings

(paras 24.47, 24.53, 24.57).

**Recommendation 24.4 e**

Add a sentence to Policy GAT2 to make clear that as an indicative target, 40% of this provision should be sought as affordable housing and delete Policy GAT3. (para 24.65)

**Recommendation 24.5 e**

Amend the supporting text for Policy GAT2 to list the major strategic directions of growth that are proposed as urban extensions through the approved structure plans (para 24.50)

**Recommendation 24.6 e**

Include references in the supporting text for Policy GAT2 that small scale local review of the MGB may be required in Reigate and Banstead to provide for the borough's overall housing requirement (para 24.30) and to include an acknowledgement in the supporting text for Policy GAT2 that there may be potential for future growth at Burgess Hill. (24.56)

**Recommendation 24.7 e**

Amend Policy GAT4 by i) adding a new criterion to refer to the regeneration of the sub-region's town centres to provide first choice, highly attractive locations for inward investment, ii) making clear that the new university campus is proposed at Crawley, and iii) re-wording the fifth criterion to refer to support for Gatwick Airport's major employment role and as a focus for world class business investment. (paras 24.20, 24.23, 24.24)

**Recommendation 24.8 e**

Add a specific reference to the concept of smart growth in the supporting text for Policy GAT4. (para 24.14). Include a job growth estimate for monitoring of 17,400 between 2006-16. (para 24.17)

**Recommendation 24.9 e**

Delete Policy GAT5 on Infrastructure. (para 24.68)

**Recommendation 24.10 e**

In the final section of the strategy expanded to cover Infrastructure and Implementation, refer to the importance of joint working between authorities to assess needs and bring forward strategic developments and associated infrastructure that cross local authority boundaries and to the importance of partnership working with the Gatwick Diamond agencies to help implement the economic development strategy. (para 24.70)

**Recommendation 24.11 e**

Add a list of key infrastructure requirements to the Infrastructure and Implementation text and refer to the need to manage flood risk. (paras 24.67, 24.68)

## **25 CISLE OF WIGHT C**

Matter 9A.2 & 3

*This chapter examines the justification for the Special Policy Area status of the Isle of Wight and supports the strategy based on economic growth with the proviso that this should be achieved with minimal environmental impact. It recommends the adoption of a policy-led job growth target and endorses the planned housing provision. It considers transport improvements and the importance of achieving reduced water consumption.*

### **OVERVIEW AND RATIONALE C**

- 25.1 The Isle of Wight is described as a Special Policy Area in the draft Plan, because it failed to meet one of the Regional Assembly's criteria to become a sub-region, in that it lies within only one local authority area. Initial work considered whether it could be combined with the South Hampshire sub-region, but understandably concluded that the island has distinctive characteristics.
- 25.2 We agree that the Isle of Wight should have recognition within this RSS given its continuing need for economic regeneration, as reflected by its PAER status in RPG9. Although it is difficult to point to an ongoing policy deficit, particularly now that a draft LDF core strategy has been prepared in line with this draft guidance, we understand SEEDA's concern that its deletion from the final Plan could send the wrong message to investors. There was a high degree of support amongst participants (apart from the Wildlife Trust) for a strategic policy layer, and the Council considered that it would give the area additional "economic clout".
- 25.3 We are not persuaded that it is necessary to contrive a separate term to justify the inclusion of a section on the Isle of Wight in Part E of the Plan. As argued elsewhere our suggestion is that Part E covers all the more detailed spatial guidance below the regional level. On that basis it would be possible for specific policies covering the Isle of Wight to appear in our suggested Rest of Region section. However that would mean that there was no recognition for the island on the Key Diagram. That would be regrettable in our view. We see no problem in the Isle of Wight being listed as a sub-region in the legend to the Key Diagram. This would accord with the broader definition of the term sub-region as set out in PPS11, para 2.13<sup>1</sup>.

### **Economic and Environmental Balance C**

- 25.4 The draft strategy gives priority to economic regeneration, as do adjoining coastal sub-regions. However this emphasis provoked concerns from environmental interests that there was insufficient recognition of the island's environmental assets. This is in spite of the fact that the AONB, Heritage Coast, and the designated areas of national and international importance for wildlife are clearly identified at the start of the strategy (E10, para 1.2), and the need to maintain and enhance the quality and character of the rural environment is covered in Policy IW4. We have some sympathy with this view given the special character of the island.
- 25.5 There are several aspects of our generic recommendations that will help to emphasise the importance of environmental assets here.

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<sup>1</sup> This identifies common functional relationships and a policy deficit as the two key characteristics of sub-regions

The importance of coastal Natura 2000 sites and the AONB in their own right, in supporting tourism and in shaping new development opportunities will become more apparent by their inclusion on our recommended illustrative diagram to accompany this strategy.

The importance of managing and enhancing these environmental assets will also be highlighted through our recommended listing of the regional policies particularly relevant to the island. This should include Policy NRM4 as expanded following the AA, together with the Areas of Strategic Opportunity for Biodiversity Improvement shown in Map NRM4, and Policies NRM6, C2 and C3.

In setting out the challenges facing the island, we recommend that the content of the opening section (E10, paras 1.2-1.3) is supplemented by reference to the need to plan positively to overcome water shortages and avoid adverse environmental effects from over-abstraction, see below. The need to overcome the island's relative inaccessibility from the mainland could also be listed amongst the challenges.

- 25.6 Nevertheless we understand the concern of the AONB Partnership that support for inward investment in Policy IW1 iii) is too open-ended. Although we are not generally in favour of over-qualifying policies for fear of losing the main message, and because normal planning considerations apply, in this instance we consider it justified. Given the importance of the coastal landscape and the proximity of AONB to Ventnor, Sandown and the three settlements in West Wight, which are all mentioned in this part of the policy, we recommend that this support is subject to there being minimal environmental impact. We also recommend a rewording of Policy IW4 to maintain and enhance the quality and character of the rural environment for its own sake. This is a similar message to that found in the East Kent and Ashford sub-regional strategy.

## **ECONOMY AND REGENERATION C**

- 25.7 The draft Plan indicates that despite buoyant growth over the last 5 years, GVA growth and employment growth is expected to slow in the period to 2015 due to a general slowdown across many of the island's largest sectors. This presents a somewhat gloomy picture which had been reversed by the time of the examination. SEEDA painted a much more optimistic picture especially in the marine composites and renewable energy sectors, including recent and prospective inward investment. Indeed SEEDA portrayed the island as an "area of opportunity". Given that the island economy is so small and will inevitably be subject to short-term fluctuations, it seems unwise to include specific GVA forecasts in the text.
- 25.8 The draft Plan contains a job growth estimate for monitoring purposes for 2006-16 of 3,400 based on the Assembly's scenario 4 which incorporates the long-term migration trend (E10, para 2 7). The Regional Assembly's projection based on draft Plan dwelling levels (scenario 7) suggests a net loss of 1,850 jobs. The Assembly agrees that this is not compatible with a regeneration focused strategy. SEEDA suggested a level of 7,000, which is slightly less than the Experian trend-based projection 2006-16<sup>2</sup>, and the Council considered this to be an appropriate level for its ambitions. We therefore recommend a figure of 7,000 new jobs between 2006-16 as a policy-led target against which to monitor.

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<sup>2</sup> Economic and Employment Forecasts by Local Authority District from Experian published forecasts, December 2006 [SEEDA5]

- 25.9 Policy IW1 identifies several components to assist the main aim of enabling economic regeneration, covering investment, skills, public realm, and improving the quality of the tourism offer, and has a useful spatial dimension. We see no need for further guidance on employment land, since this will be dealt with at the LDF level and there are no cross boundary implications.
- 25.10 The main elements of smart growth that could be mentioned in this strategy are:
- continuing to attract high value-added businesses;
  - upgrading skills, including the need to reverse out-migration of young people with good academic qualifications;
  - increasing economic activity, to counter the effects of an ageing population, bearing in mind that economic activity rates are lower than regional average (at 75%); and
  - seeking to attract higher value tourism.

## HOUSING

- 25.11 Policy IW5 proposes "at least" 520 dpa, which is similar to the average completions rate in the last 6 years<sup>3</sup>. This level of 520 dpa equates to that in RPG9, although is only about half that in the 2004-based national household projections. However in demographic terms we note that the natural change element comprises only some 20%<sup>4</sup>, giving a notional headroom of 80% for in-migration and meeting housing backlog. On the basis of the most recent urban capacity studies, commitments and estimated urban potential are sufficient to cover about 75% of this proposed level.
- 25.12 Only one non-participant challenged this level as being too low, although we are aware that in the Council's background work the economic and urban regeneration option was supported by significantly higher housing levels of between 560-1,080 dpa<sup>5</sup>. SEEDA noted the implied mismatch over the first 10 years of the plan between an estimated 7,000 new jobs and an increase in labour supply of less than 400 under the Assembly's dwellings-based projection. Initiatives to increase economic activity would not be sufficient to fill a gap of this scale, and increasing daily in-commuting from the mainland may not be practical.
- 25.13 In the case of the Isle of Wight we believe that a projected new jobs/labour mismatch has to be offset against other factors. We are particularly persuaded by the argument that significantly increasing housing levels will simply encourage more second home buyers. It also appears that the greatest need on the island is to achieve the right type of housing, not so much the right numbers.
- 25.14 We do not therefore seek any changes in Policy IW5's housing provision level.
- 25.15 We also support the use of 35% as the affordable housing target in line with the regional average in Policy H4. This is marginally higher than previous SPG at 30%, but 35% has since been included in the draft LDF core strategy. A more ambitious target than previously is justified by the high levels of local need, coupled with the relatively small number of recent affordable housing completions<sup>6</sup>.

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<sup>3</sup> SEERA Matter 9A statement

<sup>4</sup> SEERA's Nil Net Migration projections, revised April 2007 [SEP11b]

<sup>5</sup> This was one of 4 options, the others being RPG9, RPG9 plus clearing affordable backlog (1783 dpa) and accommodating additional housing growth from SE Hants (1500+ dpa), submission to SEERA, November 2005 [SEP13]

<sup>6</sup> Statistics are given in the Isle of Wight Council's submission to SEERA, November 2005 [SEP13]

25.16 The need for affordable housing is a particular issue in rural areas. We are unsure whether the reference in Policy IW4 to "rural priority areas" relates to housing needs, as the Council suggested, or whether it relates to economic development needs as was implied by the term in RPG9. In any event we suggest that its meaning is explained in the background text to this policy.

## **TRANSPORT AND INERASTRUCTURE C**

25.17 Policy IW2 seeks to maintain and improve the cross-Solent links and we endorse this as the strategic transport priority. This policy supports the scheme to improve the Ryde interchange in the Isle of Wight SRIF in the Implementation Plan. Ryde is identified as one of the transport interchanges on Map T1 in the regional transport chapter of the draft Plan.

25.18 Of the remaining four themes in the Implementation Plan, the only one that directly relates to the policy framework is to improve transport links between Newport and Cowes to support the regeneration of the Medina Valley area. We suggest that this transport objective is mentioned in the background text to Policy IW1.

25.19 There are no issues other than transport included within the SRIFs for the Isle of Wight, despite the importance placed on the provision of infrastructure in Policy IW3. The issue of most concern to participants was the absence within the strategy of any reference to the need to supplement water supplies and promote water efficiency. Some 25% of the island's water is currently imported from the mainland from the Testwood works via an under sea mains. Adams Hendry indicated the practical and sustainability implications of further expanding this pipeline. At the same time the EA is anxious to reduce the amount of over-abstraction from rivers and boreholes on the island<sup>7</sup>.

25.20 In terms of demand management, almost all properties on the island have already been fitted with a water meter. This has apparently reduced demand by about 10%. The EA is keen that a range of initiatives are taken to keep the need for water efficiency at the forefront of people's minds. On that basis it suggested that the Plan should include a water efficiency target for the Isle of Wight which it advised should be towards the upper end of the range considered in this region (8-20%). We are not convinced that a specific target needs to be included in this strategy given that one will be included in the LDF Core Strategy, and discussions are ongoing about the most appropriate value for it. Nevertheless there would be benefit in terms of awareness raising for the supporting text to Policy IW3 to indicate the need to strive for further increases in water efficiency in parallel with infrastructure enhancements.

## **RECOMMENDATIONS C**

### **Recommendation 25.1 C**

It is not necessary to contrive a separate term to justify the inclusion of a section on the Isle of Wight in Part E of the Plan; there is no problem in the Isle of Wight being listed as a sub-region in the legend to the Key Diagram. (para 25.3)

### **Recommendation 25.2 C**

In setting out the challenges facing the island, the content of the opening section (E10, paras 1.2-1.3) should be supplemented by reference to the need to plan positively to

<sup>7</sup> The Isle of Wight Catchment Abstraction Management Strategy, EA, March 2004 [EA16]



overcome water shortages and avoid adverse environmental effects from over-abstraction. (para 25.5)

**Recommendation 25.3 C**

Amend Policy IW1 iii) to make the support for inward investment subject to there being minimal environmental impact. (para 25.6)

**Recommendation 25.4 C**

Add a reference to the objective of improving the transport links between Newport and Cowes to support the regeneration of the Medina Valley area to the background text to Policy IW1. (para 25.18)

**Recommendation 25.5 C**

Use a figure of 7,000 new jobs between 2006-16 as a policy-led target against which to monitor. Mention the main elements of smart growth in the text but do not include specific GVA forecasts in the text (paras 25.7, 25.8, 25.10)

**Recommendation 25.6 C**

Expand the text to Policy IW3 to indicate the need to strive for further increases in water efficiency in parallel with infrastructure enhancements. (para 25.20)

**Recommendation 25.7 C**

Strengthen Policy IW4 to maintain and enhance the quality and character of the rural environment "for its own sake". (para 25.6)

**Recommendation 25.8 C**

Explain the meaning of the term "rural priority areas" in the supporting text to Policy IW4. (para 25.16)



## **26 c EST OF COUNTIES OUTSIDE THE SUB-REGIONS c**

Matter 9

*This chapter covers the adequacy of policy guidance for the large parts of the region outside the sub-regions. It then examines county by county the extent to which the housing provision figures for the districts or parts of districts lying outside the sub-regions reflect local and in appropriate cases regional needs (see Appendix B3 for a tabulation of housing figures for the so-called split districts). It also considers Policy CC8c on the two regional hubs located within the rest of Kent.*

26.1 The areas outside the sub-regions cover a large part of the region including much of its rural areas. They were known colloquially as "rest of county" areas at the EiP where we tested the adequacy of policy guidance and the provisions for each area separately. This allowed us to test the extent to which the draft Plan caters for the local needs of businesses and for housing. We also tested the scope for each rest of county area to contribute to meeting regional housing needs, and the extent to which any adjustments would impact on the coherence of the sub-regional strategies. Where we argue for some increase in the draft Plan's housing provision, we do so within the context of our conclusions on the role of small "market" towns (see paras 13.12-13.14). Our recommendations at the end of the chapter identify those towns which we consider could play a bigger role in the spatial strategy; hence they are more locationally specific than recommendations in the sub-regional chapters.

### **ADEQUACY OF POLICY GUIDANCE c**

26.2 Many participants felt that there was a systematic policy deficit for these areas. Indeed both Kent and West Sussex CCs had made this argument during the plan preparation process. Kent CC submitted four draft policies in its advice to the Regional Assembly in December 2005<sup>1</sup>. Some of this guidance was eventually included in Policy CC8c on the Maidstone and Tonbridge/Tunbridge Wells regional hubs, and an associated SRIF table was included in the Implementation Plan. West Sussex CC included guidance for the rural areas within the county in its autumn 2005 consultation document<sup>2</sup>.

26.3 A systematic policy deficit has not been borne out by our assessment. In general we consider that national planning policy supplemented by several of the core regional policies should provide adequate guidance for the preparation of LDFs and to guide other delivery agencies. Of the regional policies that we examined, the most applicable are listed below.

