

<b>CABINET</b>	AGENDA ITEM No. 6.2
30 <sup>th</sup> March 2009	PUBLIC REPORT

Cabinet Member responsible:	Councillor M Collins, Cabinet Member for Strategic and Regional Partnerships and, Councillor G Murphy, Cabinet Member for Housing, Regeneration & Economic Development	
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**EAST OF ENGLAND REGIONAL SPATIAL STRATEGY REVIEW: CALL FOR SECTION 4(4) AND 5(5) ADVICE**

<b>R E C O M M E N D A T I O N S</b>	
<b>FROM :</b> Ben Ticehurst, Deputy Chief Executive	<b>Deadline date :</b> 30/03/2009
<p>It is recommended that Cabinet:</p> <ul style="list-style-type: none"> <li>• Approves the advice to the Regional Planning Body set out in annexes 1 and 2 on the forthcoming review of the East of England Regional Spatial Strategy, subject to any amendments it may wish to make.</li> <li>• Pursues discussions with other local authorities on the establishment of a sub-regional grouping or body to stimulate sub-regional growth and regeneration.</li> <li>• Pursues discussions with specialist and local groups on the potential opportunities that arise from growth and regeneration.</li> </ul>	

**1. ORIGIN OF REPORT**

- 1.1 This report is submitted to Cabinet following a referral from CMT on 10<sup>th</sup> March 2009.

**2. PURPOSE AND REASON FOR REPORT**

- 2.1 The purpose of this report is to enable the Cabinet to approve the City Council's advice to the East of England Regional Assembly on the forthcoming review of the Regional Spatial Strategy, and in compliance with sections 4(4) and 5(5) of the Planning and Compulsory Purchase Act 2004.
- 2.2 Annex 1 attached, sets out the recommended section 4(4) advice
- 2.3 Annex 2 attached, sets out the recommended section 5(5) advice.

- 2.4 This report is for Cabinet to consider under its Terms of Reference No. 3.2.3 To take a leading role in promoting the economic, environmental and social well-being of the area.

### 3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If Yes, date for relevant Cabinet Meeting	
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### 4. EAST OF ENGLAND REGIONAL SPATIAL STRATEGY REVIEW: CALL FOR SECTION 4(4) AND 5(5) ADVICE

#### Regional Spatial Strategy: Call for Section 4(4) advice

- 4.1 The East of England Plan is the Regional Spatial Strategy (RSS) for this region. It was published by the Government on 12th May 2008 and sets out regional planning policy to 2021. Policy IMP3 sets out the commitment to an early review of the RSS. The primary focus of the review is to roll the plan forward to provide for the 2021-2031 period and consider jobs and homes targets for 2011-2031.
- 4.2 The review is initiated by the East of England Regional Assembly (EERA), which is the regional planning body. They are required by section 4 of the Planning and Compulsory Purchase Act 2004 to seek advice from strategic planning authorities (including Peterborough City Council) at the outset. The main requirement of the call for advice is to test a range of housing growth scenarios as required by Government, and to test the employment range provided through EERA and East of England Development Agency (EEDA). Section 4(4) authorities are required to assess the implications of achieving the growth implied by four scenarios.
- 4.3 The first of the scenarios sets out a continuation of current RSS Residual housing growth rates beyond 2021 to 2031. Two further scenarios are based on the 'lower' and 'upper' end ranges of the housing requirements of the English regions, as advised by the National Housing and Planning Advice Unit (NHPAU) to central government in June 2008. These are informed by national household projections as well as assessments of 'affordability ratios', which relate lower quartile employee earnings to lower quartile house prices. The final housing growth scenario is linked to gross value-added (GVA) growth as set out in the Regional Economic Strategy (RES).