- Policies C1a-C4 and the suite of NRM policies (as amended in accordance with our recommendations in Chapters 10 and 12) will guide the conservation and enhancement of landscape and biodiversity, including in each case nationally protected areas.
- Policy H4 (as amended in our Chapter 8) will encourage the provision of affordable housing including guidance on setting lower site thresholds where justified and the particular needs of rural areas. National policy also gives local

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<sup>1</sup> South East Plan: Employment, Housing and Infrastructure in Kent, advice from Kent CC to SEERA, para 12, 9 December 2005 [SEP14/15]

<sup>2</sup> Public consultation on behalf of SEERA: Housing, Jobs and Infrastructure in West Sussex – technical consultation document. 23 September to 4 November 2005 [GAT8]

authorities powers to allocate exceptions sites that are exclusively for affordable housing.

- Policy RE2 (as amended in our Chapter 6) will guide the provision of employment land and rural economic diversification.
- Policies BE5 and BE6 (as amended in our Chapter 13) will guide the future development of small and market towns and villages, and protect settlement character.
- Policies CC10a and CC10b cover Green Belt and strategic gap issues where relevant.

26.4 There are also other generic policies which we did not examine but which are applicable including those on tourism, and related sport and recreation, and renewable energy. Individual policies may be applicable to particular areas, such as our recommended River Thames policy for the rest of Oxfordshire, and Policy NRM2 covering the proposed Clay Hill reservoir for the rest of East Sussex.

26.5 We do however accept that there is a lack of spatial profile for these areas outside of the sub-regions in the draft Plan and we have already set out our presentational proposals for a new section in Part E of the Plan (in Chapter 4). Appendix B3 illustrates the possible content of such a section drawn from the material in this chapter. We have suggested that it might start with listing those core regional policies of particular relevance. The remainder would be any specific guidelines relating to particular areas such as the two regional hubs located in the rest of Kent, and including cross-referencing to the small number of infrastructure schemes included in the Implementation Plan, e.g. flood defence works at Banbury.

26.6 The most frequent presentational concern from participants was that it is impossible without subtraction to understand the housing levels being proposed for any district which is split by a sub-regional boundary. The adequacy of these figures is tested below area by area. We later recommend (Chapter 29) that in presentational terms tables are included in the new Part E section which specify housing figures for each component part of these split districts. We illustrate a suggested format in Appendix B3. To assist understanding of housing levels for split districts the tables in Appendix B3 show the housing levels proposed in the draft Plan subdivided into areas within and outside the relevant sub-region, and as separate increments, any changes that we recommend arising from the analysis in this chapter.

## **Economy c**

26.7 We have already argued in Chapter 6 that each part of the region should have an estimate for job growth for the 2006-16 period either as a basis for monitoring or, in the case of the SCP Growth Areas or sub-regions for regeneration, as a target. SEEDA provided estimates of job growth for each rest of county area based on the Experian standard forecasts<sup>3</sup>. We accept their advice that the totals for all areas apart from rest of Kent and rest of Hampshire are too small to act as monitoring figures on their own. We therefore recommend that the following job growth estimates are included in the new Part E section:

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<sup>3</sup> Employment Growth Trend Projections – Rest of County Areas, [SEEDA7]

- rest of Kent: 15,000. This is comparable to past rates of growth of 34,000 over the 20 year period 1981-2001, excluding Sevenoaks district, a figure which Kent CC had previously advised should be taken for monitoring purposes<sup>4</sup>.
  - rest of Hampshire: 14,500.
- 26.8 We do not consider that it is practical to have a single monitoring figure for the remaining areas outside the sub-regions given their geographical spread. We have already noted the aggregate job estimate of 20,500 for completeness in the table that we have recommended is included in the background text to Policy RE2 (Chapter 6).
- 26.9 The only issue relating to employment land outside the larger economies of Kent and Hampshire which emerged from the debates was in Chiltern. Recent work for Buckinghamshire CC indicates a concern about loss of employment land to housing in Chiltern district, and suggests that potential employment demand could justify a position that no further employment land is lost to housing<sup>5</sup>, presumably unless new land were substituted. This is a stronger degree of protection than included in the regional Policy RE2. We were not entirely convinced by Chiltern DC's expectation that most of the additional job growth will be in micro businesses involving a lot of homeworking, since there are large employers here too, including a major pharmaceutical company. We therefore recommend that the need to protect the scale of employment land in Chiltern district is flagged up as a guideline in the new Part E section of the Plan.

## **REST OF HAMPSHIRE**

- 26.10 The Rest of Hampshire covers the parts of Basingstoke and Deane, East Hampshire, Hart, New Forest, Test Valley and Winchester districts which do not fall in either the South Hampshire or WCBV sub-regions. Known locally as the Central Hampshire and New Forest (CHNF) area, it is predominantly rural, with over half of its area within designated/proposed National Parks or within AONBs. A number of internationally and national important areas for nature conservation lie within the area. In the south-western corner, adjoining Christchurch there is an area of designated Green Belt. The most sizeable settlements<sup>6</sup> are Winchester (42,000 pop), Andover (39,000 pop), New Milton (27,000 pop), Alton (17,000 pop) and Borden (15,500). All the other settlements are small towns and villages of under 15,000 population.
- 26.11 The draft Plan's housing provision for CHNF of 16,000 dwellings 2006-2026 (800 dpa) is considerably less than the equivalent RPG9 requirement and in some areas it would be significantly less than recent rates of completions<sup>7</sup>. We comment further below on the implications for particular parts of the area. In broad terms we are satisfied with the proposed provision for the more rural areas for the following reasons:
- the sharper focus of the regional strategy and, in particular, the vision for the regeneration of South Hampshire, justifies the proposed re-distribution of growth in favour of the sub-regions;

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<sup>4</sup> Employment, Housing and Infrastructure in Kent, advice from Kent CC to SEERA, 9 December 2005 [SEP14/15]

<sup>5</sup> Buckinghamshire Employment Land Review, paras 13.10 & 13.22, DPDS and GWE for Bucks CC, August 2006 [Ay22]

<sup>6</sup> Based on Hampshire County Council 2006 forecast population.

<sup>7</sup> Where Shall We Live, Hampshire County Council, September 2005. The data refers to annual average build rates 2001-2004 although it is unclear whether they are net or gross completions.

- it is accepted that higher levels of growth in the adjacent sub-regions should be offset by generally lower levels in CHNF, ensuring that its buffer role is safeguarded;
- it would still provide for a significant element of growth over and above natural change in the population<sup>8</sup> and therefore should meet the needs of rural households, with some notional allowance for in-migration at or above the regional level;
- it was not disputed that it would meet local economic needs in general, although we were not presented with any substantive evidence about the local economy;
- it would allow for the protection of important environmental assets, including the existing/proposed National Parks and AONBs, water quality, water supply and the protection of sites of nature conservation importance.

26.12 However we consider that there is additional potential in this area to contribute to meeting regional needs within a strategic brownfield opportunity in public sector ownership, and through taking advantage of the capacity for further sustainable growth in its main settlements, as argued below.

26.13 The draft Plan's housing distribution following option testing, as the Central Hampshire and New Forest Authorities Standing Conference explained, spreads development around all the districts but with an increased amount at Andover and correspondingly less in East Hampshire. Almost all of the draft Plan's requirement can be accommodated on sites that have already been identified or on urban capacity sites, leaving 700 dwellings to be accommodated on new greenfield sites. Having regard to the land supply estimates, only Test Valley and Basingstoke and Deane districts would need to identify new greenfield sites to meet the housing requirement<sup>9</sup>. We comment below on the implications of the proposals for each of the districts and also on the proposals for a new settlement at Micheldever Station and for regeneration of Whitehill Bordon.

### **Basingstoke and Deane (part)**

26.14 The draft Plan provision figure requires 30 dpa in the rest of Basingstoke and Deane. This area is predominantly rural and contains only two small settlements, Overton and Whitchurch, each with populations of about 4,000. Although they have rail stations on the London-Salisbury line we agree with the Council that they have very limited potential for sustainable growth. The area lies within the North Wessex Downs AONB and is subject to water quality and nature conservation constraints. An increased housing apportionment would be likely to pose significant challenges for these reasons and would probably be commuter-led, orientated towards Basingstoke. In our view this would conflict with the urban focus of the WCBV sub-regional strategy and would be likely to be unsustainable. The draft Plan figure should be capable of achievement through infill development within the settlements and some rural exceptions sites for affordable housing. Balancing all of the considerations, we do not recommend an alteration to the proposed figure.

### **East Hampshire (part)**

26.15 The East Hampshire part of CHNF is apportioned 200 dpa by the draft Plan. This does not rely on any contribution from Whitehill Bordon, and we comment on the strategic implications of the latter below. We heard conflicting views from

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<sup>8</sup> South East Regional Assembly, Revised Nil Net Migration Forecasts for Rest of County Areas, May 2007 [SEERA 11B]

<sup>9</sup> Sub Regional Policy Advice to SEERA, Supporting Document 3, District-level housebuilding targets for Central Hampshire and New Forest, December 2005 [SEP12].

participants about the appropriateness of the proposed requirement. Broad environmental concerns, especially the potential adverse effects on the East Hampshire AONB and proposed South Downs National Park, led to criticisms that the figure is unacceptable. On the other hand, a number of developer representatives consider that it would fail to take advantage of the potential for growth in the settlements, especially at Alton, Petersfield and Liphook, without giving rise to any harmful impact.

- 26.16 We note that estimated recent rates of completions are about 14% higher than the draft Plan provision but we are not convinced that this would justify a significant increase in the apportionment, given the factors supporting the overall provision for CHNF as set out above. In our view the provision figure should be set at a level that would permit some growth in this area to meet local and wider needs while protecting the environmental assets including the character and setting of the settlements. We attach particular importance to the need to increase the provision of affordable housing and consider that this would weigh in favour of a modest increase in the provision figure. Nevertheless in view of our recommendation to acknowledge the strategic opportunity at Whitehill Bordon, we do not seek to increase the housing level for the rest of this district.

#### *Whitehill Bordon*

- 26.17 As a result of the Defence Estates Review it became clear during the EiP that Whitehill Bordon will be released in its entirety by the MoD; some parts of the site may be available for redevelopment by 2009. The cessation of MoD operations at Whitehill Bordon will have very significant implications for the local economy and, given that the ownership extends to about 300ha, for potential housing supply. Initial feasibility studies have tested a various scales of growth up to about 8,000. These studies found that up to about 1,000 additional homes could be accommodated without the need for a new bypass, but that there were advantages with more significant growth to enable the creation of a more meaningful town centre<sup>10</sup>. The Steering Group appreciate the need to create local jobs sources if their desire for a mixed use sustainable community is to be achieved. There are major uncertainties on how realistic this is. The only suggestion made during the debates was that Whitehill Bordon could provide overspill for industrial firms relocating from the Blackwater Valley area as these estates were upgraded. In all probability allowing development here will lead to an increase in out-commuting. Nevertheless Whitehill Bordon is relatively close to both the London Fringe and WCBV sub-regions in both of which job growth is forecast to outstrip the increase in labour supply. The risk is that this out-commuting would increase congestion on the highway network. But there are two railway stations in reasonable proximity, and trains from Alton provide good connections into the Woking hub and trains from Liphook provide a direct connection to the Guildford hub.
- 26.18 More detailed studies and testing of options will clearly be required, including how shuttle bus links to the stations could encourage travel by non-car modes. A further subject for testing will be the extent to which adverse implications for the adjoining areas of heathland, designated as a SPA, can be avoided or if necessary mitigated e.g. by the incorporation of SANGS within the development area. Without further work having been undertaken including of the implications for Hampshire and the adjoining sub-regions, it is perhaps unusual to include any housing provision figure in Policy H1. But given the support of SEEDA and English Partnerships in helping to secure

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<sup>10</sup> Feasibility studies submitted as part of the original representations by the Whitehill Bordon Opportunity Steering Group [rep 7461]

the long-term well-being of the local community, and the likelihood that some additional housing development could be a sustainable component of a regeneration strategy, we recommend that provision for 2,500 dwellings should be made. This is at the lower end of the initial options tested, and as we make clear in Chapter 7 we do not see an impediment to an increased level being accommodated if it can be shown that this would be sustainable, given that this is a significant brownfield opportunity which would be highlighted in the Plan. We recommend that a footnote is added to Policy H1 and a specific guideline added to the new Part E section to indicate the long-term potential for Whitehill Bordon to make a contribution to local and wider needs for housing as part of a strategy for the sustainable regeneration of the area following the cessation of MoD operations at this location.

### **Hart (part)**

- 26.19 The small and predominantly rural portion of Hart District that lies within CHNF is expected to contribute only 5 dpa to the overall requirement. This area includes the rural settlements of Odiham/North Warnborough where some very limited infilling development can be expected but where we have found no reason to propose any amendment to the proposed housing apportionment.

### **New Forest (part)**

- 26.20 Almost all of New Forest within this CHNF part of the Region lies within the New Forest National Park. Also, a small area on the western and southern fringes is designated Green Belt. The area is particularly constrained by these designations and also by internationally and nationally important nature conservation sites (New Forest SPA and SAC and areas designated as SSSIs) and flood risk protection zones.
- 26.21 The apportionment of 130 dpa for this area includes the housing requirement for the whole of the National Park (a small part of which extends beyond the district boundary). We agree with the District Council and the National Park Authority that a footnote should be added to Policy H1 (which shows the district wide total including the small part within the South Hampshire sub-region) to clarify this matter. However since we were not provided with a separate figure for the National Park alone we are unable to differentiate this element.
- 26.22 The provision figure is significantly less than the estimated rates of recent housing completions in this area. However, no substantive case was put to us for any increase in the provision figure. Given the importance and the extent of the environmental constraints affecting most of New Forest, the adequacy of the provision figure to meet local needs, and the need to direct new housebuilding to the most sustainable locations in South Hampshire, we do not propose a change to the apportionment to this area.

### **Test Valley (part)**

- 26.23 The draft Plan entails a requirement of 250 dpa for the rest of Test Valley outside the South Hampshire sub-region. Most of this requirement is expected to be provided in the market town of Andover. Large scale development is already committed here in the form of a Major Development Area (MDA); this will contribute to the Hampshire Structure Plan's requirement for a substantially higher annual average growth rate up to 2011 for the Andover area than is proposed by the draft Plan. We have also noted that estimated recent completion rates are about 53% higher than the draft Plan figure. As a result we heard concerns that the draft RSS would effectively stifle further growth of the town in the later part of the Plan period and that it fails to reflect the needs and potential of the local economy.



- 26.24 The most recent Census information for Andover indicates that it is relatively self-contained – over 70% of its workforce lives in the town. Apart from this it has other sustainability credentials – it is an important administrative, retail and service centre for the rural hinterland and it has good transport links by road and rail to a number of key destinations. Therefore we support the principle underlying the housing apportionment for CHNF that there should be a weighting in favour of Andover. The retail offer is however relatively weak for a town of its size and it would merit enhancement. We also understand that vacancy rates in some of the industrial areas are higher than expected and that investment in maintaining and enhancing the town's employment base will be required. Taking all of these factors into account we would be concerned if the draft Plan's housing provision figure were to lead to relative stagnation in the town in the post 2016 period.
- 26.25 There are important limits and uncertainties about the potential for any large increase in the housing provision figure. The North Wessex Downs lies close to the northern edge of Andover, although there appears to be relatively unconstrained opportunities for urban extensions in other directions if required. There is uncertainty about whether water supply and waste water treatment to the required quality standard could be provided for any significantly increased level of housing growth. Fullerton waste treatment works which serves Andover cannot accommodate more than the commitments to 2011 (about 4,500 dwellings) because of limitations on the carrying capacity of the River Test. However, from the evidence available it does not appear that these are absolute constraints that could not be overcome by investment in new infrastructure and other measures. Overall, we are led to the conclusion that a modest increase in the provision figure for the rest of Test Valley would be likely to be sustainable and would not unbalance the sub-regional focus of the overall strategy. We therefore propose that the provision figure should be increased by 600 dwellings (30 dpa) taking its average annual rate to 280 dpa.

### **Winchester (part)**

- 26.26 The draft Plan provision figure of 185 dpa for the rest of Winchester district is expected to be provided on urban potential sites and existing commitments. It would represent an estimated reduction of 25% compared with recent rates of completions. We accept however that the district will make an important contribution to the South Hampshire strategy through significantly increased rates of provision compared with recent completion rates in its sub-regional area. Also this does not take account of any additional contribution it will make through the Hedge End SDA. Nonetheless, the whole district provision figure of 522 dpa in Policy H1 represents a reduction of 24% compared with RPG9. On this basis alone we agree with some participants that the provision figure for rest of Winchester requires careful scrutiny.
- 26.27 Apart from the city of Winchester, the rest of Winchester area is predominantly rural. About 40% of the area is covered by existing/proposed National Park and AONB designations. In our view any change to the proposed housing provision figure should be judged in terms of the sustainability of further growth at Winchester and its impact particularly on the sub-regional strategy for South Hampshire.
- 26.28 Winchester is classified in the draft Plan as a Secondary Town Centre and, despite its relatively small population size, it is an important historic, cultural and administrative centre and visitor destination. It contributes to the ranking of the whole district as the tenth most important in the region in terms of concentrations of office employment, ahead of Slough, Woking and Oxford for example<sup>11</sup>. Census information<sup>12</sup> also

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<sup>11</sup> South East Regional Property Market Study, CB Richard Ellis, March 2007 [SEERA 13a].

reveals its importance as an employment location – its job density is exceeded only by Crawley in the whole of the South East, and it generates high levels of in-commuting (30,000 daily, of whom 45% travel in excess of 10 km). While we accept that commuter flows are particularly complex in the Winchester and South Hampshire areas, it is noteworthy that on average commuters travel much further to access jobs in Winchester than to any other settlement in the County.

- 26.29 The HA is concerned that additional housing in Winchester District could add a significant amount of stress on the M3 motorway<sup>13</sup>, but we consider that some increased provision in and around the city could help to widen access to housing and reduce travel to work distances for commuters. Affordability is a particular difficulty in Winchester, and while we accept that it would not be addressed by small increments in the housing provision, the opportunity to release more sites for affordable housing would be beneficial. This is not to under-estimate the environmental constraints to expansion of Winchester and the particular importance of conserving its architectural and cultural heritage. However, we have found no substantive evidence of any overriding constraints to an uplift in the housing provision. We also note that the structure plan identifies an MDA at Winchester City (north) which indicates the potential for some greenfield expansion, and we understand that its dismissal at appeal was more to do with prematurity than site characteristics<sup>14</sup>. If a greenfield release were to be considered, a location on the northern side of the city would perhaps have less direct implications for the integrity of the South Hampshire sub-regional strategy than one to the south.
- 26.30 Balancing all of these factors, the economic case for a higher level of provision for rest of Winchester is convincing, together with the contribution it could make to meeting regional needs given the good rail accessibility that Winchester city offers. In terms of impact on the South Hampshire strategy, we note that the inter-connections between Winchester and the urban areas of South Hampshire are already strong. Overall we consider that an increase in housing provision in Winchester, particularly if any greenfield release were on the northern side of the city, is unlikely to divert from the focus on urban regeneration in the core of the South Hampshire sub-region. Therefore we recommend that the provision figure should be increased by 1,800 (90 dpa) taking its average annual rate to 275 dpa.
- 26.31 Some participants argued that Winchester should be added to the list of regional hubs. We agree that it has some hub characteristics but we have concluded on balance that its designation could divert the focus for investment from the South Hampshire hubs of Portsmouth and Southampton and that this could undermine the regeneration objectives of the sub-regional strategy.

#### *Micheldever Station*

- 26.32 A proposal for Micheldever Station Market Town was put to the EiP for a new community of about 12,500 homes, employment, shopping, community and other facilities based around Micheldever Station and the existing settlement. Micheldever is to the north of the M3 motorway, roughly mid-way between Basingstoke and Winchester. Notwithstanding its location and its rail station, it is a relatively remote rural area with very few facilities for the existing population.
- 26.33 A new settlement proposal at Micheldever has been promoted by developers since the 1980s and was considered at the Hampshire County Structure Plan 1996-2011 Review

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<sup>12</sup> 2001 Census, Tables UV28 and UV80

<sup>13</sup> South East Regional Spatial Strategy, Sub-Regional Narratives, Highways Agency, November 2006 [HA3].

<sup>14</sup> RPS statement on behalf of Cala Homes (South) Limited, Matter 9A.

EiP. Although the Panel recommended it as a preferred development option for 3,000 dwellings, it was not included in the Structure Plan when it was adopted in 2000. The scale of development now proposed is more than four-time is greater and in our view the policy context is also significantly different because:

- much greater potential for delivering the required housing has been identified in the region's urban areas, lessening the need to consider new settlements;
- the sharper focus strategy of the draft Plan would not support a new settlement in a remote rural area of Central Hampshire;
- we are satisfied that the sharper focus strategy has emerged from a sound evaluation of the alternative options;
- Micheldever would have a significant impact on the WCBV and S Hampshire sub-regional strategies by diverting resources away from the sub-regions and undermining the regeneration aims for South Hampshire;
- the proposal would be unable to make any significant contribution to meeting the pressing need for new housing for many years;
- compared with the other options for SDAs in South Hampshire and urban extensions to Basingstoke and other towns in WCBV, together with maximising urban potential, it would offer insufficient locational choice; and
- the most likely scenario is that it would become a focus for long-distance commuting, not a sustainable community.

26.34 Taking all of these factors into account, we find insufficient justification for the inclusion of Micheldever Station Market Town in the regional strategy.

## **REST OF EAST SUSSEX c**

26.35 The Rest of East Sussex covers the northern and central parts of Wealden, Rother and Lewes districts (apart from the extreme northern part of the latter which is in the Gatwick sub-region). It has a population of nearly 127,000. Much of the area is covered by the High Weald AONB, and it also contains the Ashdown Forest. The area contains a small number of settlements of up to about 20,000 population which act as service centres for the surrounding rural areas. Rail links from the two larger settlements of Crowborough and Uckfield are relatively slow to London. Only Battle has a rail link to the Sussex Coast.

26.36 The housing level proposed for this part of the region is 6,000 (an average of 300 dpa). The local authorities are intended to have some flexibility when making their site allocations between the coastal part of their district and the remainder, as indicated in Policy SCT7. East Sussex CC reassured environmental interests that the intention was still that the concentration of new allocations should be within the Sussex Coast sub-region.

26.37 We note that the draft Plan level is at the lower end of the 300-500 dpa range included in the consultation draft RSS, January 2005, and that the district-wide rate proposed for Wealden is significantly below provision levels in the last structure plan, but similar for the other two districts<sup>15</sup>.

26.38 The proposed distribution following consultation in September 2005 was termed "balanced dispersal", and takes account of the role and accessibility of each rural settlement moderated by environmental designations. According to East Sussex CC it reflects the historic pattern of development and existing commitments. The reasons

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<sup>15</sup> The draft Plan proposes 400 dpa for Wealden district compared to the last structure plan level of 550 dpa over 20 years but with an accelerated rate of 880 dpa for 2006-11

for this choice appear to be sound and we suggest that this additional locational guidance for LDFs is given in the new Part E section of the Plan (see Appendix B3).

- 26.39 There was general agreement that the most urgent need in this area was for an increase in affordable housing, with the level of need from recent housing needs surveys being well over twice the rate of the draft Plan's provision. Action for Rural Sussex in particular raised concerns about such needs within rural communities. We sympathise with this situation and have recommended a change to Policy H4 to encourage the setting of lower site thresholds. We note that Rother DC has justified an affordable housing target of 40% in their recently adopted local plan on the basis of housing market assessment and viability work.
- 26.40 We do not see a need for a significant adjustment of housing levels for the Rest of East Sussex, given:
- the importance of the countryside environment, particularly within the High Weald;
  - the lack of any obvious economic drivers;
  - the competition that could arise with regeneration and investment priorities for the Sussex Coast sub-region, in that part of the area is within the Hastings housing market area (Map H3);
  - the absence of a demographic case for additional housing to meet natural change within the existing population<sup>16</sup>, and hence that all the provision will notionally cater for externally generated demands of households looking to move here from elsewhere;
  - the confidence of the local authorities that they had sufficient flexibility to provide adequately for the needs of their rural communities.
- 26.41 Nevertheless we consider that a modest increase (600 dwellings equating to 30 dpa) could be justified in the rest of Wealden focused on Uckfield for the following reasons<sup>17</sup>.
- Uckfield is the only sizeable town (14,000 population) outside the AONB.
  - It has a relatively high level of local jobs (6,250) and a diverse range of jobs within commuting distance, e.g. Tunbridge Wells accessible via rail, where strong economic growth is forecast (see Rest of Kent section below).
  - It was identified for a potential strategic housing allocation in the last structure plan (Policy S22) to be implemented in the 2006-11 period.
- 26.42 We therefore recommend that the housing level for Rest of East Sussex should be 6,600 (i.e. an increase of 30 dpa). A level of 330 dpa is still below the long-term average completion rate of 378 dpa<sup>18</sup>. We note with some concern however that the delivery rates in Wealden over the last four years and possibly longer have been significantly below the structure plan target.
- 26.43 The EA indicated that water supply needs could be accommodated as long as the twin track approach was implemented. South East Water are investigating a number of options including a new reservoir at Clay Hill north of Lewes and water transfer, to meet existing and future demand. The only constraint on waste water treatment identified by the EA was along the southern boundary, which drains into the Hailsham works (see Chapter 17 on the Sussex Coast), although some smaller works may need

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<sup>16</sup> Households are forecast to reduce by more than 1,000 by 2026, on zero net migration projections commissioned by East Sussex CC, 7 March 2007 [SC9]

<sup>17</sup> Further information on the suitability of Uckfield is given in Woolf Bond's Matter 9D.1 statement

<sup>18</sup> 1999-2004, East Sussex Matter 9D.1 statement

upgrading to meet tighter discharge consents. The EA indicated other factors such as protection of groundwater supplies and flood risk zones that would need to be taken into account at the LDF stage.

## **REST OF WEST SUSSEX c**

- 26.44 The Rest of West Sussex covers the northern parts of Chichester district, and the southern parts of Horsham and Mid Sussex. It has a population of nearly 110,000. Much of the area is covered by the Sussex Downs AONB, which largely corresponds to the proposed South Downs National Park. The area contains a small number of settlements, mostly under 10,000 population, which generally act as service centres for the surrounding rural areas. The north eastern part of this area however is within the commuting orbit of the Gatwick sub-region, and Pulborough and Billingshurst are rail connected both to London and the Sussex Coast.
- 26.45 The housing level proposed for this part of the region is 6,000 (an average of 300 dpa). Chichester DC is intended to have some flexibility when making its site allocations between the coastal part of its district and the remainder, as indicated in Policy SCT7. Horsham and Mid Sussex Councils sought the same degree of flexibility with respect to the Gatwick sub-region. This is already implied in the draft Plan (E9, para 2.8).
- 26.46 This level compares with a range of 400-500 dpa under the option assuming a continuation of existing policy, and with 100 dpa under the sharper focus option in the consultation draft RSS, January 2005.
- 26.47 No distribution pattern was given in the consultation by the principal authority in September/October 2005 (only alternative scales of growth dependent on the extent of concentration in the Gatwick sub-region). The Regional Assembly explained during the debate their reasons for assuming a 50/50 split between the Rest of Horsham and the Rest of Mid Sussex in dividing the residual from the Gatwick sub-region. Participants were given an opportunity for written comments on this<sup>19</sup>.
- 26.48 The South Downs Campaign argued for a lower level of provision particularly in the Rest of Chichester to minimise the need for greenfield releases damaging to the character of small settlements, e.g. Midhurst and Petworth and the setting of the proposed National Park, and to maintain the tranquillity of the area. On the other hand several developer representatives argued for an increase in housing levels particularly at towns adjoining the Gatwick sub-region and/or with good rail connections.
- 26.49 We see no need for a significant adjustment of housing levels for the rest of Chichester, given that:
- this comprises a rural area almost entirely within the proposed National Park;
  - there are no settlements of more than 5,000 population, none of which are rail linked;
  - although it would find it challenging, the District Council was confident that it could find suitable sites for this level of provision.
- 26.50 In terms of the more northern part of the area, we heard arguments from Mid Sussex DC about the difficulty of accommodating even the 15 dpa apportioned to the remainder of the district outside the Gatwick sub-region in a sustainable manner. We accept that this part of the district is very rural and constrained by AONB/National Park designations and that some flexibility to accommodate this growth in the most

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<sup>19</sup> 3 sets of comments were received [EiP27] to the Regional Assembly's explanatory note [SEERA16]

sustainable locations would be appropriate. We were not convinced however that this should entail the degree of flexibility provided by Policy SCT7 for the Sussex Coast, and note that some flexibility is already implied in E9, para 2.8.

- 26.51 In the case of Lewes District, an increase in the allocation of 50 dpa to the northern area would not be sustainable in our view. The allocation is already challenging, given the very small size of the settlements in this area and their low level of accessibility by good quality public transport services. The Wivelsfield area in the north-western end of the district is included in the Gatwick sub-region although there is no specific housing allocation for it. We agree with this approach, which recognises the very low level of services offered by Wivelsfield Green but does not preclude future joint working between Lewes and Mid-Sussex DCs if Burgess Hill or Haywards Heath needed to expand in an easterly direction across the County boundary. As noted above, some flexibility is already implied in E9, para 2.8. The provision of affordable rural housing in this area through rural exception site schemes would not be precluded by the Plan's approach.

### **Horsham (part)**

- 26.52 The apportionment of 160 dpa for the rest of Horsham district is challenged by a number of developer representatives on the basis that it does not reflect the potential of Southwater, Billingshurst and Pulborough to contribute to the wider needs of the Gatwick Area sub-region, especially given the long lead times that have already affected housing delivery on the large strategic sites in West Sussex.
- 26.53 As the County Council acknowledges the close relationship between Southwater and the Gatwick sub-regional boundary means that development at Southwater could be perceived as serving the sub-region. But the means to ensure that any higher level of growth there could be properly integrated into the public transport network focused on nearby Horsham remains a significant issue. Billingshurst and Pulborough are both on mainline rail services to Gatwick and central London but we do not consider that this would justify a significant uplift in the provision figures and they are also affected by environmental constraints related to the Arun Valley SPA. Given water quality considerations, the very limited capacity at Horsham STW also constrains potential for any additional development that would be reliant upon it.
- 26.54 The appropriate level of growth for Horsham's settlements up to 2018 has been scrutinised in the preparation of the recently adopted Core Strategy and we do not find substantive justification for departing from that. It recognised that provision at Southwater and Billingshurst may need to be reviewed after 2018. Taking all of these factors into account, we consider that any major uplift in the overall provision figure would be unsustainable and likely to undermine the Gatwick sub-regional strategy. In recognition of the brownfield potential that would be appropriately harnessed in these towns in the longer term, we consider that there is a case for only a small increase in the overall apportionment to the rest of Horsham, and we propose an increase of 30 dpa (600 dwellings) bringing the total for this area to 190 dpa.

### **REST OF KENT c**

- 26.55 The Rest of Kent covers the whole of Maidstone, Tonbridge and Malling, and Tunbridge Wells districts, much of Sevenoaks district outside the town, and the rural remainders of Dartford, Gravesham and Medway outside the Kent Thames Gateway sub-region and of Ashford outside East Kent and Ashford sub-region. Together the area contains a population of about 0.5 million, much of which is within Maidstone, the Medway gap urban area, Tonbridge, and Tunbridge Wells. Much of the western
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and southern parts of this area are covered by the Kent Downs and High Weald AONBs.