#### Growth Scenarios for Peterborough to 2031

- 4.4 Current situation
- Population 163,000 (mid-2007)
  - Dwelling stock 73,624 (2007)
  - 8,853 dwellings committed at April 2007
  - 18,750 new dwellings proposed in the Core Strategy
  - 99,700 jobs (2007)
  - RSS targets: 25,000 additional dwellings and 20,000 new jobs to 2021
- 4.5 Implications of the GVA Growth Scenario (2007 – 2031)

- 675 dwellings per annum (total 16,200 additional dwellings ) (22% increase in dwelling stock)
  - Population 188,700 (mid-2031)
  - Dwelling stock 89,830 (2031)
  - Approx. 13,000 additional jobs (2007 – 2031)
- 4.6 Implications of the Current RSS plus residual Scenario (2007 – 2031)
- 1440 dwellings per annum (total 34,560 additional dwellings ) (47% increase in dwelling stock)
  - Population 227,200 (mid-2031)
  - Dwelling stock 108,180 (2031)
  - Approx. 27,700 additional jobs (2007 – 2031)
- 4.7 Implications of the Lower End NHPAU Scenario (2007 – 2031)
- 1560 dwellings per annum (total 37,440 additional dwellings ) (51% increase in dwelling stock)
  - Population 233,300 (mid-2031)
  - Dwelling stock 111,060 (2031)
  - Approx. 30,000 additional jobs (2007 – 2031)
- 4.8 Implications of the Higher End NHPAU Scenario (2007 – 2031)
- 1865 dwellings per annum (total 44,760 additional dwellings ) (61% increase in dwelling stock)
  - Population 248,600 (mid-2031)
  - Dwelling stock 118,380 (2031)
  - Approx. 36,000 additional jobs (2007 – 2031)
- 4.9 The GVA scenario  
This scenario implies the completion of an average of 675 additional dwellings each year. This is un-ambitious; would perpetuate existing difficulties; and would not make the best use of the economic and environmental opportunities offered by the city.
- 4.10 The RSS plus Residual Figure Scenario  
The existing Regional Spatial Strategy requires Peterborough to deliver at least 25,000 additional dwellings over the 20 year period, 2001 – 2021. This works out as an average of 1,250 per year. Significant work has been undertaken through the development of the Peterborough Core Strategy to understand and deliver the growth suggested by this figure to 2026. The Core Strategy has identified that 27,600 dwellings are needed to 2026.
- 4.11 The annual figures for this scenario are believed to be attainable in normal economic circumstances. This will require considerable intervention in infrastructure provision, economic development and implementation but whilst challenging they are capable of delivery. The evidence provided by the Integrated Growth Study (IGS) for the Core Strategy and the policies in the Core Strategy itself demonstrate how this scenario can be achieved spatially and sustainably. The major change that has occurred since the publication of the latter is the depth and severity of the economic downturn. It is now clear that the 1,440 housing completions and 1,047 jobs required per annum in this scenario is unlikely to be produced in the next few years. To achieve sustainable growth Peterborough needs to position itself so that it can react swiftly and positively to the up turn in the economy when it occurs. This

requires it to secure maximum investment in both infrastructure and the skills to ensure delivery can be achieved.

4.12 The Lower NHPAU Scenario

This scenario requires the identification of land for approximately 10,000 additional dwellings beyond that identified in the Core Strategy. This scenario raises similar issues as the higher NHPAU scenario but to a lesser severity. Strategic policies may effectively meet the level of growth required by this scenario but this is unlikely to be for some years. The economic downturn and reduction in housing completions also present a challenge in the short to medium term to deliver dwellings. Current guidance requires any shortfall in housing to be made up in subsequent years. This residual could present a challenging average annual completion rate.

4.13 The Higher NHPAU Scenario

The GVA scenario illustrates the significant difficulties highlighted in the research on the Peterborough economy. A considerable amount of intervention will be needed if the situation is to be improved. This scenario assumes a local economy of unprecedented buoyancy throughout the 24 year planning period; whilst, with further intervention, it is considered that additional growth can be accommodated, the completion of 1,865 dwellings (as a minimum) every year from 2007 to 2031 is unlikely to be matched by the provision of infrastructure and housing demand.