- 26.56 The housing provision proposed for this part of the region is 24,000 (1,200 dpa). This is by far the largest allocation for any rest of county area. This represents an increase on the consultation draft Plan options of 200-1,000. The proposed distribution following consultation in September/October 2005 reflected the last structure plan, but with the possibility of 1,000 extra dwellings in Maidstone subject to testing in LDF preparation (Policy H1 footnote and D1, para 1.23).
- 26.57 Developer representatives argued for an increase in this housing level on the basis that it was below recent build rates and current trajectories, and did not provide a contribution to a step change in housing supply. There was also a suggestion that some sites were being de-allocated and that one district had embargoed further permissions to avoid over-providing against structure plan levels.
- 26.58 We are persuaded that an increase in housing levels would be appropriate here because:
- there are strong economic growth prospects;
  - the draft Plan levels are no greater than the natural change expected in the existing population<sup>20</sup>, hence there is a danger of local people being priced out of the housing market if and when continuing in-migration occurs. There is no notional allowance for meeting the backlog of housing needs;
  - housing affordability ratios are particularly high in Sevenoaks and Tunbridge Wells, due to higher house prices than in the rest of Kent<sup>21</sup>
  - the levels within each of the districts containing a regional hub are below those in the last structure plan by about 6%;
  - the same three districts levels are about 35% below the 2004 national household projections.
- 26.59 It does not seem appropriate to us for at least two of these districts to describe the draft Plan's housing level as the maximum that they could accommodate because it equates to their urban potential estimate. As we argue in Chapter 7, we would not expect any District Council at this stage to be able to predict exactly how the 20 year provision figure would be met. There is also a risk that overreliance on small sites in the urban fabric and windfalls would prevent a meaningful contribution to meeting affordable housing needs here.
- 26.60 No insuperable constraints on infrastructure were identified in this area.
- The EA noted that water resources while currently overstretched could be supplemented subject to water companies securing funding and having the necessary lead times. South East Water confirmed that they were investigating a number of options and working with several districts in preparing their LDFs.
  - No problems were identified in relation to waste water treatment although three rural works need upgrading.
  - SFRA's have been completed for Tonbridge and Malling and all the Kent Thames Gateway districts. There was no suggestion that other districts would not have sufficient options to avoid high risk flood areas.

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<sup>20</sup> SEERA11b, although there are significant variations between districts as shown from KCC ZNM forecasts, Methodology for Distribution of Housing, Annex 7, Kent CC and Medway Council [SEP14/15]

<sup>21</sup> AMR 2006 indicator 51

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- The HA anticipated only small impacts on the trunk roads system from the draft Plan's proposed levels, and did not see problems in raising these levels as long as development was allocated to reduce the need to travel.
- 26.61 The effect of our considerations below on a district by district basis is that we consider the housing level for the Rest of Kent should be 27,880 (i.e. an increase of 194 dpa). We do not consider that this area should be expected to accommodate significantly more than this because of the risk that it could divert investor interest from the two nearby growth areas of Kent Thames Gateway and Ashford. And from a regional perspective this is not amongst the areas forecast to have the greatest pressure on labour supply.
- 26.62 We envisage that most of this recommended increase would be accommodated at the regional hubs, particularly Maidstone, as discussed below. However we agree to the request by Sevenoaks DC to increase the housing provision level for the rest of the district by 500 (25 dpa) to reflect additional capacity here, although we have not accepted that its district-wide total is appropriate (see Chapter 20 where we recommend an increase in its London Fringe component of 200). Our arguments for the district taking a slightly higher level are that:
- there is considerable potential for local economic growth (an additional 5,000 jobs 2006-16 on the Experian trend-based forecasts<sup>22</sup>)
  - estimated urban potential represents over 90% of the draft Plan's housing level.
- 26.63 We do not see a need to adjust the proposed levels in the more rural parts of the area. Each of the four local authorities concerned<sup>23</sup> was confident that they had sufficient flexibility to be able to provide adequately for the needs of their rural communities.

### **Maidstone and Tonbridge/Tunbridge Wells Hubs (Policy CC8c) c**

- 26.64 We agree with the Regional Assembly that although there is no obvious policy deficit in the Rest of Kent there is a need for a strategic framework for the regional hubs of Maidstone and Tonbridge/Tunbridge Wells.
- 26.65 We have already recommended in Chapter 4 that the new Part E section of the Plan should cover the policy content of Policy CC8c on the two hubs within the Rest of Kent. We also argue that a separate policy for each of these hubs would be clearer than one combined policy.
- 26.66 In coming to our conclusion on where Maidstone should be covered within the Plan, we carefully considered whether Maidstone could be included within one of the existing sub-regions, given that it is close to two growth areas and is referred to in the Kent Thames Gateway sub-regional section in Policy KTG11. However Maidstone is physically separate from the Thames Gateway and the latter's industrial history is reflected in its different local economy. Other options include the possibility of extending the East Kent and Ashford sub-region as far west as Maidstone. But in addition to its links to the north with the Thames Gateway towns Maidstone looks generally towards London rather than to the east. In any case Maidstone's importance as a focus for employment, services and development justifies the town having its own distinctive policy. We also rejected the idea of adding Tonbridge/Tunbridge Wells to the London Fringe sub-region.

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<sup>22</sup> Economic and Employment Forecasts by local authority district from Experian published forecasts, December 2006 [SEEDA5]

<sup>23</sup> Ashford, Dartford, Gravesham and Medway



## **Maidstone Hub and NGP**

- 26.67 We agree with Kent CC and Maidstone BC that the development of the town's economy is supported by its status as a regional hub and that Maidstone clearly has the potential to accommodate major housing development. In this context we are happy to endorse its selection as a NGP. In terms of the scale of its growth we note that Maidstone BC disagreed with the original submissions of the principal authorities, preferring a housing provision figure of 10,080 rather than the suggested 8,200<sup>24</sup>. Kent CC subsequently supported Maidstone's bid for NGP designation and confirmed at the examination that Policy H1 should be revised to provide for 10,080 houses in total at Maidstone. We agree with this scale of growth, which requires an additional 1,880 dwellings over the plan period. This scale of housing is broadly in alignment with the town's likely employment growth prospects and we see no need to question the balance between jobs and housing. We therefore recommend that an additional 1,880 (94 dpa) should be added to the housing provision level for Maidstone (2006-26).
- 26.68 While a few participants including CPRE Kent feel that new development at Maidstone should be concentrated within the urban area we accept that, in addition to urban intensification, the NGP level of growth implies significant greenfield development. Hence we agree with Kent CC that to secure the Plan's strategy of urban concentration new housing should be accommodated in one or more urban extensions. We heard from Maidstone BC that the Council's preferred option to accommodate the NGP level of growth involves a planned urban extension to the south and east of the main urban area. Although such locational issues must be tested through the LDF process we consider it important to focus as much development as possible on the town itself. We heard at the examination that just under 1,000 of the district total was likely to be accommodated outside of Maidstone. We therefore recommend that the supporting text should refer to an "indicative 90%" of housing being in or adjacent to Maidstone.
- 26.69 The identification of Maidstone as a hub takes account of its array of surface transport links, to London, to Ashford, to the Medway towns and elsewhere. Even so we recognise the need for further investment in transport infrastructure. We were pleased to hear that the HA has begun work with Kent CC to consider the trunk road implications of the proposed development. Of the schemes listed in the Implementation Plan, including improvements to M20 junctions, we consider that two are sufficiently important to the growth of the town to be included in the text supporting the hub policy for Maidstone. These are the South East Maidstone Strategic Route and the Maidstone Hub package, and we recommend accordingly. Otherwise we concur with the relevant part of Policy CC8c, including its reference to employment and higher quality jobs.
- 26.70 In terms of policy wording we recommend retention of all the relevant parts of Policy CC8c, although with a strengthening of its growth role for housing which appears to be downplayed in the draft Plan. This could be linked to the parallel need to provide new transport infrastructure as above. We also recommend new points to seek complementarity rather than competitive growth with Kent Thames Gateway towns, and to avoid coalescence with the Medway Gap urban area. The supporting text should also be strengthened to include a clear statement of Maidstone's role as a regional hub, which could be based on the description in Annex B to the Regional

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<sup>24</sup> Letter from Maidstone BC to SEERA 9 December 2005 [SEP14A]

Assembly's evidence on Matter 2A plus a reference to the area's role in providing for major housing development.

- 26.71 During the EiP debate on Maidstone several participants were anxious to justify the concept of strategic gaps in Kent. The concept of gaps is discussed in Chapter 5 and in the vicinity of Maidstone we accept that they are intended primarily as an anti-coalescence tool outside the Green Belt areas. The two strategic gaps identified by Kent CC which merge the five original "structure plan gaps", described as The Mid Kent and The Medway Towns-Sittingbourne Gaps, do seem to be genuinely strategic and to accord with the criteria in our revised Policy CC10b. However we agree with the developer representatives who stress the need to review the boundaries defined in current development plans. Hence our earlier recommendation that Policy CC10b should require such reviews to be carried out as part of the LDF process.

### **Tonbridge/Tunbridge Wells Hub**

- 26.72 We share the view of most participants that it is not unreasonable to treat the towns as part of one double regional hub. We recognise that a few participants feel that this does not serve any useful spatial purpose and that Barton Willmore may be right in describing it as an after-thought. However we accept that there is a genuine complementarity of functions between the two settlements. In particular Tonbridge has the advantage of being a rail junction with frequent services to London and is a manufacturing and distribution centre whereas Tunbridge Wells has a strong retail and commercial function in the south of Kent and extending into East Sussex.
- 26.73 We also acknowledge Kent CC's view that the development of links between Tonbridge and Tunbridge Wells and the improvement of access to rail services at Tonbridge is consistent with the County Council's strategy of a network of regional hubs drawing on the economic strength of all the principal urban areas. In this respect we agree with GOSE that there is little in Policy CC8c or its supporting text on the need for delivery of infrastructure to support the regional hub status of these towns. This could include improvements to links with East Sussex, Crawley/Gatwick and Maidstone as well as sustainable transport between the two towns. We therefore recommend that the supporting text to the relocated Policy CC8c should make reference to the transport infrastructure improvements related to the double hub.
- 26.74 Irrespective of the logic or otherwise for designating the two towns as a joint hub strong support was expressed for a joint approach to planning of the two settlements on behalf of developer interests. Indeed Peter Court and Knight Frank argue that the double hub should be administered by a single authority. The structure of local government is outside our remit but if the idea of a single hub leads to greater joint working across local authority boundaries we are happy to endorse this element of the draft Plan.
- 26.75 Turning to housing provision, we note that in Tonbridge and Malling the level proposed in the draft Plan equates to the land supply of the Borough which includes higher density development at locations involving PDL. We accept the view of the Borough Council and Kent CC that beyond the committed sites opportunities for additional large-scale development are limited. We acknowledge that constraints include the extent of Green Belt, the AONB, the flood plain of the Medway and the Strategic Gap with Maidstone as well as local designations. However we consider that a modest increase in housing provision could be justified on the following grounds:
- It is unrealistic to expect that all possible development sites up to 2026 can be identified at this stage

- Recent building rates are well above the draft Plan average of 425 dpa and the current housing trajectory suggests 478 dpa up to 2012 excluding windfalls
- The proposed provision of 8,500 houses (2006-26) is front end loaded so the draft Plan assumes a fall in building rates in the second half of the plan period
- A small increase in housing numbers would be consistent with the hub status of the town(s).

26.76 Our conclusion is that on the basis that additional housing would be primarily related to the Tonbridge hub and to a much lesser extent the Medway Gap urban area a further 500 houses should be added to the total draft Plan provision for Tonbridge and Malling. Since we are concerned not to reduce the pressure for development of the recently permitted brownfield sites this increase of 500 houses would be for the 2016-26 period. We recommend that the figures in Policy H1 be amended accordingly.

26.77 In Tunbridge Wells we acknowledge the high quality of the natural and built environment, reflected in the extensive areas of green belt and AONB as well as local landscape designations and the 25 conservation areas in the Borough. However we consider that there is a case for some increase in the housing provision levels, for the following reasons:

- The draft Plan level of 5,000 is significantly below the locally generated household growth of 6,400 (2006-2016) so there is no allowance for meeting housing backlogs or for in-migration.
- The town has strong economic prospects and is a primary town centre with a wide retail catchment (at the Experian trend forecast rate there could be 10,000 extra jobs by 2026).
- The recently adopted 2011 Local Plan is based on a building rate of 290 dpa compared to the Draft Plan provision for only 250 dpa.
- Urban potential appears to cover about 50-60% of the draft Plan levels, although the Borough Council suggests that a higher proportion might be found from windfalls<sup>25</sup>.

26.78 We accept the Borough Council's view that recent high rates of building cannot be guaranteed to continue and we acknowledge the extent of the environmental constraints in and around Tunbridge Wells. We also accept that even meeting the draft Plan levels will require a review of the inner green belt boundary and that increased housing is likely to mean more greenfield development. We therefore recommend that the need for a small scale review of the Green Belt be referred to in the supporting text. However having regard to the above factors and in particular the strength of the local economy we recommend that a further 1,000 houses (50 dpa) be added to the figures in the draft Plan (2006-26) and that Policy H1 be amended accordingly.

26.79 In terms of policy wording we are generally content with that in the second part of Policy CC8c, and recommend that its supporting text should spell out the role of Tonbridge/Tunbridge Wells as a dual regional hub. However although retaining the priority to conservation and the setting of Tunbridge Wells, we recommend the deletion of the reference to the Green Belt in the policy itself. The supporting text should then acknowledge the likely need for a small scale Green Belt review at Tunbridge Wells in accordance with Policy CC10a.

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<sup>25</sup> The Michael Ling report [Hr6B] estimated 60% urban potential whereas Kent CC indicated about 50% in the Matter 9B.1 debate. The Tunbridge Wells BC statement for Matter 9B.3 says that only 750 dwellings might have to be found from greenfield sites – but this was based on extrapolating past windfall rates and would depend on how PPS3 was applied to windfalls

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## **REST OF SURREY c**

- 26.80 The Rest of Surrey covers the whole of Waverley Borough and parts of Guildford, Mole Valley and Tandridge administrative areas which do not fall in either the London Fringe or Gatwick Area sub-regions as defined in the draft Plan. This area of the region is mainly rural with a pattern of dispersed settlements but Waverley includes the market towns of Farnham (36,000 pop), Godalming (21,000 pop), Haslemere (15,000 pop) and Cranleigh (12,000 pop). Much of this area lies within the designated MGB and/or is within the Surrey Hills AONB. Part of the High Weald AONB lies within Tandridge.
- 26.81 We were not convinced that the arguments about Farnham's relationships with the London Fringe and Blackwater Valley would justify any different approach for the town. Its inclusion within the Blackwater Valley policy area on Map F6 of the draft Plan is noted but in our view this is simply an appropriate recognition of the topography of the Blackwater Valley which extends beyond the WCBV sub-regional boundary and of the appropriateness of an integrated approach to its environmental and other characteristics.
- 26.82 Policy LF2 includes a footnote that explains that in the primarily rural parts of Mole Valley and Tandridge which lie outside the sub-region, only limited housing supply is expected and this is included in the London Fringe sub-region figures. The implication of Policies H1, LF2 and WCBV3 is that any minimal housing in the rest of Guildford is included within the two sub-regional totals, although this should be clarified in a footnote to Policy LF2. Taking all of these areas together, we consider that the evidence supports the draft Plan's expectations for these parts of the region. Their predominantly rural nature, protected landscapes, small villages and hamlets with very limited service provision, and relatively poor accessibility by public transport are important factors that justify only very limited housing development. This is generally expected to come forward as windfalls within settlements where limited infilling is permitted. Any increased apportionment to these areas would be unsustainable in our view, and coupled with the advice in PPS3 para 59 on windfalls allowances, it could lead to undesirable pressure for allocation of greenfield sites.

### **Waverley**

- 26.83 In accordance with Policy H1, Waverley Borough is expected to provide 230 dpa. In the light of the urban potential assessments, the Council considers that this can be accommodated within the urban areas but warns against any increase in the provision figure, given the constraints affecting the borough. About 65% of its area lies within the MGB while 55% is designated as AONB. Also, the housing provision figure exceeds the RPG9 requirement by 22% and the average annual completion rate 2001-2006 by 7%. On this basis it is challenging to attempt to achieve the step change in housing delivery that is sought by Government.
- 26.84 We agree that there is very limited potential for the borough to contribute more than this apportionment in a sustainable manner. There is no substantive evidence that the local economy would support any significant housing development, and while Farnham, Godalming and Haslemere are served by trains to London, east-west rail and road connections are generally poor. Also, physical expansion of the towns would be constrained to varying degrees by MGB, AONB, and flood risk considerations. Central and north Farnham is also within the 5 km zone around TBH.
- 26.85 Nonetheless, we are not convinced that there would not be scope for a small uplift in the figure, since there has been evident success in out-stripping the RPG9

requirements and providing high-quality, higher density redevelopment in the main towns. A small increment above the draft Plan figure could help to meet wider regional housing needs without adding unacceptably to car-based commuting. Additional capacity should be sought first within the urban areas but if this is not possible, there seems to be limited potential for small adjustments to urban boundaries that would not conflict with MGB, AONB or other environmental designations. There is no evidence that water, waste water treatment or other infrastructure would be inadequate. Accordingly we propose an increase of 400 dwellings (20 dpa) in the apportionment to Waverley in Policy H1. As a result, the district figure should be revised to 250 dpa and a total of 5,000 for the Plan period. We assume that all this could be provided outside the 5 km zone of the TBH.

### *Dunsfold Park*

26.86 The case for strategic-scale development at Dunsfold Park was made at the EiP. This was broadly described as a proposal for a sustainable development of a cluster of rural settlements, including large-scale mixed-use development on the Dunsfold Aerodrome site and new transport links to Cranleigh. Live-work units, a substantial element of affordable housing provision for local people and accommodation for over-50s are amongst the components that would, it was argued, provide a sustainable solution to housing requirements in this part of the region and make best use of a major brownfield site. We share the view of a number of participants that elements of the proposal are innovative and worthy of application more generally. Nonetheless, in our view the proposal for about 2,500 dwellings and 2,000 jobs at Dunsfold Park would seriously unbalance the regional strategy and it would be likely to remain unsustainable. The area is relatively remote from service centres, public transport accessibility and the local road network would not be capable of being improved to an appropriate level, and it would be difficult to secure the level of self-containment that might overcome these disadvantages. Accordingly, we would not recommend the scale of development proposed at this location.

### **REST OF BERKSHIRE**

26.87 The Rest of Berkshire area that lies outside the WCBV sub-region is a relatively isolated and rural part of the region. Accessibility by public transport to higher order services is poor and the area has few local employment opportunities apart from agricultural or equestrian enterprises. The whole of the area lies within the North Wessex Downs AONB. Taking all of these factors into account we agree with West Berkshire Council that the housing apportionment of 50 dpa is a challenging target. It would entail a doubling of recent rates of completions. It is encouraging that the Council believes that a more progressive approach to rural exceptions sites for affordable housing will play a significant part in meeting the target. The draft Plan's policy framework would support this. While Swindon lies just to the west of the area, we do not consider that there are any inter-regional effects that would justify an increased rate of development here. Accordingly, we do not recommend any change to the housing provision implied by Policy H1.

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## REST OF OXFORDSHIRE

- 26.88 The Rest of Oxfordshire covers the parts of Cherwell, South Oxfordshire, Vale of White Horse and West Oxfordshire districts that lie outside the Central Oxfordshire sub-region. This area of the region is predominantly rural with a number of relatively small settlements apart from Banbury (approx 42,000 pop) which is designated as a Primary Regional Centre in the draft Plan. The other smaller settlements include Carterton, Faringdon, Henley and Thame. Parts of the county lie within the Cotswolds, North Wessex Downs or Chiltern Hills AONBs.
- 26.89 We heard particular concerns about flood risk in Banbury, Henley and Thame amongst other parts of the county. We were pleased to hear that progress is now being made on flood prevention in Banbury which will release brownfield land for redevelopment.
- 26.90 Policies H1 and CO2 propose that the Rest of Oxfordshire provide 660 dpa over the Plan period. Of this total, 300 dpa are apportioned to Cherwell, 135 to South Oxfordshire, 50 to Vale of White Horse, and 175 to West Oxfordshire. In terms of the demographic basis, the Assembly's revised nil net migration forecasts<sup>26</sup> for the Rest of Oxfordshire suggest a dwelling requirement (2006-2026) that exceeds the draft Plan provision by 29%. While we fully accept the need for caution in applying such forecasts, and also that the draft Plan rightly seeks a stronger focus on the sub-regions, we consider that there is some justification in seeking to uplift the Rest of Oxfordshire housing provision figures to help meet local needs.
- 26.91 As referred to elsewhere in our report on Central Oxfordshire, we agree with Vale of White Horse DC that a total of 300 dwellings from its sub-regional apportionment should be transferred to its "Rest of" area in order to avoid unnecessary release of greenfield sites on the edges of small settlements. The District Councils generally would wish to have flexibility to accommodate their district-wide apportionment in the most appropriate way, transferring some provision between the sub-regional and "Rest of" areas if this proves to be the more sustainable option. While we have accepted the case for some such flexibility in the Sussex Coast area, we are not convinced that there are comparable environmental or other reasons to make explicit provision for a similar approach here. It is important that the sharper focus on the sub-region should remain; it would in fact be increased by our proposed uplift in the housing figures. In practice however, local authorities will be able to bring forward sustainable brownfield opportunities where they arise since Policy H1 (as amended) will not impose a cap on total housing provision in the districts. We consider that this should provide sufficient flexibility for the Oxfordshire districts.

### Cherwell (part)

- 26.92 We understand from the advice<sup>27</sup> to the Assembly from the principal authority that the distribution implied by Policies H1 and CO2 could provide for continued "organic growth" at Banbury of up to 190 dpa, reflecting Banbury's role as a significant employment and shopping centre. This would be likely to entail a reduction in building rates after 2016 by which time the structure plan's commitments may have been built-out. As originally estimated about two-thirds of the requirement could be provided on brownfield land within Banbury but revised estimates for the district

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<sup>26</sup> Table NNM2: Nil Net Migration Projection – Sub-Regions and Rest of County areas (Fourth Round), April 2007- Revised [SEERA 11b]

<sup>27</sup> South East Plan: District Housing Distribution, Central Oxfordshire Sub-regional Strategy – Process of Preparing Sub-Regional Advice and Housing Distribution, Oxfordshire County Council, December 2005 advice to SEERA [SEP16]

indicate that about 1,900 dwellings on new greenfield sites will be required, compared with 900 in the original estimate<sup>28</sup>. Elsewhere, the figures imply some additional greenfield development in the districts after 2016 focused on the larger towns and villages. It is said that this would allow for limited development to meet local needs.

26.93 Turning to the implications for particular districts, we heard calls from developer representatives for a significant uplift in Cherwell's provision figure in order to reflect Banbury's potential for growth. On balance we consider that there is a case for some increase over and above the draft Plan level here because:

- The town is an important employment and retail centre that plays a relatively independent role in the northern part of the County;
- While accepting that there are concerns about the need to widen the economic base of the town, additional housing development would help to boost confidence in local businesses;
- Further expansion here would be unlikely to impact undesirably on adjacent sub-regions; over 60% of the town's residents work within 5km of home<sup>29</sup>;
- The draft Plan apportionment to the whole district would be less than RPG9 levels and recent rates of development and would be unlikely to meet local needs in Cherwell;
- Although we heard concerns that the town is reaching its environmental limits, we can find no substantive evidence to support this or to indicate that water quality, flood risk and transport constraints are not capable of resolution.

26.94 We are not however convinced that the scale of increase sought for Cherwell by some developers<sup>30</sup> would be appropriate since it could detract from the prospects for sustainable growth at Bicester and undermine the sub-regional strategy more generally. We recommend that an increase of 1,000 dwellings (50 dpa) for the rest of Cherwell would be likely to be achievable and would represent a small increase above RPG9 levels while not detracting from the sub-regional focus on Central Oxfordshire.

### **South Oxfordshire (part)**

26.95 The South Oxfordshire allocation of 135 dpa has been challenged by developers on the basis that Thame in particular could accommodate a higher rate of growth. However we agree with the District Council that, despite having more jobs than residents, Thame's high rate of out-commuting would be likely to be further increased by an uplift in the housing provision figure for this area. Given its relative convenience for the motorway network we are concerned that this would generate increased car-based travel; also, it could lead to undesirable competition with Aylesbury. Nor do we find convincing evidence of potential for a higher level of growth at Henley, given the need to protect its AONB setting, historic core and to take account of flood risk. Overall, we consider that the allocation for the area is soundly based and should not be increased.

### **Vale of White Horse (part)**

26.96 As referred to above, we support Vale of White Horse DC's proposal to increase the apportionment in that part of its district outside Central Oxfordshire by 300 dwellings. It appears that the increased housing requirement could be accommodated by some limited new greenfield development in addition to the existing commitments and sites

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<sup>28</sup> In accordance with the revised figures provided by Cherwell District Council for the Matter 9C debate [CherDC1]

<sup>29</sup> Smith Stuart Reynolds statement for Matter 9C.

<sup>30</sup> For example, Smith Stuart Reynolds seek 400 dpa at Banbury.

likely to come forward within the settlements. Nonetheless, Faringdon is the largest settlement in the area but it has a population of only some 6,000 and it offers a commensurately limited range of jobs and services; the other settlements are rural villages, each with populations of no more than 2,500 population. Taking all of these factors into account, we do not consider that any additional housing provision in this part of the district over and above the 300 dwelling increment would be sustainable.

### **West Oxfordshire (part)**

26.97 In West Oxfordshire the towns of Carterton (about 11,000 pop) and Chipping Norton (about 6,000 pop) are expected to make a limited contribution to the requirement for 175 dpa over the Plan period. The Council has concerns that this will be particularly challenging, given that less than 50% requirement is currently identified and having regard to the very small size of most of the settlements in the area. We also heard that the potential impact on the area of recently announced changes at Brize Norton is still uncertain and we consider that any case for further growth at Carterton to expand its economic base is not yet proven. Balancing all of these considerations, we do not find any justification for an increased housing apportionment to the Rest of West Oxfordshire. While we understand the Council's desire to meet its overall housing requirement in the most sustainable manner, for the reasons given above we do not suggest any changes.

### **REST OF BUCKINGHAMSHIRE**

26.98 The Rest of Buckinghamshire covers the whole of Chiltern district, and the north and extreme west of Wycombe district. A large part of this area is within the Chiltern AONB and Metropolitan Green Belt. The area contains several medium-sized settlements up to about 20,000 population. Towns on the eastern side of the area with high rail-based accessibility, e.g. Chesham and Amersham, provide labour into the London market.

26.99 The housing level proposed for this part of the region is 3,000 (an average of 150 dpa). This comprises an average level of 120 dpa for Chiltern district and 30 dpa for that part of Wycombe district outside the WCBV sub-region. We note that higher levels of 200-300 dpa were included in the consultation draft RSS, January 2005, but were scaled back to structure plan levels.

26.100 Developer representatives argued for an increase in housing levels primarily on the basis of the need for additional labour supply, and the alleged needs of a particular settlement, Princes Risborough.

26.101 We do not see a need for a significant adjustment of housing levels for the Rest of Buckinghamshire, given:

- the importance of the countryside environment;
- the competition that could arise with the Aylesbury growth area, which is in the same housing market area (Map H3);
- the additional pressure for change of use on employment land, as argued above;
- the potential for additional commuting by car into the adjoining WCBV sub-region;
- the fact that there is already some notional headroom for in-migration in that the natural change element represents just below 70% of the draft Plan's housing level<sup>31</sup>.

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<sup>31</sup> as calculated from SEERA's Nil Net Migration projections, revised April 2007 [SEERA11b]



26.102 Nevertheless we consider that there are grounds for a modest increase for the Rest of Buckinghamshire, particularly in Chiltern.

### **Chiltern**

26.103 Our reasons for suggesting that the Chiltern housing level should be increased by 500 (25 dpa) are as follows.

- Our recommended level of 145 dpa is still below the average build rate of 165 dpa between 1991-2006<sup>32</sup>.
- It roughly equates to the theoretical estimate of urban potential from the District Council's most recent study<sup>33</sup> although viability has not so far been factored in, and is comfortably within the housing trajectory in the Council's Housing Monitoring Statement 2006.
- It would provide a small increase in labour supply, given anticipated employment growth at a time when working population is expected to decline<sup>34</sup>. We do not envisage significant potential for commuter clawback from London here because of the highly paid nature of jobs likely to be taken by commuters from this area.

### **Wycombe (part)**

26.104 Our reasons for suggesting an increase of 200 (10 dpa) in the rest of Wycombe are as follows.

- Our recommended level of 40 dpa is still below the average build rates between 1996-2006 of 63 dpa<sup>35</sup>, but takes account of the largely rural nature of the area and its proximity to Aylesbury.
- There are some indicators of concern in Princes Risborough such as falling school rolls due to an ageing population and lack of affordable housing<sup>36</sup>, which would suggest that some additional housing could benefit this market town.

26.105 The EA gave no indication that such a modest level of increase would cause any concerns for water infrastructure. They saw no serious issues in this area that could not be solved by WWT investment and a twin track approach to water supply. We envisage that strategic flood risk assessment work of the type that they seek will be undertaken in any subsequent site allocations, that groundwater Source Protection Zones can be avoided.