4.14 Peterborough City Council recommended option

Peterborough continues to aspire to grow to address housing need and affordability and to realise the potential of its strategic location. It is clear that the economic downturn is leading to a decline in housing delivery rates both regionally and nationally. There is uncertainty regarding the duration of the economic downturn and the implications on Peterborough, but it is understood that there will be a decline in local delivery rates in the short to medium term.

4.15 Peterborough therefore proposes a scenario of approximately 30,000 dwellings 2007-2031. This allows for an initial decline in house building targets for approximately four years, followed by a gradual increase. As policy intervention and strategic mechanisms become effective, the RSS Residual annual average delivery figure of 1440 would be reached.

4.16 It is Peterborough City Council's long term aspiration to accommodate growth. If monitoring demonstrates that strategic interventions and delivery mechanisms are successful and suggest higher delivery rates are possible, a review of the target should be undertaken to explore a potential increase towards the lower NHPAU scenario of 1440 – 1560 average annual net completions.

4.17 Achieving the recommended scenario and further growth would require policy intervention and the consideration of alternative delivery mechanisms. A greater understanding of the necessary interventions will emerge as the studies currently being undertaken to support the Core Strategy are completed.

4.18 Delivery requirements and mechanisms of the recommended option

4.19 Vision

To increase the demand for housing and employment, Peterborough must be an attractive location in which to live and invest. Considerable efforts are being

undertaken to increase this demand whilst promoting Peterborough as the Environment Capital. A regeneration company (Opportunity Peterborough), in partnership with the Council and the Greater Peterborough Partnership, has been striving to complete this aim. We await government criteria to establish a benchmark for this aspiration.

#### 4.20 Spatial Implications

The Core Strategy, incorporating the findings of the Integrated Growth Study (IGS), identifies broad strategic locations for 27,600 dwellings until 2026. Achieving additional growth would require the identification of suitable land to accommodate employment and approximately 2,400 additional dwellings. This will depend on the availability of sites. As brown field sites are being developed through the current strategy, some of this growth will need to be accommodated on green field sites. There are known constraints to the East (flooding) and North (high-pressure gas pipe) of the City, leaving options to be considered to the South and West and within the existing city area and villages. With Hampton and the planned urban extensions, Great Haddon, Norwood and the employment site of Redbrick farm taking place in the south and east of the city, the west and north-west of the city are likely to be options for further consideration to accommodate growth. However, further investigation to understand the implications of growth in these areas would be required.

#### 4.21 Infrastructure

To support additional growth, there is a requirement to ensure the timely delivery of supporting water, transport, social and community infrastructure. Studies including the Water Cycle Study, Long Term Transport Study and Energy study are being undertaken to improve our understanding of the infrastructure requirements and the planning processes of other sectors. As these requirements become known they are being collated in the Integrated Development Programme (IDP) which seeks to co-ordinate the delivery of infrastructure. Some infrastructure requirements will vary depending upon the spatial distribution of development, but a fundamental principle of further growth is the requirement for investment in infrastructure from Government and its agencies.

#### 4.22 There is a critical need to work in partnership with the new Homes and Communities Agency to remove the obstacles to implementation caused by the existence of Community Related Assets land around so many of the City's potential development sites.

#### 4.23 Employment led

To support additional growth there will be a need to attract a large number of additional jobs, particularly in the high quality sector. There are measures underway, including the development of a university that will contribute to this. However, opportunities to provide these facilities upfront through alternative sources of funding should be explored.

#### 4.24 Rate of delivery

Based upon recent housing completion trends, the delivery of houses in a large quantity will be challenging by current mechanisms, particularly in the current economic climate. It is acknowledged that housing associations and private companies will continue to play a role in the delivery of housing; however, intervention of a more strategic nature may be required to 'kick start' house building in larger quantities.