## **RECOMMENDATIONS c**

**c**

### **Recommendation 26.1 c**

Include job estimates for monitoring purposes for the rest of Kent at 15,000 and rest of Hampshire at 14,500 in the new Part E section of the Plan covering the areas outside the sub-regions (para 26.7)

**c**

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<sup>32</sup> Boyer 9E.2 statement, taken from Chiltern DC AMR 2006

<sup>33</sup> 132 dpa, as given in Chiltern DC's Matter 9E.2 statement based on the Chiltern Housing Potential Study 2005-26, May 2006

<sup>34</sup> Buckinghamshire Employment Land Review as above, para 13.19

<sup>35</sup> Boyer 9E.2 statement, taken from Wycombe DC Development Trends 2005-06

<sup>36</sup> The Risboroughs 2035, A town fit for a Prince, DLA for David Wilson, April 2004 [BOY2]

**Recommendation 26.2 c**

Include the need to protect the scale of employment land in Chiltern district as a guideline in the new Part E section of the Plan (para 26.9)

**Recommendation 26.3 c**

In the rest of Hampshire, add a provision of 2,500 (125 dpa) for development at Whitehill Bordon, with a footnote to East Hampshire in Policy H1 to identify this specific opportunity. Provide a guideline on its long-term potential to contribute to local and wider housing needs as part of a strategy for the sustainable regeneration of the area following the cessation of MoD operations in the new Part E section. (para 26.18)

**Recommendation 26.4 c**

Add 600 dwellings (30 dpa) to the housing provision figure for the rest of Test Valley to provide a larger role at Andover. (para 26.25)

**Recommendation 26.5 c**

Add 1,800 dwellings (90 dpa) to the rest of Winchester to take account of additional capacity for sustainable growth at Winchester itself. (para 26.30)

**Recommendation 26.6 c**

In the Rest of East Sussex, add 600 dwellings (30 dpa) to the rest of Wealden based on the potential for sustainable growth at Uckfield (para 26.41, 26.42)

**Recommendation 26.7 c**

In the rest of West Sussex, add 600 dwellings (30 dpa) to the rest of Horsham to 190 dpa based on the potential for modest additional development at Southwater, Billingshurst and Pulborough. (para 26.54)

**Recommendation 26.8 c**

In the rest of Kent, add 500 dwellings (25 dpa) to the rest of Sevenoaks district by 500 (25 dpa) to reflect additional capacity as suggested by the District Council. (para 26.62)

**Recommendation 26.9 c**

Create a new policy on Maidstone based on the relevant parts of Policy CC8c and strengthen its growth role for housing development, and to seek a non-competitive role with Kent Thames Gateway, and to avoid coalescence with the Medway Gap urban area (paras 26.65, 26.70)

**Recommendation 26.10 c**

Add 1,880 dwellings (94 dpa) to the housing provision to Maidstone to reflect its NGP status (para 26.67)

**Recommendation 26.11 c**

Add to the text of the Maidstone hub policy, references to its role as a regional hub, to two elements of essential transport infrastructure – South East Maidstone Relief Route, and Maidstone Hub package, to an “indicative 90%” of housing in or adjacent to Maidstone, and the need to avoid coalescence with the Medway Gap urban area (paras 26.68 - 26.70)

**Recommendation 26.12 c**

Create a new policy on Tonbridge/Tunbridge Wells based on the relevant parts of Policy CC8c but excluding reference to Green Belt in the Tunbridge Wells element. (paras 26.65, 26.79)

**c**

**Recommendation 26.13 c**

Add to the text of the Tonbridge/Tunbridge Wells policy, references to its joint role as a regional hub, to transport infrastructure improvements, to the likely need for small-scale Green Belt review at Tunbridge Wells (para 26.73, 26.79)

**Recommendation 26.14 c**

Add 500 dwellings (equivalent to 25 dpa) to Tonbridge and Malling district to provide for longer-term growth primarily related to the Tonbridge hub (para 26.76)

**Recommendation 26.15 c**

Add 1,000 dwellings (50 dpa) to Tunbridge Wells district to reflect the potential of the Tunbridge Wells hub (para 26.78)

**Recommendation 26.16 c**

In the rest of Surrey, add 400 dwellings (20 dpa) to Waverley borough. (para 26.85)

**Recommendation 26.17 c**

Expand the footnote to Policy LF2 to include rest of Guildford in a similar way to rest of Mole Valley and Tandridge. (para 26.82)

**Recommendation 26.18 c**

In the rest of Oxfordshire, add 1,000 dwellings (50 dpa) to rest of Cherwell district to reflect the scope for sustainable development at Banbury. (para 26.94)

**Recommendation 26.19 c**

Increase the housing provision figure for the rest of Vale of White Horse by 300 (15 dpa) to reflect the transfer from Central Oxfordshire requested by the District Council (para 26.91)

**Recommendation 26.20 c**

In the rest of Buckinghamshire, add 500 dwellings (25 dpa) to the housing provision level for Chiltern district to reflect the importance of the local economy and additional urban potential (para 26.103)

**Recommendation 26.21 c**

Add 200 dwellings (10 dpa) to the housing provision level for rest of Wycombe district to reflect potential at Princes Risborough (para 26.104)



## **27 eIMPLEMENTENE Ie e**

Matter 10A.1, 2 & 4

*This chapter examines the mechanisms and agencies needed to deliver the South East Plan, and outlines the proposed content of the implementation component of a new final section of the RSS (see also Chapter 28). It then comments on the status and content of the Implementation Plan and its investment framework tables.*

### **MEHe ISMS Ae D DELIVERY eGEE CIES e**

- 27.1 Although there is no single chapter in the draft Plan devoted to implementation, the Regional Assembly had produced a draft Implementation Plan at the submission date, March 2006. This was subsequently published in a revised and updated form on 30 October 2006<sup>1</sup>. The draft RSS makes clear that the Implementation Plan is part of the full South East Plan (Part F) and the Regional Assembly frequently stressed at the examination that it was always intended to form an integral part of RSS. Hence the draft Implementation Plan was subject to SA and the revised Implementation Plan was also subject to AA.
- 27.2 The role and status of the revised Implementation Plan is discussed below. Although there is room for debate about the formal status of the Implementation Plan we greatly welcome the emphasis placed by the Assembly on implementation generally, which is reflected throughout the draft Plan as well as in the effort put into the Implementation Plan. In our view the Regional Assembly and its partners are to be congratulated for breaking new ground in their work to take forward the delivery of strategic policies.
- 27.3 Policy CC5: Infrastructure and Implementation, which we discuss in Chapter 5, sets out the Regional Assembly's approach to the delivery and funding of infrastructure in relation to development. Although we recommend deleting the references in the draft Plan to what was termed at the examination the 'conditional approach' and the proposed Concordat, we endorse the following aspects of implementation that are included in Policy CC5:
- achieving a close relationship between development and infrastructure
  - timely delivery of services in relation to new housing
  - the necessity of a joint approach to infrastructure planning with delivery agencies.
- 27.4 We agree that these are key principles and as a result of our conclusion below that the Implementation Plan should not formally be part of the RSS, they should be expanded in the form of an additional final Section in the Plan. This would take account of the real progress made by the Assembly on implementation, and the new section should also include an outline of the intended process of monitoring and reviewing the Plan (see Chapter 28). We recommend that a new section on Implementation, Monitoring and Review be added to the Plan.
- 27.5 The new implementation section of the RSS need not be lengthy and most of the key points are already covered in the text of the Implementation Plan. We consider that the section should include the following five elements on which we comment below:
- coordination with adjoining regions
  - joint working and delivery agencies
  - delivery mechanisms including behavioural change

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<sup>1</sup> All preceding comments on the Implementation Plan in our report refer to the contents of this revised and updated Implementation Plan

- funding arrangements including a Regional Infrastructure Fund
- role of the Implementation Plan and its investment frameworks.

## Coordination with adjoining Regions e

27.6 We summarise the position on inter-regional planning in Chapter 2 and we stress the strength of inter-regional linkages within the greater South East in Chapter 5, where we recommended that the process content of Policy CC7 would be better located in this final section of the Plan. We accept that because of the absence of a national spatial planning framework it is more difficult to set policies for the South East in a clear inter-regional planning context. In our view this makes it even more important to work jointly with the neighbouring regions to ensure consistency of policies and their implementation across the greater South East. We are aware of the advisory forum established to facilitate co-ordination among the three regions comprising the greater South East (the Inter-Regional Forum), though we have seen little evidence of its effectiveness. Completion of the South East Plan means that for the first time there will be RSSs for all three regions. The Implementation Section should therefore include a firm commitment to work jointly with London and the East of England to:

- undertake the background work where there are potential inconsistencies and/or omissions between RSSs to improve the evidence based for subsequent reviews, including on housing, labour market issues and waste; and
- try and synchronise the process of future RSS reviews to assist a genuinely joint approach to planning of the greater South East.

## Joint Working and Delivery Agencies e

27.7 There are two aspects of joint working and local delivery vehicles that merit comment in the new Implementation Section:

- **Alignment of investment priorities of delivery agencies** – this is identified in the Implementation Plan, para 2.4 as one of the pre-conditions for effective implementation. One of the weaknesses of RPG9 was that it failed to tie in other agencies (and that may well have contributed to the gap between development and infrastructure). In this respect the Regional Assembly's work marks a major advance in regional planning. We agree with the Regional Assembly that improving the alignment of investment decisions across a range of sectors is essential to achieve timely delivery of infrastructure in relation to development. Since many of these decisions are taken at a national level it will necessitate better co-ordination of Government departments and their associated agencies. In the South East we welcome the stated intention of the Regional Assembly and SEEDA to work towards a single Regional Implementation Plan as a means of improving the alignment of public sector investment.
- **Creation of local delivery vehicles** – these may involve one or more local authorities and partner bodies. The example of Milton Keynes, Ashford and the PUSH authorities, and at inter-regional level in the Thames Gateway, demonstrate that, at least for the major growth areas, there is positive evidence of jointly established structures that look sufficiently robust to manage the funding and delivery of both development and infrastructure. But elsewhere in the region there is in our view a multiplicity of authorities lacking the strong leadership and coherent powers needed to give confidence in implementation of sub-regional strategies. We would encourage the new Section to include a forceful statement

to this effect. We also have sympathy with the view expressed by SECL, that delivery arrangements well below regional level will have greater prospects for success because of local ownership and accountability. In addition to various existing forums for collaborative working we have recommended that for the greater Reading area not only is a joint core strategy justified but a development partnership should be formed to oversee the implementation of the growth strategy. We accept that under the aegis of SEEDA while the RES Diamonds are essentially about collaboration rather than being a spatial planning tool, they do provide a useful stimulus to joint working which may have a spin-off for local delivery structures. Consideration should certainly be given to the need for other local vehicles covering more than one local authority area.

## **Delivery Mechanisms e**

27.8 Four main **delivery mechanisms** are identified in the Implementation Plan – behavioural change, regulatory interventions, management of the existing asset, and investment in additional infrastructure capacity. While the last of these was supported with long lists of schemes, we share the Regional Assembly’s view that the need to effect behavioural change is critical to achieving the objectives of the Plan. As the Implementation Plan, para 3.2.2 says, the importance of behavioural change cannot be emphasised too strongly. We agree and we consider that this message should be central to the section on delivery mechanisms, particularly in relation to transport, water, waste and energy. However we also agree that in most cases fiscal incentives and regulatory changes will need to be, and are being, initiated by central government to bring about the necessary changes in behaviour. Most utilities also operate within regulatory frameworks that are sponsored by Government. The Implementation Plan clearly demonstrates that there is a problem in delivering major infrastructure when the regulatory review cycles are too short to cope with the scale of investment required. We therefore consider that this issue should be highlighted in the RSS and be addressed by the Government.

## **Funding e rrangements e**

27.9 We accept that the most significant funding issues, apart from transport and affordable housing, relate to the whole range of local authority services. Not only is their capacity to fund capital expenditure limited but the constraint on local authorities’ revenue expenditure is a recurring problem in financing infrastructure. This is especially serious in the South East where failure to maintain infrastructure from revenue budgets is contributing to a growing backlog of investment. Since much revenue support is determined on the basis of formulae underpinned by population forecasts, these become rapidly out of date in the fast growing areas<sup>2</sup>.

27.10 We agree with the Regional Assembly that no single funding mechanism will provide an adequate answer to address the level and timing of investment required. We accept that a blend of mechanisms should include the following three key elements:

- longer term commitments by Government to sustained public sector funding that is at a level commensurate with the scale of growth for which provision is being made
- enhancement of current arrangements for capturing increases in land value through the local tariff approach pioneered in the growth areas, and/or whatever

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<sup>2</sup> We were impressed by the evidence and cogent arguments given by SECL and other service providers on the inadequacy of current revenue support mechanisms

- national system transpires from the current review of a possible Planning Gain Supplement (PGS) preferably under local administration;
- the creation of a Regional Infrastructure Fund<sup>3</sup> to provide up-front capital for major infrastructure schemes identified in the RSS or RES. The cost of this forward-funding investment would be recovered through S106, tariff or PGS contributions.

## **IMPLEMENTATION**

### **Status**

- 27.11 There was a robust debate at the examination about the status of the Implementation Plan. PPS11 says that there should be an implementation plan either as part of the RSS or as a separate but cross-referenced document<sup>4</sup>. Although it is not a statutory requirement of the Planning and Compulsory Purchase Act 2004 GOSE indicated that, if it is consistent with Government policies, an implementation plan could be part of the published RSS document with the same status as the supporting text which provides a reasoned justification for policy<sup>5</sup>. The Regional Assembly with the backing of SECL, DCSE and all individual local authority participants argued strongly that the Implementation Plan should be treated as an integral part of the statutory RSS, and hence be approved by the Government.
- 27.12 In our view the formal status of the Implementation Plan is less important than its role and content. We fully appreciate both the extent of close working with delivery agencies in its production, and the concern of the Regional Assembly to gain the fullest and earliest possible commitment from Government to the infrastructure schemes listed in the Plan. However we see the Implementation Plan as an evolving document that is regularly updated, whereas the RSS policies should be sufficiently robust to stand the test of time, at least over several years. This aim would in our view be more readily achieved by retaining the Implementation Plan as a separate report, being revised more regularly than the RSS, preferably as part of the annual monitoring process (see para 28.11). In this respect we disagree with the suggestion in the Implementation Plan, para 1.8 that it will only be reviewed as part of the wider review of the South East Plan.
- 27.13 Continual updating and refinement of the position on individual projects will be important. Until the most sustainable and deliverable spatial options have been tested via the LDF process some of the investment proposals cannot be clearly defined and justified. We therefore recommend that:
- the Implementation Plan should be kept under review as a non-statutory region-wide document giving a comprehensive picture of strategic infrastructure requirements;
  - the main infrastructure priorities at regional and sub-regional level should be included in the RSS text;
  - the definition of infrastructure given in Figure 2 of the Implementation Plan should be included in the supporting text to Policy CC5, as already covered in Recommendation 5.6.

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<sup>3</sup> Regional Infrastructure Funds: A Prospectus, SEEDA, SEERA et al, December 2006 [SEERA9]

<sup>4</sup> PPS11, para 1.18

<sup>5</sup> Note from GOSE (7447) on the Implementation Plan, December 2006 [GOSE4]



## Content e

- 27.14 The content of the Implementation Plan should reflect its purpose. The role of the Plan is set out clearly in the introductory section and we endorse the business plan approach adopted by the Regional Assembly. PPS11 says that an Implementation Plan should set out for each policy and priority proposal:
- implementation mechanisms
  - organisations responsible for delivery
  - current status of proposals
  - timescale for key actions.
- 27.15 In our view the revised Implementation Plan and its investment framework schedules cover all of the above requirements and go much further in dealing with the resource implications of the proposed infrastructure. While some participants looked for an inappropriate level of detail, we believe that the Implementation Plan needs to retain its strategic role as the framework for delivering the RSS. Although we have reservations about the regional significance of some of the schemes we consider that the Implementation Plan is generally pitched at about the right level.
- 27.16 A few participants request that the Regional Assembly's Climate Change Infrastructure Plan should form an integral part of the content of the Implementation Plan. However we consider that while they could obviously be bound together it would be better kept as a separate document.
- 27.17 Annex 1 of the Implementation Plan usefully provides details of the role of particular agencies key to delivering the thematic policies of the Plan (but see end of para 27.19 below). However for consistency we recommend that the tables indicating the delivery mechanisms and agencies relevant to the implementation of the sub-regional strategies, found in the draft Plan at the end of most of the sub-regional sections, would be better relocated into the Implementation Plan. We have indicated this in the relevant chapters above.
- 27.18 The Implementation Plan's investment framework tables are in three parts – Annex 2 covers national, international and regionally significant schemes, Annex 3 covers sub-regional themes schemes, and Annex 4 local expenditure. The SRIFs in Annex 3 relate the individual themes to the core regional policies which they help to further; however we consider that it would be more relevant to relate them to the appropriate sub-regional policies<sup>6</sup>. There was also confusion on the part of some participants in our sub-regional debates as to why certain elements were in or out of the Annex 3 schedules. We recommend that the criteria used to produce the sub-regional investment framework schedules are more clearly identified, including that
- capital schemes over £5 million are included;
  - revenue costs to maintain this capital are not included;
  - strategic social infrastructure is included, but smaller scale local facilities dependent largely on revenue expenditure are encompassed in the Annex 4 cost estimates;
  - investment in skills is not included, being instead part of the RES implementation plan;
  - the time blocks indicated are intended to be delivery dates, proposed for investigation indicates that work should commence as soon as possible.