- 4.25 Peterborough has a history of being able to attract and deliver growth. In order to attract growth in the current period there is a need to not only to build houses and employment properties, but also to provide the necessary infrastructure. The Development Corporation along with a successful advert campaign 'The Peterborough Effect' was able to assist the city to grow considerably. The use of a similar delivery vehicle should be investigated to enable PCC to achieve its future growth aspirations.
- 4.26 Further work is required to establish how a larger Peterborough could attract even better services, facilities and opportunities for existing residents and businesses.
- 4.27 Regional Settlement Study  
EERA commissioned ARUP to carry out a study to investigate the merits of a new regional scale settlement and identify the most appropriate location(s) within the East of England where such settlement(s) could be accommodated. The study concludes that Cambridge, Norwich and Chelmsford could be suitable locations for regional scale growth that will help them to become 'Regional Cities' able to compete better with other bigger cities elsewhere in the UK. Ipswich, Colchester and Bury St Edmunds are identified as the other Key Centres with the potential to accommodate regional scale growth. It is assumed that growth at these locations would be more limited and would likely take the form of urban extensions. The report also identifies possible locations for a new regional scale development and Huntingdon/Alconbury and Braintree are suggested as the strongest options out of the six possible locations.
- 4.28 Peterborough is included in the Trend Key Centres category where it is assumed that growth will follow existing market and policy driven trends. Peterborough is in the growth area and will be growing considerably in the future. The key role played by Peterborough in delivering growth in the East of England is not recognised in the study. Considering Peterborough's location and growth potential, it should be considered along with Cambridge, Norwich and Chelmsford as a suitable location for regional scale growth.
5. Regional Spatial Strategy: Call for Section 5(5) advice
- 5.1 Under section 5(5) of the Planning and Compulsory Purchase Act 2004, PCC is required as a strategic planning authority to provide advice to EERA on whether Peterborough should be considered as a sub-region with sub-regional policies in the RSS (East of England Plan).
- 5.2 Studies have identified a coherent and functional sub-region around Peterborough and a boundary has been identified. A study by Fordham Research (2008) on the Housing Market has also confirmed a sub-region based around Peterborough. There are housing, transport, employment, regeneration and education issues in the sub-region that are not addressed in the general RSS policies. Specific policies are required to tackle issues in the sub-region. However effective implementation is hampered by the sub-region spanning across the regional boundary, and there being no functioning arrangement to manage delivery.
- 5.3 In order to tackle these issues a sub-regional body should be pursued as a mechanism to encourage effective cross boundary working. Peterborough sub-region, therefore, meets the criteria set out in Planning Policy Statement 11 (PPS11) for establishing a sub-region in the RSS.

## **6. CONSULTATION**

- 6.1 A Conference was held on 12<sup>th</sup> December 2008 in the Town Hall, Peterborough. This involved key stakeholders, developers, neighbouring local authorities etc. The outcome of this event has helped to formulate the recommended advice.
- 6.2 The issue has been considered by the Local Development Framework Scrutiny Group on 15 January 2009, on behalf of Scrutiny Committee and its Panels.

## **7. ANTICIPATED OUTCOMES**

- 7.1 It is anticipated that Cabinet will approve advice to the Regional Assembly to assist them in preparing the review of the Regional Spatial Strategy.

## **8. REASONS FOR RECOMMENDATIONS**

- 8.1 The provision of advice is a statutory requirement under the Planning and Compulsory Purchase Act 2004

## **9. ALTERNATIVE OPTIONS CONSIDERED**

- 9.1 The alternative option is not to provide EERA with advice. This is rejected because the Council would not be fulfilling its statutory requirement.

## **10. IMPLICATIONS**

- 10.1 Legal: The implications are included within the report.
- 10.2 Financial: There are no financial implications arising directly from the provision of the advice to EERA referred to in this report. The financial implications arising from the delivery of growth will continue to be modelled through the council's budget planning process.

## **11. BACKGROUND DOCUMENTS**

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985: None

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