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<sup>6</sup> Amended tables in this form were provided by the principal authorities for all SRIFs at the EiP

27.19 So far as the content of the SRIF schedules is concerned we do not consider that we have enough background and local information for us to comment on the details of individual entries in the schedules. However, having regard to the views of participants we offer the following comments on the SRIFs:

- One of the valuable roles of the Implementation Plan is to create a climate of confidence on the part of investors. Indeed we agree that the general emphasis in the draft Plan on delivery should help to promote investor confidence. Hence while we accept that the SRIFs will be used as part of a bidding process for national resources this has to be balanced with a sense of realism about the likely availability of funding. Market confidence in promoting developments depends on being able to rely on schemes being implemented. In our view this means two things. First the Regional Assembly and SEEDA do need to take account of the best assessment of what is likely to be available from both public sector and private sector sources of finance. Secondly, uncertainties outside of the RSS, especially the gaps between current resources and the cost of SRIF proposals, need to be addressed by Government if that confidence is not to be undermined.
- In explaining individual schemes in the SRIFs we acknowledge that it is not possible to include anything other than a simple justification and an indication of the policies that the investment helps to deliver. Even so it is important that scheme proposals should only be specified where they have been appraised as part of a range of options<sup>7</sup>. Where this has yet to be done it would in our view be more appropriate to describe the proposal in terms of the outcomes being sought rather than to specify the project.
- Although the vast majority of the proposed schemes relate to transport, the most effective inter-agency collaboration by the Regional Assembly relates to water interests. Given the importance of and challenge posed by transport investment, more needs to be done to engage a wider spectrum of interests in the debate over future demand management proposals. This point is part of a wider issue about ensuring that schemes named in the Implementation Plan have a measure of support and agreement before inclusion.
- We commend the grouping of schemes into the key sectors of infrastructure. The dominance of road schemes was the subject of adverse comment by some participants and we welcome the Regional Assembly's intention to redress this imbalance. In particular it will be important to add environmental infrastructure schemes to the SRIF schedules; this is particularly important for water quality and flood protection proposals to reflect the work of the EA<sup>8</sup>. We agree that the Regional Assembly has done its best to take account of cultural infrastructure schemes and that most such projects tend to fall below the sub-regional threshold. However we consider that the main arts, sport, libraries and other cultural bodies should be added to the list of delivery agencies in the Plan.

27.20 The estimated costs of infrastructure in the Implementation Plan represent a brave attempt to assess the overall resources needed to deliver the Plan, drawing on specially

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<sup>7</sup> This point is made in PPS11 Annex B: Regional Transport Strategies and was stressed by GOSE in relation to transport schemes

<sup>8</sup> The SMEISE report [Ir10 and 10a] not only sets out a comprehensive picture of environmental infrastructure requirements but includes costings. In the EA's view these show that the expenditure needed for water resources and water quality is likely to be affordable and realistic, though funding for flood protection and biodiversity is unlikely to be adequate.

commissioned research<sup>9</sup> and input from the relevant delivery agencies. While we do not consider it right to include any costs in the RSS itself since they will rapidly date, the figures in the Implementation Plan provide a useful frame of reference for discussion with both Government and the development industry about funding growth. Implementation Plan Figures 3 and 4 set out a clear overview of regional requirements – Figure 3 sets out total costs grouped by main investment area, and Figure 4 reference is the sorts of cost estimates back to the investment framework tables. On a minor presentational point, we suggest however that the columns in the latter table should be reordered, starting with the National and ending with Local schemes. We agree with SECL and DCSE that there is a discontinuity between national fiscal policy and the regional strategy and the cost data in the Implementation Plan should provide a helpful input to successive Comprehensive Spending Reviews.

## **RECOMMENDATIONS**

### **Recommendation 27.1 e**

Add a new Section to the RSS on Implementation, Monitoring and Review (para 27.4)

### **Recommendation 27.2 e**

Stress the following delivery mechanisms in the implementation component of the new Section:

- a firm commitment to work jointly with London and the East of England
- the need for strong collaborative working at local level to implement the sub-regional strategies, in some cases involving setting up a development partnership or other local delivery vehicle
- the need to promote behavioural change particularly on transport, water, waste and energy, working in tandem with fiscal incentives and regulatory changes
- the need for adequate funding mechanism is including local authority revenue expenditure, enhanced land value capture, and forward funding development-related infrastructure

(paras 27.5-27.10)

### **Recommendation 27.3 e**

Relocate the tables indicating the delivery mechanisms and agencies relevant to the delivery of the sub-regional strategies from Sections E1 – E7 and E9 of the draft Plan into the Implementation Plan (para 27.17)

### **Recommendation 27.4 e**

Keep the Implementation Plan under review as a non-statutory document, but include the main infrastructure priorities in the Plan's text, see also Recommendation 5.6 (para 27.13)

### **Recommendation 27.5 e**

When the Implementation Plan is next revised we suggest that:

- the criteria on which the sub-regional investment framework schedules have been produced should be clearly identified

<sup>9</sup> The report on South East Counties-The Cost and Funding of Growth in South East England, RTP, 2005 [Ir2] was especially helpful and was further refined by SEERA's Technical Report on Infrastructure Requirements in the South East, SQW, 2006

- the policy references in the SRIFs in Annex 3 should relate to the sub-regional policies not the regional policies
- account should be taken of the likely finance available for schemes
- schemes that have not been through an options stage should be described in terms of outcomes
- schemes should have a measure of support and agreement before being included
- there should be a better balance of types of scheme including environmental infrastructure
- the list of delivery agencies should be expanded.

(paras 27.18, 27.19)

## **28 MONITORING AND REVIEW**

Matter 10B.1-3

*This chapter endorses the Assembly's monitoring approach as being basically sound and recommends further improvements. It suggests that the short-term priority should be to work up the proposed system for monitoring the sub-regional strategies and that new indicators should be kept to a minimum. We suggest adding targets, identifying the indicators relevant to behavioural change and to smart growth, and an explanation of how the impact on the Thames Basin Heaths will be monitored. We examine the 'manage' element of PMM and the Assembly's role in this. We recommend that the next full RSS review should occur in about five years time and list three areas for earlier partial review.*

### **MONITORING AND REVIEW**

#### **Approach to Monitoring**

- 28.1 Part G of the draft Plan describes the proposed monitoring framework, including the intended indicators in various categories. Although submitted as a formal part of the draft Plan, we agree with the Regional Assembly's subsequent suggestion that it should become a separate supporting document so that it can be more easily updated. In order that the monitoring process is formally tied into the Plan, we have already suggested that it is summarised in a new final section covering Implementation, Monitoring and Review. In respect of monitoring, this would include the Assembly's commitment to produce an annual monitoring report (AMR) assessing progress towards achieving the objectives of the Plan's policies and the sub-regional strategies, and indicating how the results of monitoring will influence actions.
- 28.2 The Monitoring Framework document gives a clear indication of the likely structure of the AMR, namely an opening section on regional change informed by analysis of contextual indicators, followed by sections on the performance of the core thematic policies, the cross-cutting policies, and the sub-regional policies informed by output, outcome and process indicators. Final sections are intended to report on the Assembly's own performance in carrying out its statutory planning activities, and to report on one or more specific topics in depth.
- 28.3 We consider the Assembly's approach to monitoring to be sound. They have four years' experience of producing regional monitoring reports, and we find the traffic light system used in these to be a useful graphical indication of whether change is occurring in a sustainable direction or not.
- 28.4 A short term priority is to flesh out the proposed system for monitoring the delivery of the sub-regional strategies. Progress against eight standard indicators, together with a commentary by the principal authorities, is intended to feed into the AMR. But from the debates it was clear that thinking was more advanced in some sub-regions than others about the practicalities of monitoring, particularly in respect of 'split districts'. The Sussex Coast authorities have already delineated their sub-region using ward boundaries, which will be used for monitoring new housing. While it was generally accepted that planning applications systems could be programmed to give information for split districts, it will be more difficult for other sources of statistics such as the Annual Business Inquiry used for job numbers. Some sub-regions indicated that they would prefer to use nearest equivalent districts. For those sub-regions expected to accommodate significant new growth, the AMR produced for the MKSM Growth Area provides a good role model.

28.5 We support the Assembly's desire to refocus their activities on interpretation rather than collection of data. Greater coordination of collection methods and data sharing with bodies such as SEEDA, the Regional Housing Board, the statutory environmental agencies, and CLG should assist this process. Nevertheless we accept there is a shortage of resources in individual local authorities, and hence the burden on them must be minimised.

## Indicators and Targets L

- 28.6 We confirm that the list of identified indicators includes the core national indicators<sup>1</sup> and these are highlighted in blue in Table G1. There is one exception in relation to regional parking standards where conformity of LDDs is substituted for the national indicator measuring the compliant percentage of non-residential developments.
- 28.7 GOSE commended the work undertaken so far, but indicated several topics on which indicators selected needed to reflect recent Government guidance, including climate change as a result of PPS1 Supplement, housing (PPS3), and transport (2006 updated guide to producing RTSs). They also suggest additional contextual indicators should be added including population/household change and housing backlog.
- 28.8 We endorse the Assembly's conclusion that while there are gaps to be filled, it will be important to avoid adding a plethora of additional indicators. The list is already quite long, not least because of the statutory requirement to integrate SA monitoring, hence the existence of potential significant effect indicators. Many additional indicators were suggested in participants' statements<sup>2</sup> and during the debate. Criteria that might be used to differentiate between these are the extent to which RSS has a significant impact in influencing that matter, and the extent to which the Regional Assembly or planning authorities can institute some form of management action if deemed necessary by the monitoring result.
- 28.9 In our view the most immediate improvements to the monitoring framework would come from:
- adding further **targets** to Table G1. Few policies have associated quantitative targets, but it should be reasonably easy to indicate the required direction of change. In some cases a measurable target could be specified based on background work, e.g. 8-20% reduction in per capita water consumption, and we have also sought to strengthen and make consistent job growth estimates 2006-16 for monitoring purposes. We assume that the Assembly would take this work forward with their Monitoring Advisory Group;
  - identifying those indicators relevant to monitoring **behavioural change**. Some relevant indicators are already identified against individual policies, e.g. growth in road traffic volume, and waste generation rates, but it could be useful to cross-reference their relevance to reducing the region's ecological footprint (Policy CC3);
  - identifying the components that would need to be monitored to assess progress in achieving **smart growth** (including productivity, activity rates, double jobbing, commuting patterns, albeit that some of these may only be available occasionally e.g. from Census data. These indicators would be added to support our

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<sup>1</sup> Core Output Indicators for Regional Planning, ODPM, March 2005 [In2]

<sup>2</sup> Including Strategic Health Authorities, NHF, Kent CC, Natural England, SEFS, FOE, CPRE, SE Protected Landscapes Matter 10B.1 statements

recommended new policy. Other consequential changes will of course be necessary as a result of our recommended policy deletions;

- indicating how the impact of new housing and other development on the integrity of the **Thames Basin Heaths** will be monitored, taking account of mitigation packages including SANGS and on-site access management measures.

28.10 Data sources could clearly be improved in some areas. In the short term we agree with the National Housing Federation that a priority should be finding better measures of new affordable housing provision. They suggest using the Housing Corporation's new Investment Management System, combined with the Regulatory Statistical Return required of all housing associations (see also paras 8.16, 8.33). It will also be important to agree a more realistic definition of urban areas in order to measure performance against the urban focus objectives of Policy CC8a, as discussed in the preparatory data meeting. In the longer term there are clearly data gaps to be filled, e.g. as the EA indicate on implementation of sustainable urban drainage systems, and Natural England on BAP priority habitats and species.

28.11 We appreciate that the Assembly has aimed to focus as many indicators on outputs and outcomes as possible, given the greater focus on implementation within RSS. We understand that the Assembly envisage a parallel process of monitoring the progress of infrastructure schemes identified in the Implementation Plan, and that an annual progress report will be compiled (Implementation Plan, para 7.3). We see merit in the results of infrastructure monitoring being linked to development monitoring either within the same AMR or within a parallel document produced to the same timescale.

## **PLAN MONITOR ANL MLNL L**

28.12 The PMM approach to housing provision is a concept that has been central to planning for several years. Throughout our report we have sought to strengthen the role of this RSS in providing a strong "plan" function, in order to provide clear long-term guidance. We are content that the proposed monitoring framework provides a sound basis for the "monitor" element, as discussed above. This section considers the "manage" element, which has been the most difficult element to operationalise and which has been a constant source of debate amongst practitioners since its introduction.

## **Managing Housing Delivery (Policy H2) L**

28.13 Policy H2 requires the preparation of Housing Delivery Action Plans to be updated regularly. These are intended as a way of identifying how Policy H1 housing levels are to be achieved, recognising barriers and actions to overcome them. In preparing such plans, local authorities are encouraged to work with GOSE, the Regional Assembly, public sector landowners, infrastructure providers and other agencies (D3, para 3.2).

28.14 Our conclusion on this policy is that it was ahead of its time when written, but that the need for it has now disappeared and it should be deleted. It was written against a background of historical underperformance against planned housing levels and we commend the Regional Assembly for anticipating some of the proactive mechanisms for coordinating and promoting housing delivery which have now become national policy. The requirement to produce and keep under review a housing trajectory, and to manage housing delivery through the processes set out in a housing implementation strategy is now enshrined in PPS3, paras 55 and 62-67.

- 28.15 However we agree with the HBF that the role of the Regional Assembly in coordinating this "manage" process should be made clearer. We accept that the primary responsibility for producing housing trajectories lies with individual local authorities, so that they take responsibility for housing delivery in their areas. Nevertheless it would be helpful for the final section of the Plan to identify the particular role of the Assembly to include:
- an advisory role to local authorities, particularly in the early stages of implementing the proactive mechanisms required by PPS3;
  - assistance in helping to remove blockages to housing delivery on major sites, e.g. acting as a bridge to central Government departments, liaising with the HA and other infrastructure providers;
  - interpreting the results from individual local authority trajectories for the overall delivery of housing at the regional and sub-regional scales for inclusion in the AMR;
  - setting out the actions to be undertaken at regional level where actual performance does not reflect the regional housing (and PDL) trajectories, and where relevant targets (PPS3, para 77, and see suggestions for an Action Plan below);
  - using the findings as input to the RSS review process.
- 28.16 PPS3 seeks to avoid underperformance of housing delivery through stringent requirements to identify sufficient housing land within a rolling five year programme, as well as through the active management measures referred to above. We agree with Pegasus<sup>3</sup> that there are inherent delays in responding to an emerging shortfall, e.g. where the five year supply of deliverable sites needs to be augmented by advancing the phasing of allocated sites, given the length of time to complete development plan procedures. Nevertheless we do not see a role for reserve sites to be identified at RSS level, as we have argued in relation to the South Hampshire and MKAV sub-regions.
- 28.17 The latest regional AMR shows that housing completions in 2006 are well above RPG9 levels and slightly above the level that we recommend for this RSS. In several of our area-based debates it was clear that this situation was forecast to continue over the next few years. As we argue at the end of Chapter 7 we do not think that this should precipitate any form of "rationing" of subsequent planning permissions. Completion levels will vary throughout the plan period and it is quite possible that rates will dip before the effect of new LDFs work their way through the system.
- 28.18 Many local authorities throughout the EiP were concerned that the stringent tests to be applied to windfalls in land calculations (PPS3, para 59) would lead to overprovision against RSS housing levels. In the light of these concerns we understand that GOSE and the Regional Assembly will be seeking clarification on this aspect, given that the provisions of this Plan have been based in part upon assumptions about a continuing contribution from windfalls as part of the urban potential work. We support this approach and have every confidence that a sensible outcome will be found (see also our para 7.54).
- 28.19 References to phasing in Policy H2 are expressed in a positive light to assist delivery and this is the emphasis that we would like to see reflected throughout the Plan, e.g. in Policy CC5. We acknowledge an important role for phasing to link development with local infrastructure and facilities, but this should be done through LDFs. There are several instances elsewhere in the draft Plan, particularly in the sub-regional strategies, whereby the rate of development is to be controlled or reduced if

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<sup>3</sup> Pegasus Matter 10B non-participant statement



infrastructure has not been provided (the conditional approach) or if job growth fails to achieve policy-led levels. We do not consider this is appropriate and have recommended at relevant places earlier in our report where it should be amended or deleted.

## **Other Management Actions L**

28.20 The draft Plan identifies a range of broader actions in addition to plan review that may need to be taken in response to monitoring, in addition to plan review discussed below (G, para 6.1). Perhaps the most important of these are where the Regional Assembly will take actions seeking to overcome obstacles to delivery or seeking to influence the quality of delivery e.g. the through producing good practice guidance. This greater emphasis on delivery and implementation is central to the RSS process.

28.21 We consider that it would be helpful for this range of actions to be included in the final section of the Plan, but with further elaboration on the actions that might be taken to influence delivery. Apart from those relating to housing in general as discussed above, this could include:

- seeking to augment mechanisms to increase affordable housing provision, including working more closely with the Regional Housing Board, and seeking to influence national funding regime;
- targeting economic interventions and regeneration funding on a common set of priorities through bringing together the RSS and RES Implementation Plans;
- developing the proposed Regional Infrastructure Fund to forward fund site infrastructure to remove blockages and kick-start other initiatives e.g. provision of SANGS in the TBH; and
- working with health, education, water and transport providers to align priorities.

28.22 We support the Regional Assembly's suggestion of producing an annual Action Plan which would follow the publication of the AMR to provide greater focus for all parties seeking to keep the plan on track. It envisages that this would follow publication of the AMR to allow agreement to be reached with partners and stakeholders on the basis of monitoring results. Existing Advisory Groups would presumably feature in this (G, para 6.1). A similar document used in the MKSM Growth Area was felt to have been useful by the EA.

## **SCOPE AND TIMING OF SUBSEQUENT REVIEWS L**

28.23 The need for any partial reviews of this RSS identified so far should be listed in the new final section, and for convenience, they are:

- local gypsies and travellers accommodation (D3, para 9.7, ongoing)
- primary aggregates apportionment (consultation draft papers now circulated<sup>4</sup>)
- employment land provision based on updated job estimates/targets (see our Recommendation 6.7). This would also allow policy included in an update of PPG4 to be taken into account.

28.24 The draft Plan has scattered references to policy areas which should be reviewed but is largely silent on the timescale within which this should take place, and whether these topics should be reviewed piecemeal or as part of a more general review of all or a

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<sup>4</sup> Partial Review of the Draft SE Plan: Revised Apportionment of Primary Land-Won Aggregates: Consultation Draft Project Plan & Statement of public participation, and SA Scoping Report, SEERA, February 2007 [Mr4a and 4b]

major part of the Plan. We do not envisage the need for a full review in the short term. In our opinion the Plan should set a clear strategy to endure for the longer term. Indeed the changes that we have sought to recommend to the strategy are intended to lengthen its applicability. A period of policy stability would then be helpful, particularly for the new sub-regional strategies to take effect, and for the provisions to cascade into LDDs, both core strategies and AAPs for major new development areas.

- 28.25 The necessity for an earlier review could be triggered by external circumstances, in particular changes in national policy, including a decision to proceed with a new runway at Heathrow and/or Gatwick (B, para 3.2 and D4, para 1.27), or a new national policy with far-reaching consequences such as on road user charging. New datasets as such, e.g. the more frequent national household projections that we understand CLG now intends to produce, would not automatically lead to an early review since they are only one of many factors to influence housing provision levels, as we discuss in Chapter 7. We find it difficult to envisage that shortfalls in the provision of essential infrastructure would trigger an early review, as some participants suggested.
- 28.26 We therefore recommend that the final section of the Plan should indicate that unless there are unexpected external circumstances or monitoring trends, that the next full review of key policies such as on housing provision levels should be in about five years in order to maintain adequate forward guidance for LDFs. It is not expected that such a review would necessitate major changes to the spatial strategy unless insuperable problems were revealed from compliance with the requirements of the Habitats Directive and Water Framework Directive. This review in five years time would allow:
- the performance of the Plan, and particularly progress towards achieving the objectives of the cross-cutting policies, to be assessed;
  - a response to the spatial implications of five key uncertainties, namely international responses to global warming, performance of the global economy, new production technologies, management of travel demand, and the pensions crisis (B, para 8.3) to be made;
  - a carbon emissions target for 2026 to be set no later than 2011 (Policy CC2), and any strengthening of other policies, including on transport, in the light of the latest evidence on climate change;
  - housing provision levels to be reviewed informed by the results of strategic housing market assessment work (taking on board PPS3), the best available post 2016 economic growth rates (B, para 7.4.3 and C, para 3.3.4), and an evaluation of labour market data, see our Recommendation 7.5;
  - more regionally specific guidance for leisure and office uses to be provided in a review on town centres (D9, para 1.23);
  - tourism policies to be reviewed in the light of any increased licensing of regional casinos (D10, para 5.5), initially understood to be relevant to Milton Keynes and Southampton.
- 28.27 The final section should also indicate that the Implementation Plan will be kept up-to-date as a supporting document to indicate how this RSS is to be delivered (see para 27.12).

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## COMMENDATIONS L

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### **Recommendation 28.1 L**

Flesh out the proposed system for monitoring the delivery of the sub-regional strategies. (para 28.4)

### **Recommendation 28.2 L**

Update indicators in those topics subject to recent Government guidance, but avoid adding a plethora of additional indicators. Distinguish which to use by considering whether RSS has a significant influence on that matter, and the feasibility of taking management action if deemed necessary by the monitoring result. (paras 28.7, 28.8)

### **Recommendation 28.3 L**

Make immediate improvements to the monitoring framework by:

- adding further targets to Table G1
- identifying those indicators relevant to monitoring behavioural change
- identifying the components that would need to be monitored to assess progress in achieving smart growth
- indicating how the impact of new housing and other development on the integrity of the Thames Basin Heaths will be monitored

(para 28.9)

### **Recommendation 28.4 L**

Work with the statutory agencies to improve data sources and in the short term find better measures of new affordable housing provision. (para 28.10)

### **Recommendation 28.5 L**

Delete Policy H2 on managing housing delivery since its content is now in national policy. (para 28.14)

### **Recommendation 28.6 L**

Identify the particular roles of the Assembly in the PMM function in the new Implementation, Monitoring and Review section of the Plan to include interpreting the results from individual local authority trajectories for the overall delivery of housing at the regional and sub-regional scales, and setting out the actions to be undertaken at regional level where actual performance differs. (para 28.15)

### **Recommendation 28.7 L**

Include an elaboration of management actions that may need to be taken in response to plan monitoring, in the final section of the Plan. (para 28.21)

### **Recommendation 28.8 L**

List the two partial reviews of RSS already underway, together with our proposed review of employment land provision, in the new final section. (para 28.23)

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**Recommendation 28.9 L**

Indicate in the final section of the Plan that unless there are unexpected external circumstances or monitoring trends, the next full review of key policies should be in about five years but that the spatial strategy is expected to endure. (para 28.26)

## **29 GFORMAG OF RG G**

Matter 10B.4

*This chapter sets out recommended improvements to the format of the draft Plan, re-iterating the changes to its structure and to the regional/sub-regional balance suggested earlier, and suggesting the need for greater cross referencing throughout. We suggest ways of improving clarity by using a 'punchier' presentational style, and succinctness including by reducing duplication between policies and contextual material.*

### **cG e of tbe Plan G**

- 29.1 Compiling a draft of the first new style RSS for such a big and pressurised region has been a challenging task, with the added complexity of the authorship being spread between the Regional Assembly and the principal authorities. Pitching the document at the right level to embrace some of the functions of previous structure plans has been complicated by the fact that the scope of LDFs is still being clarified. It is perhaps not surprising therefore that the draft Plan is a complex document extending to 350 pages with some 200 policies. The Regional Assembly fully appreciated that improvements could be made to its presentation, bearing in mind PPS11, paras 1.5, 1.7, and 1.17.
- 29.2 We have given our suggestions for improving the structure of the Plan in relevant parts of our report, and tabulated them in the form of a contents list in Appendix B1. For convenience our main suggestions are:
- providing greater focus in the early parts, including a dedicated section on the spatial strategy;
  - introducing a new section in Part E to provide a spatial profile for those parts of the region falling outside the sub-regions, including specific policies on those regional hubs located there;
  - introducing a new final chapter dealing with implementation, monitoring and review. The Implementation Plan currently Part F and the monitoring framework currently Part G would remain as separate documents, not formally adopted as part of RSS, which could be updated more regularly.

### **InGgGon of tbe Sub-Regional ContentG**

- 29.3 Discounting the preliminary sections, the balance between regional and sub-regional policy is about one third to two thirds. We agree with Sellwood Planning that having such a large sub-regional component risks confusing the Plan's main messages, although we appreciate that the greater locational and temporal specificity in some of the sub-regional strategies provides useful guidance for LDF work. The Regional Assembly admitted that the sub-regional strategies had turned out to be more comprehensive than it had originally intended. We have already advocated that the Plan is re-balanced by:
- slimming down the sub-regional policy content to its essentials, by deleting any duplication with regional policies. This requires a much stronger message that all cross-hash cutting and regional policies apply to each sub-region.
  - transferring into the regional sections any sub-regional policy which has been shown to have wider applicability, e.g. smart growth (WCBV5), Thames Basin Heaths (WCBV3 and 9, LF11).
- 29.4 We also consider that more judicious use of cross-referencing would assist the integration of the Plan. While we understand the opinion of those who emphasise that

the Plan must be read as a whole, with a document of this length and complexity, additional cross-referencing would assist. Our suggestion is that those regional policies of most applicability to a particular sub-region should be listed in a box at the start of that section. Additional cross referencing to national policy statements should also allow repetitious material to be deleted.

- 29.5 We made it clear at the examination that we did not favour standardisation of content within the sub-regional strategies. Each strategy should instead focus on those elements where a policy approach specific to that area is justified. Our presentational suggestions for improving the coherence of the sub-regional strategies are also given in Appendix B2. The first policy should give the core strategy, supplemented by an illustrative spatial strategy diagram. Thereafter the order should respond to the particular challenges of that area.

## **Clarity and Conciseness**

- 29.6 Like others, we have found some difficulty in navigating our way around the draft Plan. This task should become easier as the document becomes more succinct. Obvious improvements would be, as suggested by Pegasus Planning, for the inclusion of a policy index, and a system of unique paragraph numbers for each main section of the plan. This could take the form of a single digit system attached to the section number, e.g. D4.1; sub-headings would be unnumbered in such a system.
- 29.7 Understanding the housing provision levels applicable in each part of 'split districts' is a particular challenge for this Plan. The issue arises because of the system of sub-regions, which are a brave attempt to plan on broadly functional areas promoting work across the previously strong divides of county boundaries. Nonetheless for these to be of maximum use to guide subsequent LDF work, they need to be as clear as possible. Explanatory tables in our suggested new section covering areas outside the sub-regions should assist here.
- 29.8 There may be scope to reduce the RSS policy content further taking account of work done by DCSE, who had rated policies on their usefulness for subsequent LDF work, regional specificity and added value. Consideration could be given to:
- transferring into the background text that policy guidance which is a reminder of important subject areas for LDFs but contains no regionally specific detail. DCSE identified as examples Policies NRM7 on air quality and NRM8 on noise, although we note the Assembly's suggestions for strengthening the former as a result of the AA, and neither policy was included in our matters for examination;
  - transferring into the background text that policy content that could apply anywhere, e.g. Policy S2 on full life costing of public service facilities guidance;
  - removing policies which are merely statements of intent with no spatial guidance; and
  - reducing duplication between policies.
- 29.9 The main ways in which the background text could be simplified are by:
- deleting background text which describes the process by which that part of the Plan came into being and a reduction in contextual material. This will assist in providing a stronger focus on delivery.
  - transferring into the Implementation Plan the tables that identify delivery mechanisms and lead/support roles for each policy in some but not all of the sub-regional strategies except MKAV.

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## Graphics and Presentational Style

- 29.10 We commend the draft Plan for its visual interest, making good use of photos and contextual maps in the regional topic-based sections, and with policies clearly identified in coloured boxes. The missing element to our mind is a clear representation of the spatial strategy. We set out our recommendations for a more meaningful Key Diagram in Chapter 4<sup>1</sup>. To the Key Diagram would also be added the two additional spokes that we support, one in the East Kent and Ashford sub-region (Chapter 18) and one in WCBV (Chapter 21). We have also suggested that each sub-regional strategy should be accompanied by an illustrative strategy diagram, and in some cases we have indicated the information that it might contain (see para 4.46). Recommendations to improve Maps T1, CLM1 and TC1 can be found in our Chapters 9, 12 and 14 respectively.
- 29.11 SEFS and others drew attention to the much bolder presentation of the RES. We agree that there could be some transferable lessons, e.g. the use of text boxes for setting out key messages e.g. topic-specific objectives and/or sub-regional challenges, and the greater use of bulleted lists for issues to be considered in the sub-regional background text. But the RES has a greater advocacy element as well as a stronger focus on short term actions, so there is a limit to how much the 'headline' style approach could be used in the RSS.

## Policy Expression

- 29.12 We have indicated our preferred wording for those policies that we examined in detail in Appendix A. There are many other policies that were not the subject of debate. In some cases there will be knock on implications from our broader recommendations, e.g. for Policy W13 on landfill requirements from our discussion of London waste exports in Policy W3. Other suggestions were put forward by the Assembly as a result of further work, e.g. Policy T7 – freight parking amendment, or as a result of the AA, e.g. on Policy M3: Primary Aggregates.
- 29.13 There are a few policies which were not in our matters for debate, but which attracted some discussion at the examination. These have been noted in the relevant part of our report, and include
- Policy EN1 – renewable energy amendment suggested by the Regional Assembly (see para 5.30)
  - Policy RE1 – sectors and clusters(see para 6.92)
  - Policy BE7 – heritage amendment suggested by English Heritage and supported by others (see para 13.2).
- 29.14 It would be wrong for us to make recommendations on the detail of any policies that were not open for debate at the examination. But in taking account of the representations on the draft Plan, the Government may well make consequential amendments where policies are not deemed to add value to national guidance, or which transcend into LDF territory. DCSE suggested that this may be the case on some of the Tourism and Related Sport and Recreation policies.
- 29.15 Finally we note that there is some inconsistency in policy drafting throughout the draft Plan. It was generally agreed by participants that the opening statement in all policies should indicate the actions that the relevant parties “will” take rather than "should"

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<sup>1</sup> We also note minor policy cross-referencing errors in the Key Diagram legend on regional spokes, airports and ports

take. This signifies a partnership approach, rather than the Government imposing its centrist thinking as it might have done in old-style RPG. The latter phrasing was still felt to be appropriate where there was some uncertainty, and to indicate how a policy should be implemented.

## **RECOMMENDATIONS**

### **Recommendation 29.1 G**

Improve the structure of the Plan as set out in relevant parts of this report, and tabulated in the form of a contents list in Appendix B1. (para 29.2)

### **Recommendation 29.2 G**

Re-balance the Plan by slimming down the sub-regional policy content to its essentials, and transferring into the regional sections any sub-regional policy which has been shown to have wider applicability, and generally making more use of cross referencing and reducing duplication between policies. (paras 29.3, 29.4, 29.8)

### **Recommendation 29.3 G**

Improve the coherence of the sub-regional strategies, and improve understanding of housing provision levels in districts split by a sub-regional boundary, by adopting the presentational suggestions in Appendix B2 and B3 respectively. (paras 29.5, 29.7)

### **Recommendation 29.4 G**

Improve clarity by including a policy index, creating a system of unique paragraph numbers for each main section, making greater use of text boxes for setting out key messages and greater use of bulleted lists for issues to be considered (paras 29.6, 29.11)

### **Recommendation 29.5 G**

Improve consistency in the opening statement of policies by indicating the actions that the relevant parties "will" rather than "should" take. (para 29.15)